KAPCO

ANNUAL REPORT 2026

KOT ADU POWER COMPANY LIMITED

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KEY FIGURES

Profit before levy and income tax

Rs. **3,830** Million

Profit after Tax

Rs. **2,520** Million

Earnings per Share

Rs. **2.86**

COMPANY INFORMATION

Board of Directors

Lt. General (Retd) Muhammad Saeed
(Chairman)

Mr. Waqar Ahmad Khan[1]
(Chief Executive)

Mr. Aqeel Ahmed Nasir
Mr. Hafiz Muhammad Yousaf
Mr. Saad Iqbal
Mr. Naveed Asghar Chaudhry
Ms. Mahwish Humayun Khan
Mr. Khawaja Khalil Shah
Mr. Muhammad Arfan

Audit Committee

Mr. Hafiz Muhammad Yousaf
(Chairman)

Mr. Saad Iqbal
Mr. Naveed Asghar Chaudhry
Mr. Khawaja Khalil Shah
Mr. Muhammad Arfan

HR Committee

Ms. Mahwish Humayun Khan
(Chairperson)

Mr. Aqeel Ahmed Nasir
Mr. Hafiz Muhammad Yousaf
Mr. Naveed Asghar Chaudhry
Mr. Muhammad Arfan

Investment Committee

Mr. Naveed Asghar Chaudhry
(Chairman)

Mr. Aqeel Ahmed Nasir
Mr. Hafiz Muhammad Yousaf
Mr. Saad Iqbal
Mr. Khawaja Khalil Shah

Special Committee

Mr. Muhammad Arfan
(Chairman)

Mr. Aqeel Ahmed Nasir
Mr. Naveed Asghar Chaudhry
Mr. Saad Iqbal

GM Finance/CFO

Mr. Muhammad Masood

Company Secretary / Head Legal Counsel

Mr. A. Anthony Rath

Chief Internal Audit

Mr. Muhammad Umer Javaid Ansari

Auditors

A. F. Ferguson & Co.
Chartered Accountants

Legal Advisor

Cornelius, Lane & Mufti

[1]Appointed Chief Executive on July 1, 2026

Banks

Conventional

Askari Bank Limited
Bank Al-Habib Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
MCB Bank Limited
National Bank of Pakistan
Standard Chartered Bank (Pakistan) Limited
United Bank Limited

Islamic

AlBaraka Bank (Pakistan) Limited
Askari Bank Limited-IBD
Bank Alfalah Limited
Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited
Meezan Bank Limited
National Bank of Pakistan-IBD
The Bank of Punjab-IBD

Share Registrar

THK Associates (Private) Limited
Plot No. 32-C, Jami Commercial Street 2
DHA, Phase-VII

Karachi 75500, Pakistan

Tel: +92 (0)21 111 000 322
Fax: +92 (0)21 34168271

Registered Office

Office No. 309, 3rd Floor, Evacuee Trust Complex
Agha Khan Road, F-5/1, Islamabad, Pakistan

Corporate Office

5 B/3, Gulberg III
Lahore 54660, Pakistan
Tel: +92 (0)42 3577 2912-6
Fax: +92 (0)42 3577 2922

Power Project

Kot Addu Power Complex, Kot Addu
District Muzaffargarh, Punjab, Pakistan
Tel: +92 (0)66 230 1047-9
Fax: +92 (0)66 230 1025

E-mail info@kapco.com.pk
Website www.kapco.com.pk

VISION

To be a leading power generation company, driven to exceed our shareholders' expectations and meet our customer's requirements

MISSION

To be a responsible corporate citizen

To maximise shareholders' return

To provide reliable and economical power for our customer

To excel in all aspects relating to safety, quality and environment

To create a work environment which fosters pride, job satisfaction and equal opportunity for career growth for the employees

NOTICE OF 30TH ANNUAL GENERAL MEETING

Notice is hereby given that the 30th Annual General Meeting of Kot Addu Power Company Limited will be held at Movenpick Hotel Centaurus, Jinnah Avenue (Sector F-8/4), Islamabad and through video link on Monday, October 26, 2026 at 10.30 a.m. to transact the following business:

ORDINARY BUSINESS

1. To confirm the Minutes of the 15th Extraordinary General Meeting of the Company held on July 13, 2026.
2. To receive, consider and adopt the Annual Audited Accounts of the Company for the year ended June 30, 2026 together with Directors' and Auditor's Reports thereon.
3. To approve the final cash dividend of Rs. 1.50 per share, that is, 15% for the year ended June 30, 2026 as recommended by the Board of Directors. This is in addition to the interim dividend of Rs. 1.50 per share, that is, 15% already paid making a total cash dividend of Rs. 3.00 per share, that is, 30% for the year.
4. To appoint Auditors and fix their remuneration for the year ending June 30, 2027. The present Auditors, Messrs. A. F. Ferguson & Co., Chartered Accountants being eligible, offer themselves for reappointment.
5. To transact any other business with the permission of the Chairman.

By Order of the Board

A. Anthony Rath
Company Secretary

Lahore
September 11, 2026

Notes:

1. **Closure of Share Transfer Books**

   The share transfer books of the Company will remain closed from October 20, 2026 to October 26, 2026 (both days inclusive). Transfers received in order at the office of the Company's Share Registrar, THK Associates (Private) Limited at the close of business on October 19, 2026 will be treated in time for the purposes of payment of the final cash dividend (subject to approval of the members) and to attend and vote at the Meeting.

2. **Appointment of Proxy**

   A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote on his/her behalf, provided such proxy is also a member.

3. An instrument of proxy and the Power of Attorney or other authority (if any) under which it is signed, or a Notary Public certified copy of such Power of Attorney, in order to be valid, must be deposited with the Company's Share Registrar, THK Associates (Private) Limited not later than (48) forty-eight hours before the time of holding the Meeting.

4. **CDC Account Holders**

   CDC account holders in addition are required to follow the guidelines of Circular No.1 dated January 26, 2000 of the SECP for attending the Meeting:

(i) In case of individuals: The account holder or sub account holder and / or the person whose securities are registered on CDS; and their registration details are uploaded as per the regulations, shall authenticate his/her identity by showing his/her original Computerized National Identity Card ("CNIC") or original passport at the time of attending the Meeting. Members are also required to bring their Participants' I.D. Number and Account Numbers in CDS.

(ii) In case of a corporate entities: Board of Directors' Resolution / Power of Attorney with specimen signature of nominee shall be produced (unless it has been provided earlier) at the time of the Meeting.

5. A Proxy Form, both in English and Urdu language, is being separately sent to members along with the Notice of Meeting.

6. Notice of Meeting as well as Proxy Form in English and Urdu languages have been placed on the Company's website (www.kapco.com.pk).

7. **Video Conference Facility and Attendance**

To attend the Meeting virtually, a member is required to send an email to general.meetings@kapco.com.pk with email address, name, folio number, CNIC and number of shares held in his/her name with subject "Registration for 30th AGM of KAPCO". A video link to join the meeting will be shared with a member whose email, containing all the required particulars, are received not later than 48 (forty-eight) hours before the time of the meeting.

8. **Availability and Transmission of Annual Audited Financial Statement**

In accordance with Section 223 of the Companies Act, 2017, and pursuant to S.R.O. 389(I)/2023 dated March 21, 2023, the financial statements of the Company have been uploaded on the website of the Company which can be downloaded from the following web link and QR enabled code:

https://www.kapco.com.pk/?page_id=54

9. **Change of Address**

Members are requested to immediately notify change of address to the Company's Share Registrar at the following address:

THK Associates (Private) Limited
KAPCO Share Registrar
Plot No. 32-C, Jami Commercial Street 2
Phase VII, DHA
Karachi, 75500, Pakistan

10. **Prohibition of Gift**

In view of prohibition under Section 185 of the Companies Act, 2017, the Company does not distribute gifts in any form to its members in the general meetings.

Important Notes to the Members

1. **CNIC Copy**

Members are requested to submit a copy of their valid CNIC (only physical members), if not already provided to the Share Registrar of the Company. Corporate account holders should submit National Tax Number, if not yet submitted. In case of non-submission of CNIC/NTN Certificate (copy), all future dividends will be withheld till provision of these documents.

2. **E-Dividend (Mandatory)**

In accordance with the provisions of Section 242 of the Companies Act, 2017 and E Dividend Regulations of the SECP through S.R.O. 1145(1)/2017 dated November 6, 2017, it is mandatory for the Company to pay cash dividend to the members only through electronic mode directly into the bank account designated by the Member.

In order to receive dividends directly into bank accounts, members are requested to fill in Dividend Mandate Request Form available at Company's website www.kapco.com.pk and to send the same duly signed along with copy of CNIC to the Company's Share Registrar, in case of physical shares. In case the shares are held on the CDS, the Form required to be submitted directly to the Member's broker/participant/CDC Account Services.

In case of non-compliance, the Company will be constrained to withhold payment of dividend to such Member.

3. **Unclaimed Dividend**

The Company has previously discharged responsibility under Section 244 of the Companies Act, 2017 whereby the Company approached such members to claim their unclaimed dividend in accordance with the law.

Members, whose dividends are still unclaimed, are hereby once again advised to approach the Company to claim their outstanding dividend amounts. An updated list of unclaimed dividends is available on the Company's website www.kapco.com.pk.

4. **Centralized Cash Dividend Register (CCDR)**

Central Depository Company ("CDC") has developed Centralized Cash Dividend Register ("CCDR"), an eServices web portal which would incorporate details pertaining to cash dividends paid, unpaid or withheld by listed companies. The CCDR will help to maintain history of dividends paid to members by listed companies and access of all such information will be provided to the respective members. The web portal will facilitate members of listed companies in retrieving details of cash dividends from the centralized register and using the same for their record purposes.

You may access CCDR via https://eservices.cdcaccess.com.pk. In addition, the Dividend/Zakat & Tax Deduction Report can also be obtained directly from your Participant (stock broker) which has been provided to them on their CDS terminals.

5. Conversion of Physical Shares into CDS

In compliance with the requirements of Section 72 of the Companies Act, every existing listed company is required to replace his/her physical shares with book-entry form in a manner as may be specified and from the date notified by the SECP, within a period not exceeding four years from the commencement of the Companies Act, that is, May 30, 2017.

Members having physical share certificates are requested to convert their shares from physical form into book entry form as early as possible. It would facilitate the members in many ways including safe custody of shares, no loss of shares, avoidance of formalities required for issuance of duplicate shares and readily available for sale and purchase in open market at better rates.

6. Deduction of Income Tax from Dividend under Section 150

The Government of Pakistan through Finance Act, 2019 made certain amendments to Section 150 of the Income Tax Ordinance, 2001 whereby different rates have been prescribed for deduction of withholding tax on the amount of dividend paid by the companies in the following manner:

For Active tax payers	15%
For non-active taxpayers	30%

Active taxpayers should ensure that their names duly appear on the Active Tax Payers List (ATPL) of the Federal Board of Revenue (FBR). You may visit the FBR website for assistance. Should the name of a member be absent on the ATPL, the Company will be constrained to deduct tax at 30% notwithstanding that such member may be an income tax filer.

In case of joint accounts, FBR has clarified that withholding tax will be determined separately on 'Active/Non-Active' status of principal members as well as joint-holder(s) based on their shareholding proportions. Members holding shares jointly are advised to provide shareholding proportions of principal member and joint-holder(s) in respect of shares held by them, if not already provided, at the earliest to the Share Registrar on the following format, otherwise it will be assumed that share are held in equal proportion:

Company Name	Folio/CDS Accounts Number	Total Shares	Principal Shareholder		Joint Shareholders	
			Name & CNIC	Shareholding proportions (No. of Shares)	Name & CNIC	Shareholding proportions (No. of Shares)

In another clarification by FBR, valid tax exemption certificate for claim of exemption under section 150, 151 and 233 of the Income Tax Ordinance, 2001 is required where statutory exemption under clause 47B of Part-IV of the Second Schedule is available. Such certificate U/S 159(1) of the Income Tax Ordinance, 2001 issued by concerned Commissioner of Inland Revenue is to be produced to avail tax exemption.

Corporate members having CDC accounts are required to provide their National Tax Number (NTN) to their participants. Corporate physical members should send a copy of their NTN certificate to the Share Registrar. Members while sending NTN or NTN certificates, as the case may be, must quote company name and their respective Folio Numbers.

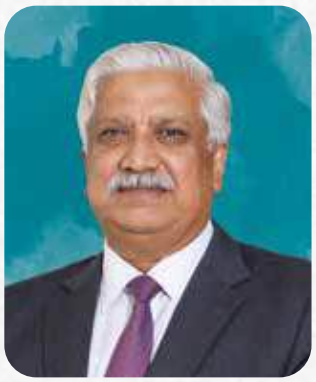
7. Circulation of Annual Audited Financial Statements through QR Enabled Code

Annual Financial Statements of the Company for the financial year ended June 30, 2026 have been placed on the Company's website (www.kapco.com.pk).

SECP vide its SRO No.389(1)1/2023 dated March 21, 2023 has allowed companies to circulate Annual Audited Financial Statements along with notice of general meeting to its members through QR enabled code at their registered addresses.

Notwithstanding the above, the Company will provide hard copies of the Annual Report, 2026, to any member on their request at their registered address within one (1) week of receiving such request.

BOARD OF DIRECTORS



Lt. General (Retd) Muhammad Saeed (Chairman)

Lt. General (Retd) Muhammad Saeed, HI (M) has been appointed Director on August 15, 2025 and elected Chairman Board of Directors, on even date. He is also the Chairman of the Pakistan Water & Power Development Authority.

General Saeed got commissioned in an Infantry Battalion on April 13,1987. He is a graduate of Command and Staff College, Quetta and National Defence University, Islamabad. During his illustrious military career, he was employed on various command, staff and instructional appointments to include Brigade Major of an Independent Infantry Brigade, Deputy Assistant Military Secretary and Staff Officer to Military Secretary at Military Branch, Private Secretary to Chief of Army Staff and Director General Analysis at Inter-Services Intelligence. He has served on the faculty of School of Infantry and Tactics Quetta, Pakistan Military Academy Kakul and Command and Staff College Quetta. He has also been the President National Defence University, Islamabad.

General Saeed has commanded his parent unit, an Infantry Brigade, an Infantry Division, Pakistan Rangers (Sindh) and 5 Corps in Karachi. He served as Chief of General Staff at General Headquarters and finally served as National Coordinator of Special Investment Facilitation Council before his retirement. The Government of Pakistan awarded him Hilal-i-Imtiaz in recognition of his contributions during Operation "Bunyan-um-Marsoos" and Marka-e-Haq.

Mr. Waqar Ahmad Khan (Chief Executive)

Mr. Waqar Ahmad Khan was appointed Chief Executive on July 1, 2026. Prior to this appointment, he served as Chief Executive of National Power Parks Management Company Limited, Rousch (Pakistan) Power Limited, and Star Hydro Power Limited, where he successfully led large-scale thermal and hydropower generation companies. His professional career also includes senior leadership positions at Star Power Generation Limited and WAPDA, providing him with extensive experience in corporate governance, strategic leadership, power generation and utility management.

Mr. Khan is a seasoned power sector professional with over 30 years of leadership and technical experience in Pakistan's energy sector. He holds a BSc in Electrical Engineering from the NWFP University of Engineering & Technology, Peshawar, an MSc in Control & Information Technology from the University of Manchester, United Kingdom, and an MBA from the Lahore University of Management Sciences, Lahore.

Mr. Khan has been invited as speaker at international energy forums in the United States, China, Singapore, South Korea, and other countries, addressing regulatory, policy, and macroeconomic issues of the energy industry.

Mr. Aqeel Ahmed Nasir (Director)

Mr. Aqeel Ahmed Nasir has been a Director since March 2015. Mr. Nasir is the Company Secretary & Chief Legal Counsel of United Bank Limited (UBL). Mr. Nasir has to his credit more than 20 years experience in the legal and financial sector of both the public and private sector.

Mr. Nasir is a Master of Laws (LL.M.) from the University of London, England. He is the Chairman of Central Depository Company of Pakistan Limited (CDC). He is also a Director on the Board of Directors of UBL Currency Exchange Limited and Pakistan Railways Freight Transportation Company (PRFTC). His previous employments include Sui Southern Gas Pipelines Company Limited, Pakistan PTA Limited and ICI worldwide Group Company.

Mr. Hafiz Mohammad Yousaf (Director)

Mr. Hafiz Mohammad Yousaf has been Director since June 21, 2019. Mr. Yousaf is a highly qualified professional having diversified qualifications from the renowned Institutions of Pakistan, USA, and Canada. He is a Fellow Member of the Institute of Chartered Accountants of Pakistan (ICAP), Fellow Member of American Institute of Certified Public Accountants (AICPA) and Member of Canadian Institute of Chartered Professional Accountants (CICPA) besides being member of many other renowned international professional institutions.

Mr. Yousaf possesses over three decades of diversified post qualification experience as a Chartered Accountant, (including two decades at a Big 4 accounting firm as Partner/Country Leader Consulting). His core areas of specialization are corporate finance and restructuring, corporate compliance and regulations, governance and oversight, assurance, consulting and financial advisory services. He has handled, directed and managed a wide variety of complex professional assignments for private and public sectors, national and international entities.

Mr. Yousaf has the honor of serving the council of ICAP for eight years (2009-17) in various leadership positions including being its President for 2015-16 term and represented Pakistan on various prestigious international forums including International Federation of Accountants (IFAC), International Accounting Standard Board (IASB), Asian Oceana Standards Setters Group (AOSSG), CA Worldwide (CAW) and South Asian Federation of Accountants for many years on different meetings and conferences. He has also served on the Boards of State Bank of Pakistan (SBP), and Securities and Exchange Commission of Pakistan (SECP) including chairing their Audit and Oversight Committees respectively besides being part of many other important committees of the Boards. Currently he is also a Board Member of SAMBA Bank Limited, Pakistan Security Printing Corporation, Security Papers Limited and Security General Insurance Company Limited.

Mr. Saad Iqbal (Director)

Mr. Saad Iqbal has been Director of the Company since November, 2016. Mr. Saad Iqbal brings over 10 years of strategic leadership, operational excellence, and visionary thinking to the organization. He started his career from his family business; under his leadership and direction the group of companies expanded to many renewable ventures. His dedication to continuous learning is evident through his acquisition of several certificates from esteemed institutions. With a proven track record of driving sustainable growth and fostering innovation, he has successfully led cross-functional teams, expanded market presence, and built strong stakeholder relationships. Mr. Saad Iqbal is known for his ability to align business objectives with long-term vision, ensuring both profitability and positive impact. Under his leadership, the company has achieved significant milestones, reinforcing its position as an industry leader. He is currently adding value to many listed businesses as CEO in Filters Pakistan (Pvt) Limited, Metro Wind Power Limited and Metro Solar Power Limited & Director in Gul Ahmed Energy Limited, Hub Power Company Limited, Metro Power Company Limited, Tariq Glass Industries Limited and Millat Tractors Limited. Passionate about empowering people and embracing change, Mr. Saad Iqbal continues to steer the organization toward new opportunities and greater success.

Mr. Naveed Asghar Chaudhry (Director)

Mr. Naveed Asghar Chaudhry has been Director since February 19, 2020. He is Fulbright Scholar and has done his MS in Finance and MA in Economics from Georgia State University, USA and an MBA from Australian National University. In addition, he has a BS in Electrical Engineering from University of Engineering & Technology Lahore. He belongs to the Pakistan Audit & Accounts Service and possesses more than 18 years of professional working experience. During his career he has served at senior positions including Director of a Department of the Auditor General of Pakistan, Economic Specialist at US Consulate General Karachi and Directing Staff at Civil Services Academy, Lahore.

He is a Member Finance of the Pakistan Water and Power Development Authority (WAPDA). Mr. Asghar is also a Director on the Board of Directors of Neelum Jhelum Hydropower Company Limited, Diamer Basha Dam Company and First Credit and Investment Bank Limited. He is Member of American Economic Association, member of American Finance Association and Member of Pakistan Engineering Council.

Mr. Khawaja Khalil Shah (Director)

Mr. Khawaja Khalil Shah has been elected Director of the Company on October 2, 2024. Khawaja Khalil Shah is currently the Chief Executive Officer of MCB Investment Management Limited which he joined in November 2023. He has around 35 years of extensive banking experience in corporate business development and risk management. Before his current role at MCB Investment Management Limited, he served as Chief Risk Officer at MCB Islamic Bank Limited, where he was instrumental in developing and implementing risk management framework from scratch. In his tenure as Business Head-Portfolio Management in the Wholesale Banking Group at MCB Bank Limited, he successfully managed large portfolios, driving significant business growth and fostering strong client relationships.

Khalil has also held key positions at Al-Faysal Investment Bank and Faysal Bank Limited, where he contributed to the development and execution of strategic initiatives that enhanced the banks' market positions. He has also worked at Union National Bank, Abu Dhabi on corporate relationship management side. His extensive experience in both conventional and Islamic banking has equipped him with a unique perspective and a comprehensive understanding of the banking and financial sectors. He holds an MBA degree from Lahore University of Management Sciences.

Ms. Mahwish Humayun Khan (Director)

Ms. Mahwish Humayun Khan has served on the Board of Directors of Kot Addu Power Company (KAPCO) since 2021 and is the Chairperson of the HR Committee. She brings more than 12 years of leadership experience in corporate governance, financial oversight, and strategic communications across the energy, development, and multilateral sectors.

In addition to her role at KAPCO, Mahwish has advised several United Nations agencies, including the UN Statistics Division, UNICEF, UN-Habitat, WHO, and the UN Resident Coordinator's Office. Her international work has focused on governance, strategic communications, program visibility, and stakeholder engagement, with a strong emphasis on sustainable development. She has also worked with the International Food Policy Research Institute (IFPRI) in Washington DC, supporting global programs on food security and policy reporting.

She holds an MBA in Finance & Investment from NUST Business School, Pakistan, and a Master's in International Political Economy & Development from Fordham University, New York, where she attended as a Fulbright Scholar.

Mr. Muhammad Arfan (Director)

Mr. Muhammad Arfan has been appointed as Director of the Company with effect from April 21, 2025. Mr. Arfan is the Acting Member (Power) of WAPDA and the Chief Executive of Neelum Jhelum Hydro Power Company (Private) Limited. He has comprehensive experience of more than thirty years in Hydropower Planning, Construction, Operation and Maintenance for sector development with more than six years of experience as Chief Executive and in-charge WAPDA Rehabilitation Projects; project director and responsible for maintenance and operation of Mega Hydropower Plant; and Principal, WAPDA Administrative Staff College. Mr. Arfan is successfully leading and executing large-scale hydropower projects including Optimization of Plant Performance, Managing Multidisciplinary teams, and implementing Innovative solutions to enhance operational efficiency and reliability.

Mr. Arfan has done his BSc. Mechanical Engineering (Gold Medalist) from the University of Engineering and Technology, Peshawar. He has also done his Master of Engineering in Mechanical from the Asian Institute of Technology, Bangkok, Thailand. He also attended various trainings in Pakistan and abroad. He is also the director of Diamer Basha Hydro Power Company (Private) Limited.

CODE OF CONDUCT

Introduction

This Code of Conduct (this "Code") establishes a standard of conduct for Directors and employees of the Company; deters wrongdoing and promotes honest and ethical conduct of Directors and employees. It also promotes compliance with applicable laws, rules and regulations which apply to the Company, its Directors and employees.

This Code is not meant to cover all possible situations that may occur. It is designed to provide a frame of reference against which to measure activities. You should seek guidance when in doubt about the proper course of action in a given situation, as it is ultimately your responsibility to "do the right thing".

You should always be guided by the following basic principles:

- Avoid any conduct that could damage or risk the Company or its reputation.
- Act legally and honestly.
- Put the Company's interests ahead of personal or other interests.

This Code is a living document, which may change over time.

This Code is not an employment contract between you and the Company. Violations of this Code may lead to disciplinary action and also culminate in termination of employment.

This Code does not supersede, change or alter any Company policies and procedures already in place or which may be put in place, from time to time.

This Code is not intended to and does not create any rights in any employee, customer, supplier, competitor, shareholder or any other person or entity.

Scope

This Code applies to the Company's Directors to the extent of carrying out their director-related activities.

For the purposes of this Code, references to "employee(s)" include officers, staff, trainees, temporary employees, and contract employees (including those employed by third party contractors).

Section I

Compliance with Laws, Rules and Regulations

The Company, its Directors and employees are bound by the law. Compliance with all applicable laws and regulations must not be compromised. No one will be subject to retaliation because of a good faith report of a suspected violation. If an employee fails to comply with an applicable law, rule or regulation, he/she may be subject to disciplinary measures, upto and including termination of employment.

To avoid inadvertent violations, you are encouraged to ask questions when there is uncertainty. To encourage open communication, you may discuss the matter with the Company Secretary.

Section II

Conflicts of Interest

A conflict of interest occurs when your personal interests (financial or other) interfere, or even appear to interfere, in any way, with the interests of the Company. Conflicts of interest can also arise when you take actions or have interests, or a member of your family has interests, that may make it difficult for you to perform your duties to the Company objectively and effectively. When a potential conflict of interest arises, it is important that you act with great care to avoid even the appearance that your actions were not in the best interest of the Company.

Some examples for avoiding conflicts of interest are as follow:

- You will deal with all suppliers, customers, and all other persons doing business with the Company in a completely fair and objective manner without favour or preference based upon personal financial or relationship considerations.
- You will not accept from or give to any supplier or, customer any gift or entertainment except as allowed under Section III (Gifts, Meals and Entertainment) below.
- You will not do business on behalf of the Company with a member of your family or a close relative, unless the transaction is disclosed in writing, to the Chief Executive, who determines that the transaction is on arms-length terms and is consistent with the purposes of this Principle. A close relative would include a spouse, parent, parent-in-law, sibling, sibling-in-law, child or son/daughter-in-law.

- You will not, directly or indirectly, have a financial interest with any individual, firm or company which does or seeks to do business with the Company whether as a customer, supplier, contractor, sub-contractor or service provider.
- You will not use your position in the Company to gain an unfair advantage over a customer, supplier, contractor or service provider including to the extent of obtaining any goods or services on credit, rebate or discount which is not available generally.

Conflicts of interest may not always be clear-cut. If in doubt you should consult with the Company Secretary. If an actual or potential conflict of interest arises, you are required to intimate the same in writing to the Company Secretary (or with respect to the Company Secretary, the Chief Executive) forthwith; and the Company Secretary is to report the same to the Chief Executive. The Company Secretary shall maintain a record of such reporting.

Section III

Gifts, Meals and Entertainment

You will not seek, accept, offer, promise, or give (directly or indirectly) anything of value including payments, fees, loans, services, entertainment, favours or gifts from or to any person or firm as a condition or result of doing business with the Company.

You may accept gifts, services or other items of value under the following circumstances:

- You may accept meals, travel, lodging, refreshment, or other normal business courtesies of reasonable value either in the course of a business meeting or to satisfy a reasonable business purpose of the Company.
- You may accept meals and entertainment, such as the occasional sporting event, provided that you do not do so frequently or under circumstances where your judgment could be influenced, or where the cumulative value of the entertainment is excessive. Any meals and entertainment involving substantial travel or an extended number of days cannot be accepted without the permission of the Chief Executive.
- You may accept discounts or rebates on merchandise or services that do not exceed those available to members of the general public.
- You may accept gifts of reasonable value including for commonly-recognised events or occasions, such as a promotion, new job, wedding, retirement, birthday or holiday.
- You may receive awards from civic, charitable, educational or religious organisations of reasonable value in recognition of services and accomplishments.
- You may receive gifts, gratuities, amenities or favours received because of family or personal relationships when the circumstances make it clear that it is those relationships rather than business of the Company that are the motivating factor.

If you receive gifts, services or other items of value under the above, you are required to intimate the same in writing to the Company Secretary (or with respect to the Company Secretary, the Chief Executive) forthwith. The Company Secretary shall maintain a record of such receivings.

If you are offered gifts, services or other items of value not in conformity with the exceptions noted above, or if either arrives at your office or home, you must report it to your superior in writing with a copy to the Company Secretary (or with respect to the Company Secretary, the Chief Executive).

Section IV

Outside Directorships and other Outside Activities

Outside of the Company, no activities shall be pursued if such activities will interfere with the employee's responsibilities for the Company, or if they create risks for the Company's reputation or if they in any other way are likely to conflict with the interests of the Company.

Unless requested by the Company to take up a particular position or activity, an employee shall pursue outside activities and positions at his own risk and within his spare time only subject to the condition that such position or activity do not in any manner whatsoever adversely impact the employee in the performance of his official duties and responsibilities and provided further that it is permissible to so do in terms of the employees employment contract with the Company.

An employee will not seek directorship in any company (public or private) without the prior written consent of the Chief Executive (and in case of the Chief Executive, the Board of Directors); and the directorships in other companies shall be capped at 4.

You will not participate, directly or indirectly, in a joint venture, partnership or other business arrangement with the Company.

Section V

Corporate Opportunities

When presented with opportunities related to the Company's business interests, you must first offer those opportunities to the Company. You will not take for yourself personally, or for members of your family and friends opportunities that are discovered through the use of Company property, information or position; nor use Company property, information, or position for personal gain. You may participate in such opportunities only with the prior written approval of the Chief Executive (or, with respect to the Directors, written approval of the Board of Directors).

Section VI

Fair Dealing

You will deal honestly and ethically with the Company and with the Company's customers, suppliers, employees and other stakeholders.

You will treat people fairly. You must not take unfair advantage of anyone through manipulation, concealment, abuse of privileged or otherwise undisclosed information, misrepresentation of material facts or any other unfair-dealing practices.

You are prohibited from taking any action (or inaction) to improperly influence, coerce, manipulate or mislead the Company's internal or external auditors; or to prevent such persons from performing a diligent audit of the Company in accordance with their respective mandates.

Section VII

Accuracy and Integrity of Books, Records and Accounts

All Company books, records and accounts must accurately reflect the nature of the transactions recorded. Books and records include but are not limited to ledgers, vouchers, bills, invoices, time sheets, expense reports, payroll and benefits records and other essential Company data. All assets and liabilities of the Company must be properly recorded in the regular books of account. No undisclosed or unrecorded fund or asset shall be established in any amount for any purpose. No transaction or arrangement shall be structured to circumvent the Company's internal control systems. No false or artificial entries shall be made for any purpose. No payment shall be made, nor purchase price agreed to with the intention or understanding that any part of such payment is to be used for any purpose other than that described in the document supporting the payment.

Section VIII

Protection and Proper use of Company Assets

You are expected to protect the Company's assets and ensure their efficient use, and are prohibited from engaging in theft, carelessness, or waste. All Company assets should be used for legitimate business purposes, but incidental personal use may be permitted if ancillary to a business purpose. You are prohibited from making any improper use of Company property such as Company funds, software, e-mail systems, voice mail systems, computer networks, Company vehicles, rental cars rented on behalf of the Company, and facilities for personal benefit or profit.

Section IX

Insider Trading

You, your spouse or minor children shall not trade in or recommend to any third party the purchase or sale of the Company's shares (or any other equity or debt securities of the Company) while you are in possession of material non-public information regarding the financial, operational or other prospects of the Company that have not been publicly disclosed and disseminated.

You, your spouse or minor children shall also similarly abstain from trading in, or recommending the purchase or sale of the securities of any other company that issues publicly-traded shares/securities of which you may have obtained material non-public information as a result of your employment by or affiliation with the Company.

You shall not pass-on, tip or disclose any material non-public information to third parties except when done so for valid business purposes (and covered by an appropriate confidential disclosure agreement) under proper authorisation.

As per the securities laws, the communication by an "insider" of purchase or sale of a security while in possession of "material non-public information" is illegal and a crime and is subject to substantial fines, damages, imprisonment and other proceedings. "Insiders" include employee's relatives and other who have access to a Director or an employee. Any use by the "insider" of this information for trading securities or by disclosure by way of "tips" to third parties is dubbed as "insider trading".

The Company shall impose a 'closed period', from time to time, during which the Directors and certain identified employees shall be prohibited directly or indirectly, from engaging in transactions involving the Company's shares (or any other equity or debt securities of the Company).

In the absence of the above conditions, you may make investments in listed securities (including those of the Company).

Section X

Workplace Harassment

The Company is an equal opportunity employer and is committed to cultivating a diverse work environment where individual differences are appreciated and respected. It is the Company's policy, through responsible management, to recruit, hire, train, and promote persons regardless of their cast, colour, sex or religion.

You will maintain an environment that is free from harassment in which all employees are equally respected. Workplace harassment would include but not be limited to sexual harassment, disparaging comments and insinuations based on gender, religion, race and ethnicity.

Section XI

Families and Relatives

Family members may be hired as employees or consultants only if the appointment is based on qualifications, performance, skills and experience and provided that there is no direct reporting relationship between the employee and his or her relative. These principles of fair employment will apply to all aspects of employment, including compensation, promotions and transfers, as well as in case that the relationship develops after the respective employee has joined the Company.

If your spouse, your children, parents, or in-laws, or someone else with whom you have a family relationship is a customer or supplier of the Company or is employed by one, you must disclose the situation to the Company Secretary (or, with respect to the Company Secretary, to the Chief Executive) so that the Company may assess the nature and extent of any concern and how it can be resolved. If you have any doubt as to whether or not conduct or a relationship would be considered an actual or apparent conflict of interest or could be expected to give rise to such a conflict, you should consult with the Company Secretary.

Section XII

Weapons, Workplace Violence, Drugs, Alcohol and Gambling

You will not display and/or carry weapons or explosives on Company premises (including the residential colony), unless as a security personnel you have a licensed weapon. Similarly, the Company will not tolerate any level of violence in the workplace or in any work-related setting or the residential colony.

Without prejudice to the contents of the preceding paragraph, in case of a licensed weapon, you shall be required to give written notice to the Security Manager and provide him with a true copy of the license (and renewal thereof). Further, it shall be your obligation to ensure that such licensed weapon is duly and properly secured in a safe and secure place.

The use of alcohol and illegal drugs is strictly prohibited in the workplace; and all forms of gambling on Company premises is forbidden.

Section XIII

Confidential Information

For the purposes of this Code, Confidential Information of the Company includes all non-public information, correspondence, documents, papers, records, drawings and data (collectively, the "Confidential Information").

You must maintain the confidentiality of Confidential Information entrusted to you by the Company or which comes to your knowledge on account of the position you hold. You may disclose Confidential Information if you are duly authorised by the Company or legally mandated to do so. Prior to making a disclosure of any Confidential Information which is legally mandated, you are required to consult with the Company Secretary.

You shall not keep or make or keep for personal use copies of any Confidential Information. All Confidential Information should be surrendered to the Company when you cease (for whatever reason) to be a Director or employee (as the case may be) of the Company.

The Company respects that third parties have a similar interest in protecting their confidential information. In case that third parties including suppliers or customers share with the Company confidential information, such information shall be treated with the same care as if it was the Company's confidential information.

Section XIV

Responding to Inquiries from the Press and Others

Those of you who are not official spokespersons of the Company shall not speak with any third party as Company representatives. Officer(s) authorised by the Chief Executive shall respond to requests for financial or other information about the Company from the media (print or electronic), financial analysts, or the public. Requests for information from regulators or the government should be referred to the Company Secretary. In each of these instances the Officer(s) authorised or the Company Secretary (as the case may be) shall in a timely manner seek instructions from the Chief Executive and intimate him the details of the responses made.

Section XV

Accountability for Adherence to the Code

Each of us is responsible for our decision-making and for adherence to the Principles set forth in this Code.

Internal Investigations

The Company will promptly investigate all alleged violations and potential violations of this Code, or of any related Company standard, policy or procedure. Any allegations will be treated confidentially, to the extent consistent with the Company's interests and its legal obligations.

No person covered by this Code may conduct his/her own investigation. Each of us is expected to cooperate in the investigation of an alleged violation of this Code.

If the Company determines that corrective action is necessary to fix a problem and avoid the likelihood of its recurrence, the Company will promptly decide what steps to take, including legal proceedings when appropriate.

Disciplinary Action

Appropriate disciplinary action will be taken for violation of this Code, or any related Company standard, policy or procedure, including for:

- Authorisation of or participation in violations.
- Failure to report a violation or potential violation.
- Refusal to cooperate in the investigation of an alleged violation.
- Failure by a violator's supervisor(s) to detect and report a violation, if such failure reflects inadequate supervision or lack of oversight.

Section XVI

Waivers and Amendments

The Board of Directors may waive or amend a provision of this Code subject to any applicable regulation/law.

WHISTLE BLOWING POLICY & PROCEDURE

1. Policy Statement

1.1 The Company is committed to achieving and maintaining high standards of behaviour at work from its employees. Employees are expected to conduct themselves with integrity, impartiality and honesty. The Company seeks to develop a culture where inappropriate behaviour at all levels is challenged. To achieve this, the Company encourages reporting of genuine concerns of malpractices, illegal acts or failures to comply with recognised standards of work without fear of reprisal or victimisation.

This Policy is accompanied by a Procedure that should be followed when "blowing the whistle".

1.2 The Company will not tolerate harassment or victimisation of a genuine whistle blower (including informal pressures) and will treat such conduct as gross misconduct, which if proven, may result in dismissal.

1.3 The Board of Directors reserves the right to amend this Policy and Procedure as necessary to meet any change in requirements.

1.4 If there is anything which you think the Company should know about, kindly use the Procedure. By knowing of a malpractice at an early stage, the Company can take necessary steps to safeguard the interests of others and protect the organisation. Please do not hesitate to "blow the whistle" on wrongdoing.

2. What is Whistleblowing?

2.1 This Policy is designed to deal with concerns raised in relation to specific issues which are detailed in paragraph 2.2 below.

The Company's other policies and procedures deal with matters not covered by paragraph 2.2 below. The relevant policy should be followed where appropriate.

2.2 Whistleblowing is specific and means a disclosure of information made by an employee where he/she reasonably believes that one or more of the following matters is happening now, took place in the past or is likely to happen in the future:

- incorrect financial reporting;
- unlawful activity;
- danger to health and safety of any individual;
- activity not in line with Company policy, including the Code of Conduct;
- activity, which otherwise amounts to serious improper conduct; or
- deliberate concealment of information tending to show any of the above.

2.3 This Policy does not extend to mismanagement which may arise from error of judgment or incompetence.

2.4 This Policy does extend to matters arising out of a personal grievance which should continue to be pursued through your line managers in accordance with your local grievance procedure.

2.5 Only genuine concerns should be reported. Disclosures must be made in good faith with a reasonable belief that any information and/or allegation is substantially true, and that the disclosure is not made for personal gain.

Malicious or false allegations will be treated as a serious disciplinary offence.

3. Who Does the Policy Apply to?

3.1 This Policy applies to all officers, staff, trainees, temporary employees, and contract employees (including those employed by third party contractors).

4. The Company's Whistleblowing Procedure

4.1 If you wish to disclose information as contemplated in this Policy you may send a written communication to the Disciplinary Committee at the address and e-mail notified by the Company.

All incidences of whistleblowing to the Disciplinary Committee are to be reported by the Disciplinary Committee to the Members of the HR Committee of the Board of Directors at the immediately next Board Meeting.

4.2 The Disciplinary Committee shall consist on three (3) members; and one of its members will act as Coordinator. The Chief Executive will appoint the members of the Disciplinary Committee. To avoid a conflict of interest, if a whistleblowing instance involves a member of the Disciplinary Committee, the Chief Executive will reconstitute the Disciplinary Committee.

4.3 Anonymous allegations are not automatically disregarded but given the safeguards which are in place for those making allegations under this Policy, anonymous allegations are less powerful than those from named individuals.

4.4 The Disciplinary Committee will decide how the investigation should proceed.

4.5 If you are unhappy with the response that you receive you may report the matter to the Chairman of the Audit Committee. This option will not apply where an allegation has been dismissed following an investigation.

4.6 If in doubt, you should speak to the Company Secretary. Your conversation will be treated in absolute confidence.

The Investigation

4.7 The Disciplinary Committee will decide how to respond in a responsible and appropriate manner under this Policy. An investigation will be conducted as speedily and sensitively as possible. An official written record will be kept at each stage of the procedure.

A decision as to whether a preliminary investigation should be carried out will be made within two (2) weeks of the complaint having been received. Where this is not possible, the employee making the complaint will receive an explanation of the delay.

4.8 You are entitled to be accompanied by a work colleague throughout the proceedings when reporting your concerns.

Outcome of the Investigation

4.9 If there is a case to answer, and if appropriate, the disciplinary proceedings will be initiated against the person(s) who are the subject of the allegation(s).

4.10 You will be informed of the outcome of the investigation within 5 working days of completion of the investigation (including any disciplinary investigation). However, the exact nature of any disciplinary action taken against any person will remain confidential.

4.11 Whether there was a case to answer or not, and provided that your disclosure was made in good faith because you reasonably believed it to be true, the Company will ensure that you are protected from reprisal or victimisation as a result of your complaint.

4.12 Only where it is established that your allegations were false and made maliciously will disciplinary action be taken against you. Such disclosures will be treated as gross misconduct and may result in your dismissal without notice or payment in lieu of notice.

4.13 If, as a result of investigations you are implicated in some way in any wrong doings disciplinary action may be taken against you. The fact that you have blown the whistle will be taken into account if an action is considered.

BOARD COMMITTEES

Audit Committee

During the year, nine (9) meetings of the Audit Committee were held. Attendance of meetings is as follows:

Name of Director	No. of Meetings Attended
Mr. Hafiz Mohammad Yousaf (Chairman)	9
Mr. Naveed Asghar Chaudhry	9
Mr. Saad Iqbal	9
Mr. Khawaja Khalil Shah	9
Mr. Muhammad Arfan	9

The Audit Committee among other things is responsible for recommending to the Board of Directors' the appointment of External Auditors and for considering any questions of resignation or removal of the External Auditors and their audit fees.

The Audit Committee's responsibilities also include the following:

a. determination of appropriate measures to safeguard the Company's assets;

b. review of preliminary announcements of results prior to publication;

c. review of quarterly, half-yearly and annual financial statements of the Company, prior to their approval by the Board of Directors;

d. Facilitating the external audit and discussion with the External Auditors on major observations arising from interim and final audits and any matter that the External Auditors may wish to highlight (in the absence of management, where necessary);

e. Review of the Management Letter issued by the External Auditors and Management's response thereto;

f. Ensuring coordination between the Internal Auditors and External Auditors of the Company;

g. Review of the scope and extent of Internal Audit ensuring that the Internal Audit function has adequate resources and is appropriately placed within the Company;

h. Consideration of major findings of internal investigations of activities characterized by fraud, corruption and abuse of power and management's response thereto;

i. Ascertaining that the internal control systems including financial and operational controls, accounting system for timely and appropriate recording of purchases and sales, receipts and payments, assets and liabilities and reporting structure are adequate and effective;

j. Review of the Company's statement on internal control systems prior to endorsement by the Board of Directors and internal audit reports;

k. Determination of compliance with relevant statutory requirements;

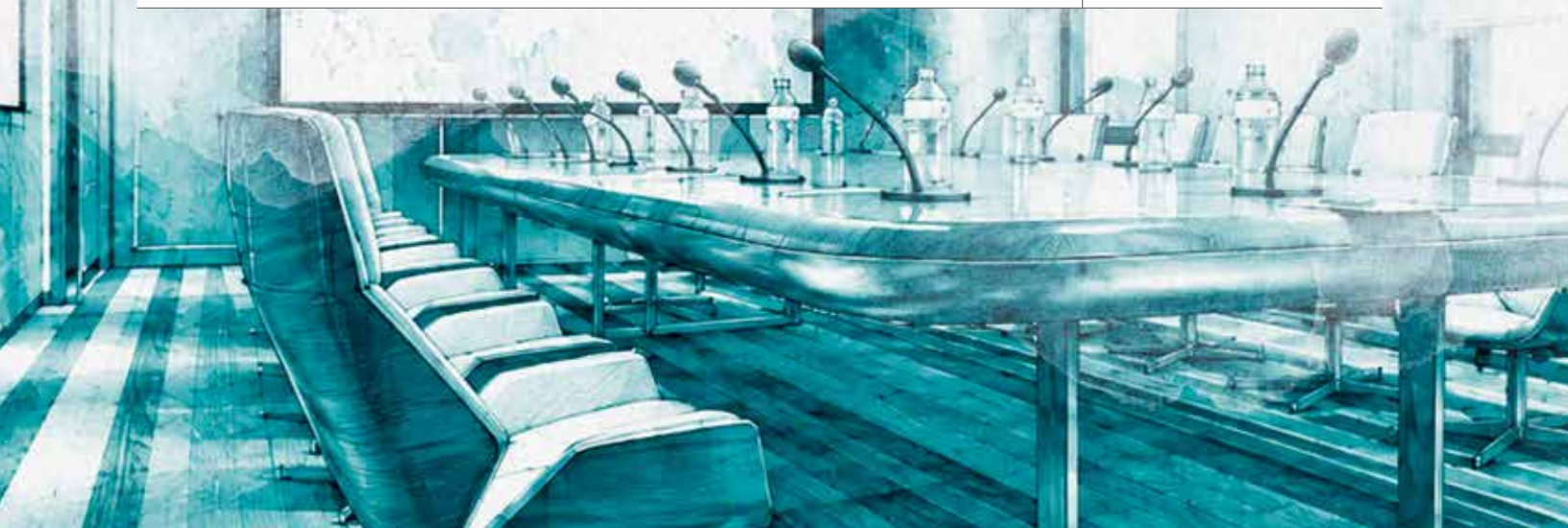
l. Monitoring compliance with the best practices of corporate governance and identification of significant violations thereof; and

m. Consideration of any other issue or matter on its own or as may be assigned by the Board of Directors.

HR Committee

During the year, ten (10) meetings of the HR Committee were held. Attendance of meetings is as follows:

Name of Director	No. of Meetings Attended
Ms. Mahwish Humayun Khan (Chairperson)	10
Mr. Aqeel Ahmed Nasir	9
Mr. Hafiz Mohammad Yousaf	10
Mr. Naveed Asghar Chaudhry	10
Mr. Muhammad Arfan	10



The HR Committee will review and make recommendations, where appropriate, to the Board of Directors to ensure that the Company's Human Resources policies are aligned with its overall business objectives; Departmental/Divisional team performances are in line with business results for each year; and the remuneration philosophy, strategy and framework is in place.

The HR Committee's responsibilities shall also include the following:

a. provide general guidelines for HR policies including terms of employment and HR Head Count and to make recommendations for Board of Directors' approval;

b. determine a comprehensive compensation philosophy, strategy and framework and to make recommendation for Board of Directors' approval;

c. review a graphical presentation on the overall Departmental/ Divisional team performances vis-à-vis overall commercial results of the Company after the close of a financial year of the Company and to appraise the Board of Directors' on the overall performances with regards to the Human Resource Key Performance Indicators;

d. review periodically the monitoring and enforcement of and compliance with the Company's Code of Conduct;

e. periodically review appointments, exits, retirements and promotions in the Company;

f. review the Company's overall remuneration competitiveness with the market and to make recommends to the Board of Directors for appropriate actions, if required;

g. review collective bargaining mandates and tentative settlements and to make recommendations to the Board of Directors;

h. recommend to the Board of Directors the selection, evaluation, compensation and succession planning of the Chief Executive;

i. review with the Chief Executive and recommend to the Board of Directors the selection, evaluation and compensation of a General Manager(s) including Chief Financial Officer or to recommend his removal;

j. review with the Chief Executive and recommend to the Board of Directors the selection, evaluation, and compensation of the Company Secretary or to recommend his removal;

k. review with the Chief Executive and recommend to the Board of Directors the selection, evaluation, and compensation of the Head of Internal Audit or to recommend his removal; and

l. consideration of any other issue or matter as may be assigned by the Board of Directors.

Investment Committee

The Investment Committee is a committee constituted by the Board of Directors ("BoD") to assist and guide in expanding, diversifying and effective management of the business portfolio for the Company and to prepare a workable financial model for renewal/extension of the Company's Power Purchase Agreement ("PPA") and to evaluate and implement any approved investment schemes.

During the year, five (5) meetings of the Investment Committee were held. Attendance of meetings is as follows:

Name of Director	No. of Meetings Attended
Mr. Naveed Asghar Chaudhry (Chairman)	5
Mr. Aqeel Ahmed Nasir	5
Mr. Hafiz Mohammad Yousaf	5
Mr. Saad Iqbal	5
Mr. Khawaja Khalil Shah	5

Special Committee (Decommissioning of Power Plant and Fuel Disposal)

During the year, one (1) meetings of the Special Committee were held. Attendance of meetings is as follows:

Name of Director	No. of Meetings Attended
Mr. Muhammad Arfan (Chairman)	1
Mr. Aqeel Ahmed Nasir	1
Mr. Naveed Asghar Chaudhry	1
Mr. Saad Iqbal	1

CHAIRMAN'S REVIEW

I am pleased to present the Annual Report of the Company for the financial year ended on June 30, 2026.

Update on Tri-Partite Power Purchase Agreement (TPPA)

The Company's 495 MW generation facility and associated switchyard operate under a hybrid Take-or-Pay arrangement, providing a minimum guaranteed return at 25% availability, with additional returns from incremental generation. The TPPA term is linked to the Company's annual inclusion in the approved IGCEP/PAP. Following the suspension of the TPPA from October 1, 2025 due to the absence of an approved IGCEP/PAP, NEPRA provisionally reinstated the applicable tariff with effect from December 9, 2025, recognizing the continued requirement of the facility for system stability. The Company subsequently resumed generation and dispatch. The final tariff determination and extension of the TPPA remain subject to approval of the IGCEP.

Financial Performance

The profit before levy and income tax stands at Rs. 3,830 Million and profit after tax is Rs. 2,520 Million. This translates into an earnings per share (EPS) of Rs. 2.86 per share of Rs. 10 each.

Diversification of Business

The Company continues to pursue opportunities to diversify its business portfolio, with the support of its major shareholder, WAPDA.

Attock Cement Pakistan Limited (ACPL)

During the year, the Company, in partnership with Fauji Cement Company Limited (FCCL), completed the acquisition of Attock Cement Pakistan Limited. Pursuant to the transaction, the Company and FCCL each acquired a 46.02% shareholding in ACPL.

Solar Projects

The Company has been declared the lowest bidder by K-Electric for the 150 MW Deh Metha Ghar and 120 MW Deh Halkani solar projects under the Sindh Solar Energy Park. The projects are subject to NEPRA approval, with the decision awaited.

Board of Directors, Board Committees and Company Matters

The Board of Directors has constituted Board Committees, which function under approved terms of reference and, as appropriate, these Board Committees make recommendations to the Board of Directors.

Company policies and procedures have been adopted and implemented to ensure compliance with applicable laws, regulations and best practices included under the Listed Companies (Code of Corporate Governance) Regulations, 2019 and the Companies Act, 2017.

The Directors skills include financial, engineering, banking, legal and management experience.

The Board of Directors has a formal mechanism for the annual evaluation of the Board and its Committees. The evaluation covers professional experience, Company and industry knowledge, governance, competencies, business judgment, strategic vision, attendance, meeting preparation, active participation, teamwork and overall contribution. For the current year, the Company has engaged the Pakistan Institute of Corporate Governance (PICG) to conduct the Board and Committee evaluation, which is currently in progress.

I take this opportunity to thank Management and employees of the Company for their commitment and support during the year.

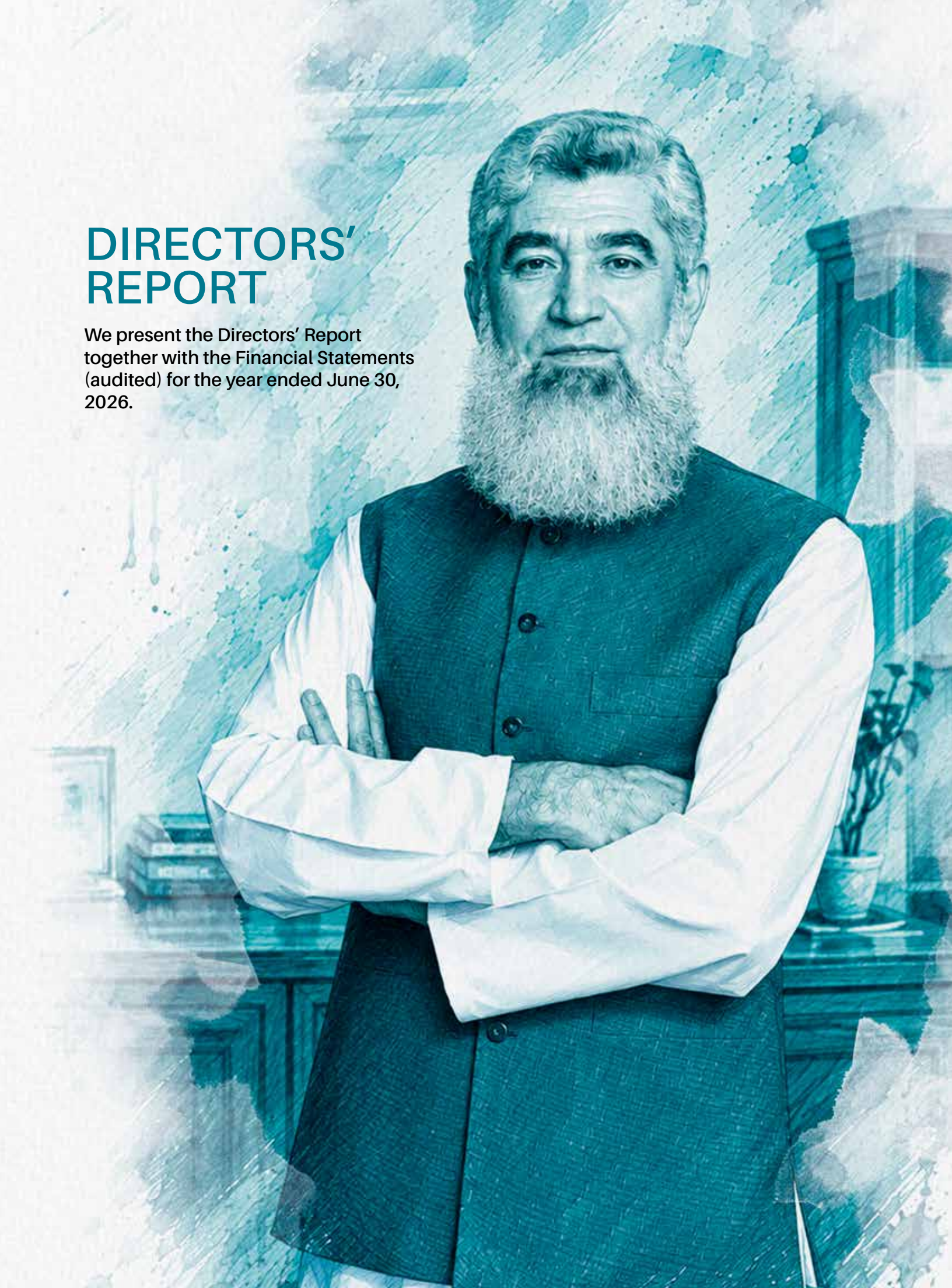
Lt. General (Retd.) Muhammad Saeed

Chairman, Board of Directors

Lahore
September 11, 2026

DIRECTORS' REPORT

We present the Directors' Report together with the Financial Statements (audited) for the year ended June 30, 2026.



Principal Activities of the Company

The principal activities of the Company are the ownership, operation and maintenance of multi fuel (gas /RLNG, furnace oil and high-speed diesel) fired Power Plant at Kot Addu, Punjab. The Company is permitted under its Memorandum of Association to make investments in other businesses.

The Company is listed on the Pakistan Stock Exchange; and is a KSE 100 index company.

Operational Highlights

Under the Tri-Partite Power Purchase Agreement (TPPA), the Company's 495 MW generation facility and associated switchyard operate on a hybrid Take-or-Pay basis, providing a minimum guaranteed return at 25% availability, with additional returns for incremental generation. The term of the TPPA is contingent upon the Company's annual inclusion in the Integrated Generation Capacity Expansion Plan (IGCEP) and Power Acquisition Plan (PAP), as approved by the relevant authorities.

In its tariff determination dated September 23, 2025, NEPRA approved the tariff for the 495 MW facility, subject to extension based on the approval of the IGCEP/PAP. In the absence of an approved IGCEP/PAP, the TPPA was suspended with effect from October 1, 2025. The Company, being aggrieved by the suspension, filed a Motion for Leave for Review before NEPRA. In December 2025, NEPRA provisionally reinstated the applicable tariff with effect from December 9, 2025, acknowledging the continued requirement of the Company's generation facility and switchyard for system stability. Consequently, the Company resumed generation and dispatch of electricity.

The final tariff determination and extension of the TPPA term remain subject to approval of the IGCEP. Upon such approval, the term of the TPPA will automatically extend until the expiry date specified in the IGCEP or for a period of three years under the TPPA, whichever is earlier.

During the year, the Company generated 479,153 MWh of electricity as dispatched by the National Power Control Centre (NPCC).

Financial Highlights

During the year ended June 30, 2026, the Company recorded revenue of Rs. 19.16 billion, compared with Rs. 1.56 billion in the preceding year, reflecting a significant increase primarily due to higher generation and dispatch following the provisional reinstatement of the applicable tariff.

The Company reported a gross loss of Rs. 38.45 million, substantially lower than the gross loss of Rs. 438.16 million in 2025. Administrative expenses increased to Rs. 758.39 million, while other operating expenses decreased to Rs. 232.42 million.

Other income amounted to Rs. 4.87 billion, compared with Rs. 7.07 billion in the previous year. During the year, the Company also recognised Rs. 355.29 million as its share of net profit of an investment accounted for under the equity method.

Consequently, the Company achieved a profit before income tax of Rs. 3.72 billion, compared with Rs. 2.97 billion in 2025, representing an increase of approximately 25%.

After accounting for levy of Rs. 109.55 million and income tax of Rs. 1.20 billion, the profit for the year stood at Rs. 2.52 billion, compared with Rs. 2.54 billion in the preceding year. Earnings per share decreased marginally from Rs. 2.88 to Rs. 2.86.

Particulars	2026	2025	Change
Revenue	Rs. 19.16 Billion	Rs. 1.56 Billion	+1,126%
Gross Loss	Rs. 38.45 Million	Rs. 438.16 Million	(91%)
Other income	Rs. 4.87 Billion	Rs. 7.07 Billion	(31%)
Share of profit of equity-acconted investment	Rs. 355.29 Million	–	New
Finance Cost	Rs. 366.91 Million	Rs. 248.36 Million	+48%
Profit Before Income Tax	Rs. 3.72 Billion	Rs. 2.97 Billion	+25%
Profit for the year	Rs. 2.52 Billion	Rs. 2.54 Billion	(1%)
Earnings per share	Rs. 2.86	Rs. 2.88	(1%)

Note: Figures are based on the attached Statement of Profit or Loss. Percentages are presented on a year-on-Year basis.

Diversification of Business

The Company has been reviewing different investment options for diversification of its portfolio. The Pakistan Water and Power Development Authority (WAPDA), being a major shareholder strongly supports the diversification plans of the Company.

Attock Cement Pakistan Limited (ACPL)

During 2025, the Company, in partnership with Fauji Foundation, submitted a bid to acquire 84.06% of the shareholding of Attock Cement Pakistan Limited (ACPL) held by Pharaon Investment Group Limited Holding S.A.L. Subsequently, in November 2025, Fauji Foundation transferred its acquisition rights and role to Fauji Cement Company Limited (FCCL).

During the current year, a Sale and Purchase Agreement (SPA) was executed among the Company, FCCL and Pharaon Investment Group Limited Holding S.A.L. In addition, an offer was made to the public for the acquisition of 50% of the free-float shares of ACPL in accordance with the requirements of the Securities Act, 2015 and the Listed Companies (Substantial Acquisition of Voting Shares and Takeovers) Regulations, 2017.

Pursuant to the above transactions, the Company and FCCL, each acquired a 46.02% shareholding in ACPL, as further disclosed in Note 13.

The board of directors of ACPL authorised its management to explore and evaluate the feasibility of a potential merger of ACPL with FCCL and to present its recommendations to its board of directors accordingly.

SNGPL Late Payment Surcharge Claim

During the year, the Company settled Rs. 1,360 million of SNGPL's late payment surcharge claim of Rs 2,252 million, while the remaining amount of Rs. 892 million was referred to an Independent Expert for determination. The Expert issued his determination on July 8, 2026. Based on the Company's interpretation of the determination and legal advice, the Company maintains that no amount is payable in respect of the disputed claim. However, SNGPL has disputed this position, and the related bank guarantee of Rs. 892 million has been extended up to November 21, 2026, pending resolution of the matter.

Solar Projects

The Company has been declared the lowest bidder by K-Electric for the 150 MW Deh Metha Ghar and 120 MW Deh Halkani projects under the Sindh Solar Energy Park (SSEP). The projects are subject to approval by NEPRA. The hearing was held and the decision is awaited.

Disposal of Lot-1

Following shareholders' approval at the 13th Extraordinary General Meeting held on July 15, 2025, Lot-1 comprising two gas turbines and two HRSGs, along with associated parts and components, was disposed off for sale proceeds of Rs. 800 million.

Health, Safety & Environment

Due to the absence of operating and maintenance regime since the expiry of the power purchase agreement in October 2022, certifications to the Integrated Management Systems (ISO 9001: 2015 Quality Management Systems; ISO 45001: 2018 Occupational Health and Safety Management Systems; and ISO 14001: 2015 Environmental Management Systems) were withdrawn. The Company, however, continued to retain its HSE department, personnel and processes, and have diligently run and managed the operations adhering to the high standards of HSE compliances.

Directors' Training

Eight Directors of the Company have completed the Directors' Training Programme in accordance with the applicable requirements of the Listed Companies (Code of Corporate Governance) Regulations. The Company is in the process of arranging the prescribed training for the remaining Directors and expects to complete the same in due course.

Board Evaluation

The Company has engaged the Pakistan Institute of Corporate Governance (PICG) to conduct an independent evaluation of the performance of the Board of Directors and its Committees. The evaluation process is in progress.

Directors' Remuneration

Non-executive Directors and the Independent Directors are entitled to a Directors' fee for meetings attended. For further details refer to Note 34.2 of the Financial Statements.

Appointment of Chief Executive

Mr. Shahab Qader Khan resigned from the position of Chief Executive on February 26, 2026 and Mr. Muhammad Masood, General Manager Finance/Chief Financial Officer was appointed as acting Chief Executive for the interim period.

Mr. Waqar Ahmad Khan was appointed Chief Executive of the Company for a period of three years commencing from July 1, 2026 at a remuneration agreed by the Board of Directors.

Board of Directors Composition[3]

The Board of Directors as at June 30, 2026 consists of:

Total number of Directors	
a) Male	8
b) Female	1
Composition	
i) Independent Directors	3
ii) Non-executive Directors	5
iii) Executive Director	1
iv) Female Director	1

The names of the Directors as at June 30, 2026 are as follows:

1. Lt. General (Retd) Muhammad Saeed – Chairman
2. Mr. Muhammad Masood – Chief Executive (acting)
3. Mr. Aqeel Ahmed Nasir
4. Mr. Hafiz Mohammad Yousaf
5. Mr. Saad Iqbal
6. Mr. Naveed Asghar Chaudhry
7. Mr. Khawaja Khalil Shah
8. Ms. Mahwish Humayun Khan
9. Mr. Muhammad Arfan

Adequacy of Internal Financial Controls

The Directors confirm compliance with the standards of the Code of Corporate Governance; and that internal controls are sound in design and have been effectively implemented and monitored.

Corporate and Financial Reporting Framework

As required by the Code of Corporate Governance, we are pleased to report the following:

a) The financial statements, prepared by the Management present fairly its state of affairs and the results of its operations.

b) Proper books of accounts of the Company have been maintained.

c) Appropriate accounting policies have been consistently applied in preparation of financial statements and any changes in accounting policies have been disclosed in the financial statements. The accounting estimates are based on reasonable and prudent judgement.

d) International Financial Reporting Standards, as applicable in Pakistan have been followed in preparation of financial statements and any departure therefrom have been adequately disclosed and explained.

e) Key operating and financial data for the last six years is annexed.

f) The pattern of shareholding as at June 30, 2026 is annexed.

g) Except as disclosed in the pattern of shareholding, the Directors, Chief Executive, the Chief Financial Officer, the Company Secretary, Head of Internal Audit, their spouses and minor children have not traded in the shares of the Company.

h) The value of investments of Pension Fund and Provident Fund as at June 30, 2025 (audited) is as follows::

	Rs. in Million
Pension Fund	3,173
Provident Fund	321

i) Information about outstanding taxes and levies is given in the Notes to the Financial Statements.

j) During the year, nine (9) meetings of the Board of Directors were held, attendance of these meetings is as follows:

Name of Director	No. of Meetings Attended
Lt. General (Retd) Muhammad Saeed[1] (Chairman)	8
Mr. Shahab Qader Khan[2]	7
Mr. Aqeel Ahmed Nasir	9
Mr. Hafiz Mohammad Yousaf	9
Mr. Saad Iqbal	9
Mr. Naveed Asghar Chaudhry	9
Ms. Mahwish Humayun Khan	9
Mr. Khawaja Khalil Shah	9
Mr. Muhammad Arfan	9
Mr. Muhammad Masood[3]	2

k) During the year, nine (9) meetings of the Audit Committee were held. Attendance of meetings is as follows:

Name of Director	No. of Meetings Attended
Mr. Hafiz Mohammad Yousaf (Chairman)	9
Mr. Naveed Asghar Chaudhry	9
Mr. Saad Iqbal	9
Mr. Khawaja Khalil Shah	9
Mr. Muhammad Arfan	9

l) During the year, ten (10) meetings of the HR Committee were held. Attendance of meetings is as follows:

Name of Director	No. of Meetings Attended
Ms. Mahwish Humayun Khan (Chairperson)	10
Mr. Aqeel Ahmed Nasir	9
Mr. Hafiz Mohammad Yousaf	10
Mr. Naveed Asghar Chaudhry	10
Mr. Muhammad Arfan	10

m) During the year, five (5) meetings of the Investment Committee were held. Attendance of meetings is as follows:

Name of Director	No. of Meetings Attended
Mr. Naveed Asghar Chaudhry (Chairman)	5
Mr. Aqeel Ahmed Nasir	5
Mr. Hafiz Mohammad Yousaf	5
Mr. Saad Iqbal	5
Mr. Khawaja Khalil Shah	5

n) During the year, one (1) meetings of the Special Committee were held. Attendance of meetings is as follows:

Name of Director	No. of Meetings Attended
Mr. Muhammad Arfan (Chairman)	1
Mr. Aqeel Ahmed Nasir	1
Mr. Naveed Asghar Chaudhry	1
Mr. Saad Iqbal	1

Chairman's Review

The accompanied Chairman's Review is endorsed by the Board of Directors.

Mandatory Compliance with the Shariah Disclosures

Pursuant to Part 1, Clause VII of the Fourth Schedule to the Companies Act, 2017, as amended through S.R.O. 1278(I)/2024 dated August 15, 2024, reference is hereby made to Note 43 of the Financial Statements.

[1] Lt. General (Retd) Muhammad Saeed appointed Director and elected as Chairman on August 15,2025.
[2] Mr. Shahab Qader Khan resigned from the position of the Chief Executive on February 26,2026.
[3] Mr. Muhammad Masood appointed acting Chief Executive on February 26,2026.

Appropriations

The Directors are pleased to recommend a final cash dividend of Rs. 1.50 per share. This will be paid to shareholders on Company's Register of Members on October 19, 2026. Interim cash dividend of Rs. 1.50 per share (approved by the Board of Directors on February 26, 2026, and credited to shareholders accounts on March 30, 2026) was paid. The total dividend to be approved by the shareholders at the Annual General Meeting on October 26, 2026, will be Rs. 3.00 per share, that is, 30% for the year ended June 30, 2026.

The net profit for the year is appropriated as follows.

	Rs. '000'
Net Profit for the year	**2,519,594**
Other comprehensive income/ (loss)	137,247
Un-appropriated profit brought forward	47,851,102
Profit available for appropriation	**50,507,943**
Appropriations	
Final dividend for the year ended June 30, 2025 Rs. 2.50 per share	(2,200,633)
Interim dividend for the year ended June 30, 2026 Rs. 1.50 per share	(1,320,380)
Un-appropriated profit carried forward	**46,986,930**
Basic Earnings per share (Rupees)	2.86

Auditors

The present auditors, A. F. Ferguson & Co., Chartered Accountants, retire and being eligible, offer themselves for reappointment. The Board of Directors recommends the appointment of A. F. Ferguson & Co., Chartered Accountants, as auditors of the Company for the next year, as suggested by the Audit Committee.

Appreciation

The Board of Directors places on record its appreciation to the Management and all employees of the Company for their commitment, dedication and hard work during the year.

By Order of the Board

Waqar Ahmad Khan
Chief Executive

Naveed Asghar Chaudhry
Director

September 11, 2026
Lahore

m) سال کے دوران سرمایہ کاری کمیٹی کے پانچ (5) اجلاس منعقد ہوئے، جن میں حاضری درج ذیل رہی:

ڈائریکٹر کا نام	اجلاسوں میں شرکت
جناب نوید اصغر چوہدری (چیئرمین)	5
جناب عقیل احمد ناصر	5
جناب حافظ محمد یوسف	5
جناب سعد اقبال	5
جناب خواجہ خلیل شاہ	5

n) سال کے دوران خصوصی کمیٹی کا ایک (1) اجلاس منعقد ہوا، جس میں حاضری درج ذیل رہی:

ڈائریکٹر کا نام	اجلاسوں میں شرکت
جناب محمد عرفان (چیئرمین)	1
جناب عقیل احمد ناصر	1
جناب نوید اصغر چوہدری	1
جناب سعد اقبال	1

چیئرمین کا جائزہ

بورڈ آف ڈائریکٹرز کی طرف سے چیئرمین کے جائزے کی توثیق کی جاتی ہے۔

شریعہ سے متعلق امور کی لازمی تعمیل

کمپنیز ایکٹ 2017 کے چوتھے شیڈول کے حصہ اول کی شق VII، جس میں 15 اگست 2024 کو جاری کردہ S.R.O.1278 (I)/2024 کے تحت ترمیم کی گئی ہے، کے مطابق مالیاتی بیانات کا نوٹ نمبر 43 ملاحظہ کریں۔

منافع کی تقسیم

ڈائریکٹرز 1.50 روپے فی شیئر حتمی کیش ڈیویڈنڈ کی سفارش کرتے ہیں۔ یہ ڈیویڈنڈ 19 اکتوبر 2026 کو کمپنی کے رجسٹر آف ممبرز میں درج شیئر ہولڈرز کو ادا کیا جائے گا۔ 1.50 روپے فی شیئر کا عبوری کیش ڈیویڈنڈ (جس کی بورڈ آف ڈائریکٹرز نے 26 فروری 2026 کو منظوری دی اور جو 30 مارچ 2026 کو شیئر ہولڈرز کے اکاؤنٹس میں منتقل کیا گیا) ادا کیا جا چکا ہے۔ 26 اکتوبر 2026 کو ہونے والے سالانہ عمومی اجلاس میں شیئر ہولڈرز کی منظوری کے لیے پیش کیا جانے والا مجموعی ڈیویڈنڈ 3.00 روپے فی شیئر، یعنی 30 جون 2026 کو ختم ہونے والے سال کے لیے 30 فیصد ہوگا۔

سال کے لئے خالص منافع کی تقسیم درج ذیل ہے:

	(ہزار روپے)
سال کے لیے خالص منافع	2,519,594
دیگر جامع آمدن-بعد از ٹیکس	137,247
تقسیم نہ ہونے والا باقی ماندہ منافع	47,851,102
تقسیم کے لیے موجود منافع	50,507,943
تقسیم	
30 جون 2025 کو ختم ہونے والے سال کے لیے حتمی منافع 2.50 روپے فی شیئر کے حساب سے	(2,200,633)
30 جون 2026 کو ختم ہونے والے سال کے لیے عبوری منافع 1.50 روپے فی شیئر کے حساب سے	(1,320,380)
غیر تقسیم شدہ باقی ماندہ منافع	46,986,930
فی شیئر بنیادی آمدن (روپے)	2.86

آڈیٹرز

موجودہ آڈیٹرز اے ایف فرگوسن اینڈ کو، چارٹرڈ اکاؤنٹنٹس ریٹائر ہوئے ہیں اور اہل ہونے کی وجہ سے دوبارہ تقرری کے لئے خدمات پیش کی ہیں۔ بورڈ آف ڈائریکٹرز آڈٹ کمیٹی کی تجویز کے مطابق اے ایف فرگوسن اینڈ کو، چارٹرڈ اکاؤنٹنٹس کو اگلے سال کے لئے کمپنی کا آڈیٹر مقرر کرنے کی سفارش کرتا ہے۔

خراج تحسین

کمپنی کے ملازمین نے کمپنی کی کامیابی کے لیے سال بھر محنت کی جس پر ہم ان کے شکر گزار ہیں۔

منجانب بورڈ

وقار احمد خان
چیف ایگزیکٹو آفیسر

نوید اصغر چوہدری
ڈائریکٹر

11 ستمبر 2026
لاہور

30 جون 2026 کے مطابق ڈائریکٹرز کے نام درج ذیل ہیں:

لیفٹیننٹ جنرل (ر) محمد سعید، چیئرمین
جناب محمد مسعود، چیف ایگزیکٹو (قائم مقام)
جناب عقیل احمد ناصر
جناب حافظ محمد یوسف
جناب سعد اقبال
جناب نوید اصغر چوہدری
جناب خواجہ خلیل شاہ
محترمہ مہوش ہمایوں خان
جناب محمد عرفان

داخلی مالیاتی کنٹرولز کی مناسبت

ڈائریکٹرز کوڈ آف کارپوریٹ گورننس کے معیارات کی تعمیل کی تصدیق کرتے ہیں، اور یہ کہ داخلی کنٹرولز اپنے ڈیزائن کے اعتبار سے مضبوط ہیں جنہیں موثر طور پر نافذ کیا گیا ہے اور جن کی باقاعدہ نگرانی کی جاتی ہے۔

مالیاتی اور کاروباری رپورٹنگ کا فریم ورک

کوڈ آف کارپوریٹ گورننس کے تقاضوں کے مطابق ہمیں درج ذیل امور پیش کرتے ہوئے مسرت ہو رہی ہے:

a) انتظامیہ کی جانب سے تیار کردہ مالیاتی گوشوارے کمپنی کے معاملات کی صورتحال اور اس کے آپریشنز کے نتائج کو منصفانہ طور پر پیش کرتے ہیں۔

b) کمپنی کے حسابات کی باقاعدہ کتابیں رکھی گئی ہیں۔

c) مالیاتی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کا مستقل مزاجی سے اطلاق کیا گیا ہے اور اکاؤنٹنگ پالیسیوں میں کسی بھی تبدیلی کو مالیاتی گوشواروں میں ظاہر کیا گیا ہے۔ اکاؤنٹنگ تخمینے معقول اور محتاط فیصلوں پر مبنی ہیں۔

d) مالیاتی گوشواروں کی تیاری میں پاکستان میں قابلِ اطلاق بین الاقوامی مالیاتی رپورٹنگ معیارات (IFRS) کی پیروی کی گئی ہے، اور ان سے کسی بھی انحراف کو مناسب طور پر ظاہر کیا گیا ہے اور اس کی وضاحت کی گئی ہے۔

e) گزشتہ چھ سال کے کلیدی آپریٹنگ اور مالیاتی اعداد و شمار منسلک ہیں۔

f) 30 جون 2026 تک شیئر ہولڈنگ کا پیٹرن منسلک ہے۔

g) شیئر ہولڈنگ کے پیٹرن میں ظاہر کردہ لین دین کے علاوہ، ڈائریکٹرز، چیف ایگزیکٹو، چیف فنانشل آفیسر، کمپنی سیکرٹری، ہیڈ آف انٹرنل آڈٹ، ان کے شریکِ حیات اور نابالغ بچوں نے کمپنی کے شیئرز میں کوئی لین دین نہیں کیا۔

h) 30 جون 2025 تک پنشن فنڈ اور پراویڈنٹ فنڈ کی سرمایہ کاری کی مالیت (آڈٹ شدہ) درج ذیل ہے:

	ملین روپے
پنشن فنڈ	3،173
پروویڈنٹ فنڈ	321

i) واجب الادا ٹیکسز اور لیویز کے بارے میں معلومات مالیاتی گوشواروں کے نوٹس میں دی گئی ہیں۔

ii) سال کے دوران بورڈ آف ڈائریکٹرز کے نو (9) اجلاس منعقد ہوئے، جن میں حاضری درج ذیل رہی:

ڈائریکٹر کا نام	اجلاسوں میں شرکت
لیفٹیننٹ جنرل (ر) محمد سعید، چیئرمین (1)	8
جناب شہاب قادر خان، چیف ایگزیکٹو (2)	7
جناب محمد مسعود، چیف ایگزیکٹو قائم مقام (3)	2
جناب عقیل احمد ناصر	9
جناب حافظ محمد یوسف	9
جناب سعد اقبال	9
جناب نوید اصغر چوہدری	9
محترمہ مہوش ہمایوں خان	9
جناب خواجہ خلیل شاہ	9
جناب محمد عرفان	9

k) سال کے دوران آڈٹ کمیٹی کے نو (9) اجلاس منعقد ہوئے، جن میں حاضری درج ذیل رہی:

ڈائریکٹر کا نام	اجلاسوں میں شرکت
جناب حافظ محمد یوسف (چیئرمین)	9
جناب نوید اصغر چوہدری	9
جناب سعد اقبال	9
جناب خواجہ خلیل شا	9
جناب محمد عرفان	9

l) سال کے دوران ہیومن ریسورس (ایچ آر) کمیٹی کے دس (10) اجلاس منعقد ہوئے، جن میں حاضری درج ذیل رہی:

ڈائریکٹر کا نام	اجلاسوں میں شرکت
محترمہ مہوش ہمایوں خان (چیئرپرسن)	10
جناب عقیل احمد ناصر	9
جناب حافظ محمد یوسف	10
جناب نوید اصغر چوہدری	10
جناب محمد عرفان	10

(1) لیفٹیننٹ جنرل (ریٹائرڈ) محمد سعید کو 15 اگست 2025 کو ڈائریکٹر مقرر کیا گیا اور چیئرمین منتخب کیا گیا۔
(2) جناب شہاب قادر خان نے 26 فروری 2026 کو چیف ایگزیکٹو کے عہدے سے استعفیٰ دیا۔
(3) جناب محمد مسعود کو 26 فروری 2026 کو قائم مقام چیف ایگزیکٹو مقرر کیا گیا۔

موجودہ سال کے دوران، کمپنی FCCL اور Pharaon Investment Group Limited Holding S.A.L. کے درمیان حصص کی خرید و فروخت کا معاہدہ (Sale and Purchase Agreement — SPA) طے پایا۔ اس کے علاوہ، سیکیورٹیز ایکٹ 2015 اور لسٹڈ کمپنیز (ووٹنگ کے حق والے حصص کے بڑے پیمانے پر حصول اور کمپنیوں کے حصول) ریگولیشنز 2017 کے تقاضوں کے مطابق، ACPL کے عام سرمایہ کاروں کے پاس موجود آزادانہ طور پر خرید و فروخت ہونے والے حصص (Free-float Shares) میں سے 50 فیصد حصص خریدنے کے لیے بھی پیشکش کی گئی۔

مذکورہ بالا لین دین کے نتیجے میں کمپنی اور FCCL میں سے ہر ایک نے ACPL میں 46.02 فیصد شیئر ہولڈنگ حاصل کی، جس کی مزید تفصیل مالیاتی گوشواروں کے نوٹ 13 میں دی گئی ہے۔

ACPL کے بورڈ آف ڈائریکٹرز نے اپنی انتظامیہ کو FCCL کے ساتھ FCCL کے ممکنہ انضمام کی فزیبلٹی کا جائزہ لینے اور اس کی جانچ کرنے، اور اس کے مطابق اپنی سفارشات بورڈ آف ڈائریکٹرز کو پیش کرنے کا اختیار دیا ہے۔

ایس این جی پی ایل (SNGPL) کا لیٹ پیمنٹ سرچارج کا دعویٰ

سال کے دوران کمپنی نے SNGPL کے 2,252 ملین روپے کے لیٹ پیمنٹ سرچارج کے دعوے میں سے 1,360 ملین روپے کا تصفیہ کیا، جبکہ بقیہ 892 ملین روپے کی رقم فیصلے کے لیے ایک آزاد ماہر (Independent Expert) کو بھیج دی گئی۔ ماہر نے 8 جولائی 2026 کو اپنا فیصلہ جاری کیا۔ اس فیصلے کی کمپنی کی تشریح اور قانونی مشاورت کی بنیاد پر کمپنی کا موقف ہے کہ متنازعہ دعوے کے سلسلے میں کوئی رقم واجب الادا نہیں ہے۔ تاہم SNGPL نے اس موقف سے اختلاف کیا ہے، اور معاملے کے حل تک 892 ملین روپے کی متعلقہ بینک گارنٹی کی مدت میں 21 نومبر 2026 تک توسیع کر دی گئی ہے۔

سولر منصوبے

کے-الیکٹرک نے سندھ سولر انرجی پارک (SSEP) کے تحت 150 میگاواٹ دیہہ میٹھا گھر اور 120 میگاواٹ دیہہ ہاکانی منصوبوں کے لیے کمپنی کو سب سے کم بولی دہندہ قرار دیا ہے۔ یہ منصوبے NEPRA کی منظوری سے مشروط ہیں۔ اس سلسلے میں سماعت ہو چکی ہے اور فیصلے کا انتظار ہے۔

لاٹ-1 کی فروخت

15 جولائی 2025 کو منعقدہ 13ویں غیر معمولی عمومی اجلاس میں شیئر ہولڈرز کی منظوری کے بعد، دو گیس ٹربائنز اور دو ہیٹ ریکوری اسٹیم جنریٹرز (HRSGs) بمعہ متعلقہ پرزہ جات اور اجزاء پر مشتمل لاٹ-1 کو 800 ملین روپے میں فروخت کر دیا گیا۔

صحت، حفاظت اور ماحول

اکتوبر 2022 میں بجلی کی خریداری کے معاہدے (Power Purchase Agreement) کی مدت ختم ہونے کے بعد پلانٹ کے آپریشن اور دیکھ بھال کا باقاعدہ نظام موجود نہ رہنے کی وجہ سے کمپنی کے انٹیگریٹڈ مینجمنٹ سسٹمز کے ISO، سرٹیفکیٹس واپس لے لیے گئے۔ ان میں ISO 9001:2015 (کوالٹی مینجمنٹ سسٹم) ISO 45001:2018 (پیشہ ورانہ صحت اور کام کی جگہ پر حفاظت کا نظام) اور ISO 14001:2015 (ماحولیاتی انتظام کا نظام) شامل تھے۔ تاہم، کمپنی نے اپنا HSE کا شعبہ، عملہ اور متعلقہ طریقہ کار (صحت، حفاظت اور ماحولیات) برقرار رکھا اور آپریشنز کو احتیاط اور ذمہ داری کے ساتھ جاری رکھا۔ کمپنی نے اس دوران صحت، حفاظت اور ماحولیاتی معیارات (HSE) کی اعلیٰ سطح کی پابندی کو یقینی بنانے کے لیے اپنے نظام اور طریقہ کار پر مسلسل عمل کیا۔

ڈائریکٹرز کی تربیت

کمپنی کے آٹھ ڈائریکٹرز نے لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز کے قابلِ اطلاق تقاضوں کے مطابق ڈائریکٹرز ٹریننگ پروگرام مکمل کر لیا ہے۔ کمپنی بقیہ ڈائریکٹرز کے لیے مقررہ تربیت کا انتظام کر رہی ہے اور توقع ہے کہ یہ مناسب وقت پر مکمل ہو جائے گی۔

بورڈ کی کارکردگی کا جائزہ

کمپنی نے بورڈ آف ڈائریکٹرز اور اس کی کمیٹیوں کی کارکردگی کا آزادانہ جائزہ لینے کے لیے پاکستان انسٹی ٹیوٹ آف کارپوریٹ گورننس (PICG) کی خدمات حاصل کی ہیں۔ جائزے کا عمل جاری ہے۔

ڈائریکٹرز کا معاوضہ

نان ایگزیکٹو ڈائریکٹرز اور آزاد ڈائریکٹرز اجلاسوں میں شرکت کے لیے ڈائریکٹرز فیس کے حقدار ہیں۔ مزید تفصیلات کے لیے مالیاتی گوشواروں کا نوٹ 34.2 ملاحظہ فرمائیں۔

چیف ایگزیکٹو کی تقرری

جناب شہاب قادر خان نے 26 فروری 2026 کو چیف ایگزیکٹو کے عہدے سے استعفیٰ دے دیا، اور عبوری مدت کے لیے جنرل منیجر فنانس/چیف فنانشل آفیسر جناب محمد مسعود کو قائم مقام چیف ایگزیکٹو مقرر کیا گیا۔

جناب وقار احمد خان کو یکم جولائی 2026 سے شروع ہونے والی تین سالہ مدت کے لیے، بورڈ آف ڈائریکٹرز کی جانب سے طے شدہ معاوضے پر، کمپنی کا چیف ایگزیکٹو مقرر کیا گیا۔

بورڈ آف ڈائریکٹرز کی تشکیل

30 جون 2026 تک بورڈ آف ڈائریکٹرز مندرجہ ذیل پر مشتمل ہے:

ڈائریکٹرز کی مجموعی تعداد		
a)	مرد	8
b)	خاتون	1
تشکیل		
i	آزاد ڈائریکٹرز	3
ii	نان ایگزیکٹو ڈائریکٹرز	5
iii	ایگزیکٹو ڈائریکٹر	1
iv	خاتون ڈائریکٹر	1

ڈائریکٹرز کی رپورٹ

30 جون 2026 کو ختم ہونے والے سال کے مالیاتی گوشواروں (آڈٹ شدہ) کے ساتھ ڈائریکٹرز کی رپورٹ پیش خدمت ہے۔

کمپنی کی بنیادی سرگرمیاں

کمپنی کی بنیادی سرگرمیوں میں پنجاب کے شہر کوٹ ادو میں ملٹی فیول (گیس / آر ایل این جی، فرنس آئل اور ہائی اسپیڈ ڈیزل) سے چلنے والے پاور پلانٹ کی ملکیت، آپریشن اور دیکھ بھال شامل ہیں۔ کمپنی کو اپنے میمورنڈم آف ایسوسی ایشن کے تحت دیگر کاروباروں میں سرمایہ کاری کرنے کی اجازت ہے۔

کمپنی پاکستان سٹاک ایکسچینج میں درج (لسٹڈ) ہے اور کے ایس ای 100 انڈیکس کمپنی ہے۔

آپریشنل جھلکیاں

تین فریقی بجلی خریداری کے معاہدے (TPPA) کے تحت کمپنی کا 495 میگاواٹ کا بجلی گھر اور اس سے منسلک سوئچ یارڈ ایسے نظام کے تحت کام کرتے ہیں جس میں کمپنی کو کم از کم آمدنی کی ضمانت حاصل ہوتی ہے۔ اگر پلانٹ کم از کم 25 فیصد دستیابی کے ساتھ موجود ہو تو کمپنی کو ایک مقررہ کم از کم آمدنی ملتی ہے، جبکہ اس سے زیادہ بجلی پیدا کرنے کی صورت میں اضافی آمدنی بھی حاصل ہوتی ہے۔ اس معاہدے کی مدت اس بات سے منسلک ہے کہ کمپنی کے پلانٹ کو ہر سال متعلقہ حکام کی جانب سے منظور شدہ Integrated Generation Capacity Expansion Plan (IGCEP) Power Acquisition Plan (PAP) میں شامل کیا جائے۔

23 ستمبر 2025 کو NEPRA نے 495 میگاواٹ کے اس پلانٹ کے بجلی کے ٹیرف کی منظوری دی، تاہم ٹیرف اور معاہدے کی مدت میں توسیع کو IGCEP/PAP کی منظوری سے مشروط کیا گیا۔ چونکہ اس وقت منظور شدہ IGCEP/PAP موجود نہیں تھا، اس لیے TPPA کو یکم اکتوبر 2025 سے معطل کر دیا گیا۔ کمپنی نے اس فیصلے کے خلاف NEPRA میں نظرِ ثانی کی درخواست دائر کی۔ بعد ازاں دسمبر 2025 میں NEPRA نے 9 دسمبر 2025 سے کمپنی کا قابلِ اطلاق ٹیرف عارضی طور پر بحال کر دیا۔ NEPRA نے اس بات کو تسلیم کیا کہ بجلی کے نظام کو مستحکم رکھنے کے لیے کمپنی کے بجلی گھر اور سوئچ یارڈ کی ضرورت اب بھی موجود ہے۔ اس فیصلے کے بعد کمپنی نے دوبارہ بجلی پیدا کرنا اور قومی نظام کو بجلی فراہم کرنا شروع کر دیا۔

حتمی ٹیرف کا تعین اور TPPA کی مدت میں توسیع بدستور IGCEP کی منظوری سے مشروط ہیں۔ اس منظوری کے بعد TPPA کی مدت خود بخود IGCEP میں مقرر کردہ میعاد ختم ہونے کی تاریخ تک، یا TPPA کے تحت تین سال کی مدت کے لیے، جو بھی پہلے ہو، بڑھ جائے گی۔

سال کے دوران کمپنی نے نیشنل پاور کنٹرول سینٹر (NPCC) کی ڈسپیچ ہدایات کے مطابق 479,153 میگاواٹ آور (MWh) بجلی پیدا کی۔

مالیاتی جھلکیاں

30 جون 2026 کو ختم ہونے والے سال کے دوران کمپنی نے 19.16 ارب روپے کی آمدنی (ریونیو) حاصل کی، جبکہ گزشتہ سال یہ 1.56 ارب روپے تھی۔ یہ نمایاں اضافہ بنیادی طور پر قابلِ اطلاق ٹیرف کی عارضی بحالی کے بعد زیادہ پیداوار اور ترسیل کی بدولت ہوا۔

کمپنی کو 38.45 ملین روپے کا مجموعی نقصان ہوا، جو 2025 کے 438.16 ملین روپے کے مجموعی نقصان سے نمایاں طور پر کم ہے۔ انتظامی اخراجات بڑھ کر 758.39 ملین روپے ہو گئے، جبکہ دیگر آپریٹنگ اخراجات کم ہو کر 232.42 ملین روپے رہ گئے۔

دیگر آمدنی 4.87 ارب روپے رہی، جبکہ گزشتہ سال یہ 7.07 ارب روپے تھی۔ سال کے دوران کمپنی نے ایکویٹی کے تحت کی جانے والی سرمایہ کاری سے 355.29 ملین روپے کا خالص منافع بھی حاصل کیا۔

نتیجتاً کمپنی نے 3.72 ارب روپے کا قبل از انکم ٹیکس منافع حاصل کیا، جبکہ 2025 میں یہ 2.97 ارب روپے تھا، جو تقریباً 25 فیصد اضافے کو ظاہر کرتا ہے۔

109.55 ملین روپے لیوی اور 1.20 ارب روپے انکم ٹیکس کی مد میں منہا کرنے کے بعد سال کا منافع 2.52 ارب روپے رہا، جبکہ گزشتہ سال یہ 2.54 ارب روپے تھا۔ فی شیئر آمدنی (EPS) معمولی کمی کے ساتھ 2.88 روپے سے کم ہو کر 2.86 روپے ہو گئی۔

تفصیلات	2026	2025	تبدیلی
آمدنی (ریونیو)	19.16 ارب روپے	1.56 ارب روپے	+1,126%
مجموعی نقصان	38.45 ملین روپے	438.16 ملین روپے	(91%)
دیگر آمدنی	4.87 ارب روپے	7.07 ارب روپے	(31%)
ایکویٹی کے تحت سرمایہ کاری کے منافع میں حصہ	355.29 ملین روپے	-	نیا
مالیاتی لاگت	366.91 ملین روپے	248.36 ملین روپے	+48%
قبل از انکم ٹیکس منافع	3.72 ارب روپے	2.97 ارب روپے	+25%
سال کا منافع	2.52 ارب روپے	2.54 ارب روپے	(1%)
فی شیئر آمدنی	2.86 روپے	2.88 روپے	(1%)

نوٹ: اعداد و شمار منسلکہ نفع یا نقصان کے گوشوارے (Statement of Profit or Loss) پر مبنی ہیں۔ فیصد تبدیلی سال بہ سال کی بنیاد پر دی گئی ہے۔

کاروباری تنوع

کمپنی اپنے پورٹ فولیو کو متنوع بنانے کے لیے سرمایہ کاری کے مختلف آپشنز کا جائزہ لے رہی ہے۔ پاکستان واٹر اینڈ پاور ڈیولپمنٹ اتھارٹی (واپڈا) ایک اہم شیئر ہولڈر ہونے کے ناطے کمپنی کے تنوع کے منصوبوں کی بھرپور حمایت کرتی ہے۔

اٹک سیمنٹ پاکستان لمیٹڈ (ACPL)

سال 2025 کے دوران، کمپنی نے فوجی فاؤنڈیشن کے ساتھ مل کر اٹک سیمنٹ پاکستان لمیٹڈ (ACPL) کے 84.06 فیصد حصص خریدنے کے لیے بولی جمع کرائی۔ یہ حصص Pharaon Investment Group Limited Holding S.A.L. کی ملکیت تھے۔ بعد ازاں، نومبر 2025 میں، فوجی فاؤنڈیشن نے حصص خریدنے کے اپنے حقوق اور اس عمل میں اپنا کردار فوجی سیمنٹ کمپنی لمیٹڈ (FCCL) کو منتقل کر دیا۔

KOT ADDU POWER COMPANY LIMITED

Key Operating and Financial Data of the Last Six Years

Financial Year Ending June 30,		2026	2025	2024	2023	2022	2021
Turnover	PKR in Million	**19,162**	1,563	–	25,435	136,600	50,349
Net profit	PKR in Million	**2,520**	2,536	4,314	3,959	9,894	10,229
Assets	PKR in Million	**83,423**	65,253	81,551	101,848	136,761	152,234
Dividends	PKR in Million	**3,521**	7,482	8,362	6,602	6,602	5,722
EPS	PKR per share	**2.86**	2.88	4.90	4.50	11.24	11.62
Net Output	GWh	**479**	53	–	588	4,980	3,562
Thermal Efficiency	%	**44.1**	40.9	–	42.3	43.4	44.5
Load Factor	%	**11.1**	16.4	–	5.5	42.4	30.3
Availability	%	**96.6**	99.0	–	97.8	90.0	85.6

PATTERN OF SHAREHOLDING

As on June 30, 2026

No of Share Holders	Having Shares		Shares Held	Percentage
	From	To		
3170	1	100	129112	0.0147
47257	101	500	23047035	2.6182
3549	501	1000	3270482	0.3715
5486	1001	5000	14721483	1.6724
1710	5001	10000	13544959	1.5388
749	10001	15000	9573904	1.0876
439	15001	20000	8023724	0.9115
306	20001	25000	7179600	0.8156
223	25001	30000	6306358	0.7164
115	30001	35000	3813241	0.4332
130	35001	40000	5007061	0.5688
89	40001	45000	3813031	0.4332
147	45001	50000	7242085	0.8227
56	50001	55000	2946952	0.3348
56	55001	60000	3287920	0.3735
41	60001	65000	2574324	0.2925
43	65001	70000	2925847	0.3324
30	70001	75000	2217169	0.2519
28	75001	80000	2199815	0.2499
18	80001	85000	1502617	0.1707
11	85001	90000	971446	0.1104
14	90001	95000	1286118	0.1461
95	95001	100000	9459244	1.0746
21	100001	105000	2146850	0.2439
8	105001	110000	864422	0.0982
11	110001	115000	1246341	0.1416
11	115001	120000	1309785	0.1488
15	120001	125000	1858259	0.2111
8	125001	130000	1031242	0.1172
7	130001	135000	935698	0.1063
10	135001	140000	1376253	0.1563
8	140001	145000	1146200	0.1302
24	145001	150000	3592008	0.4081
2	150001	155000	303450	0.0345
12	155001	160000	1890842	0.2148
5	160001	165000	817818	0.0929
8	165001	170000	1343901	0.1527
3	170001	175000	522247	0.0593
3	175001	180000	537000	0.0610
3	180001	185000	547000	0.0621
3	185001	190000	558983	0.0635
1	190001	195000	192500	0.0219
25	195001	200000	4992961	0.5672
6	200001	205000	1210739	0.1375
4	205001	210000	834725	0.0948
1	210001	215000	210500	0.0239
5	215001	220000	1091329	0.1240
6	220001	225000	1341500	0.1524
2	225001	230000	456000	0.0518
2	230001	235000	467000	0.0531
2	235001	240000	480000	0.0545
2	240001	245000	482406	0.0548
9	245001	250000	2247500	0.2553

No of Share Holders	Having Shares		Shares Held	Percentage
	From	To		
5	250001	255000	1259913	0.1431
1	255001	260000	258000	0.0293
3	260001	265000	790500	0.0898
2	265001	270000	539450	0.0613
2	270001	275000	550000	0.0625
1	290001	295000	294445	0.0334
12	295001	300000	3592500	0.4081
1	300001	305000	302643	0.0344
1	305001	310000	309500	0.0352
4	310001	315000	1255981	0.1427
2	315001	320000	635220	0.0722
1	320001	325000	320233	0.0364
4	325001	330000	1316515	0.1496
2	330001	335000	667500	0.0758
1	335001	340000	340000	0.0386
2	345001	350000	700000	0.0795
1	350001	355000	352804	0.0401
2	355001	360000	719692	0.0818
2	360001	365000	724775	0.0823
3	370001	375000	1111873	0.1263
2	375001	380000	753665	0.0856
1	380001	385000	380677	0.0432
3	385001	390000	1161459	0.1319
1	390001	395000	391500	0.0445
1	395001	400000	400000	0.0454
1	400001	405000	405000	0.0460
1	420001	425000	425000	0.0483
1	425001	430000	430000	0.0488
1	445001	450000	450000	0.0511
1	455001	460000	459000	0.0521
3	480001	485000	1445288	0.1642
7	495001	500000	3500000	0.3976
1	505001	510000	509530	0.0579
2	510001	515000	1029499	0.1170
1	520001	525000	525000	0.0596
1	525001	530000	526284	0.0598
1	530001	535000	533150	0.0606
1	545001	550000	545450	0.0620
1	565001	570000	566493	0.0644
1	570001	575000	575000	0.0653
1	575001	580000	575897	0.0654
1	585001	590000	589573	0.0670
2	630001	635000	1270000	0.1443
1	635001	640000	639000	0.0726
3	645001	650000	1949000	0.2214
2	670001	675000	1346842	0.1530
1	675001	680000	680000	0.0772
2	700001	705000	1405096	0.1596
1	720001	725000	720534	0.0819
1	730001	735000	735000	0.0835
1	825001	830000	826250	0.0939
1	830001	835000	835000	0.0949
1	840001	845000	844500	0.0959

PATTERN OF SHAREHOLDING

As on June 30, 2026

No of Share Holders	Having Shares		Shares Held	Percentage
	From	To		
1	865001	870000	869034	0.0987
2	910001	915000	1823057	0.2071
4	995001	1000000	4000000	0.4544
1	1095001	1100000	1100000	0.1250
1	1120001	1125000	1125000	0.1278
1	1180001	1185000	1181944	0.1343
1	1195001	1200000	1200000	0.1363
1	1290001	1295000	1290895	0.1466
1	1295001	1300000	1300000	0.1477
1	1310001	1315000	1315000	0.1494
1	1465001	1470000	1468500	0.1668
2	1495001	1500000	2997000	0.3405
1	1545001	1550000	1550000	0.1761
1	1650001	1655000	1650101	0.1875
1	1725001	1730000	1730000	0.1965
1	1775001	1780000	1776000	0.2018
1	1800001	1805000	1801500	0.2047
1	1985001	1990000	1987120	0.2257
2	1995001	2000000	4000000	0.4544
1	2085001	2090000	2085610	0.2369
1	2995001	3000000	3000000	0.3408
1	3270001	3275000	3270624	0.3716
1	4195001	4200000	4198512	0.4770
1	5195001	5200000	5196711	0.5904
1	5490001	5495000	5492950	0.6240
1	5730001	5735000	5731000	0.6511
1	5800001	5805000	5804000	0.6594
1	5995001	6000000	6000000	0.6816
1	6255001	6260000	6257778	0.7109
1	7045001	7050000	7046000	0.8005
1	13920001	13925000	13921900	1.5816
1	33985001	33990000	33988679	3.8612
1	43995001	44000000	44000000	4.9986
1	48250001	48255000	48252429	5.4817
1	82980001	82985000	82981534	9.4270
1	354310001	354315000	354311133	40.2510
64133		Company Total	880253228	100.0000

CATEGORIES OF SHAREHOLDERS

As on June 30, 2026

Particulars	No of Folio	Balance Shares	Percentage
DIRECTORS, CEO, SPOUSE & CHILDREN	8	87005	0.0099
ASSOCIATED COMPANIES	2	402563562	45.7327
BANKS, DFI & NBFI	18	167568803	19.0364
INSURANCE COMPANIES	8	13308305	1.5119
MUTUAL FUNDS	6	1531258	0.1740
GENERAL PUBLIC (LOCAL)	60497	199511303	22.6652
GENERAL PUBLIC (FOREIGN)	3435	24636184	2.7988
OTHERS	138	52266718	5.9377
FOREIGN COMPANIES	5	4884472	0.5549
APPROVED FUND	16	13895618	1.5786
Company Total	64133	880253228	100.0000

PATTERN OF SHAREHOLDING ADDITIONAL INFORMATION

As on June 30, 2026

Shareholders Category	No. of Shares Held
Associated Companies	
Pakistan Water and Power Development Authority	354,311,133
KAPCO Employees Empowerment Trust	48,252,429
Mutual Funds	
CDC - TRUSTEE FIRST CAPITAL MUTUAL FUND	10,000
TRUSTEE CHERAT CEMENT CO.LTD.EMP.PRO.FND	15,000
CDC - TRUSTEE AKD INDEX TRACKER FUND	167,389
CDC - TRUSTEE AKD OPPORTUNITY FUND	330,000
CDC - TRUSTEE NIT STATE ENTERPRISE FUND	526,284
CDC - TRUSTEE GOLDEN ARROW STOCK FUND	482,585
Directors, CEO, their spouses and minor children	
Lt. General (Retd) Muhammad Saeed	1
Mr. Muhammad Masood - Acting Chief Executive	-
Mr. Aqeel Ahmed Nasir	500
Mr. Hafiz Muhammad Yousaf	1
Mr. Naveed Asghar Chaudhry	1
Mr. Saad Iqbal	84,500
Mr. Muhammad Arfan	1
Ms. Mahwish Humayun Khan	1
Mr. Khawaja Khalil Shah	2,000
Executives	211,711
Public Sector Companies and Corporations	–

Shareholders Category	No. of Shares Held
Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance Companies, Takaful, Modarabas and	251,923,916
Approved Funds (Pension Funds, Provident Funds, Gratuity Funds etc.)	
General Public (Local)	199,299,592
General Public (Foreign)	24,636,184
Shareholders holding 5% or more voting interest	
Pakistan Water and Power Development Authority	354,311,133
MCB Bank Limited	82,981,534
KAPCO Employees Empowerment Trust	48,252,429
United Bank Limited - Trading Portfolio	44,000,000

None of the CEO, Directors, CFO, Company Secretary, Head of Internal Audit, Executives and their spouses and minor chidlren have traded int eh shares of the Company during the year ended June 30, 2026.

CORPORATE HOLDING 10,000 SHARES AND ABOVE

As on June 30, 2026

MEMBERS NAME	NO OF SHARES
THE PAKISTAN WATER & POWER DEVELOPMENT AUTHORITY	354,311,133
MCB BANK LIMITED - TREASURY	82,981,534
KAPCO EMPLOYEES EMPOWERMENT TRUST	48,252,429
UNITED BANK LIMITED - TRADING PORTFOLIO	44,000,000
NATIONAL BANK OF PAKISTAN	33,988,679
EMPLOYEES OLD AGE BENEFITS INSTITUTION	13,921,900
TRUSTEE - MCB PROVIDENT FUND PAK STAFF	7,046,000
MOHAMMAD MUNIR MOHAMMAD AHMED KHANANI SECURITIES LIMITED	6,257,778
PAK BRUNEI INVESTMENT COMPANY LIMITED	6,000,000
TRUSTEE-MCB EMPLOYEES PENSION FUND	5,804,000
ADAMJEE INSURANCE COMPANY LIMITED	5,731,000
BULK MANAGEMENT PAKISTAN (PVT.) LTD.	5,492,950
EFU LIFE ASSURANCE LIMITED	5,196,711
ASKARI BANK LIMITED	4,198,512
PROVIDUS CAPITAL (PVT.) LIMITED	3,270,624
ARROWSTREET EMERGING MARKET ALPHA EXTENSION TRUST FUND	1,987,120
WESTBURY (PRIVATE) LTD	1,801,500
TRUSTEES OF FRIENDS EDUCATIONAL AND MEDICAL TRUST	1,776,000
MISSOURI EDUCATION PENSION TRUST [1584-5]	1,650,101
PAK LIBYA HOLDING COMPANY (PVT.) LIMITED	1,500,000
DJM SECURITIES LIMITED	1,300,000
VMATE (PVT.) LIMITED	1,290,895
NATIONAL INSURANCE COMPANY LIMITED	1,181,944
J HOLDINGS (PRIVATE) LIMITED	1,000,000
TRUSTEES MOHAMAD AMIN WAKF ESTATE	912,500
J.P. MORGAN SECURITIES PLC	869,034
ASDA SECURITIES (PVT.) LTD.	671,842
AQEEL KARIM DHEDHI SECURITIES (PVT.) LIMITED STAFF PRO.FUND	650,000
AL-ABBAS EDUCATIONAL AND WELFARE SOCIETY	649,500
TRUSTEES SAEEDA AMIN WAKF	575,000
E. F. U. GENERAL INSURANCE LIMITED	533,150
CDC - TRUSTEE NIT STATE ENTERPRISE FUND	526,284
SURAJ COTTON MILLS LTD.	525,000
MULTAN CHEMICALS LIMITED	514,843
TRUSTEES OF BESTWAY CEMENT LIMITED EMPLOYEES GRATUITY FUND	514,656
LUCKY TEX PAKISTAN (PVT.) LIMITED	500,000
CDC - TRUSTEE GOLDEN ARROW STOCK FUND	482,585
EFU GENERAL INSURANCE LIMITED	450,000
RICHIES (PRIVATE) LIMITED	430,000
ARROWSTREET COLLECTIVE INVESTMENT TRUST	378,215
PAIR INVESTMENT COMPANY LIMITED	350,000
CDC - TRUSTEE AKD OPPORTUNITY FUND	330,000
RIAZ AHMED SECURITIES (PVT) LTD.	328,515
SALIM SOZER SECURITIES (PRIVATE) LIMITED	300,000
EDULJEE DINSHAW (PRIVATE) LIMITED	258,000
MARIAM ALI MUHAMMAD TABBA FOUNDATION	250,000
TRUSTEES BPS GROUP COMPANIES EMPLOYEES PROVIDENT FUND	250,000
AHSAM SECURITIES (PRIVATE) LIMITED	250,000
FRIENDS EDUCATIONAL AND MEDICAL TRUST	234,000
CAPITAL ONE EQUITIES LIMITED.	206,500
DOSSA COTTON & GENERAL TRADING (PVT) LIMITED	200,000

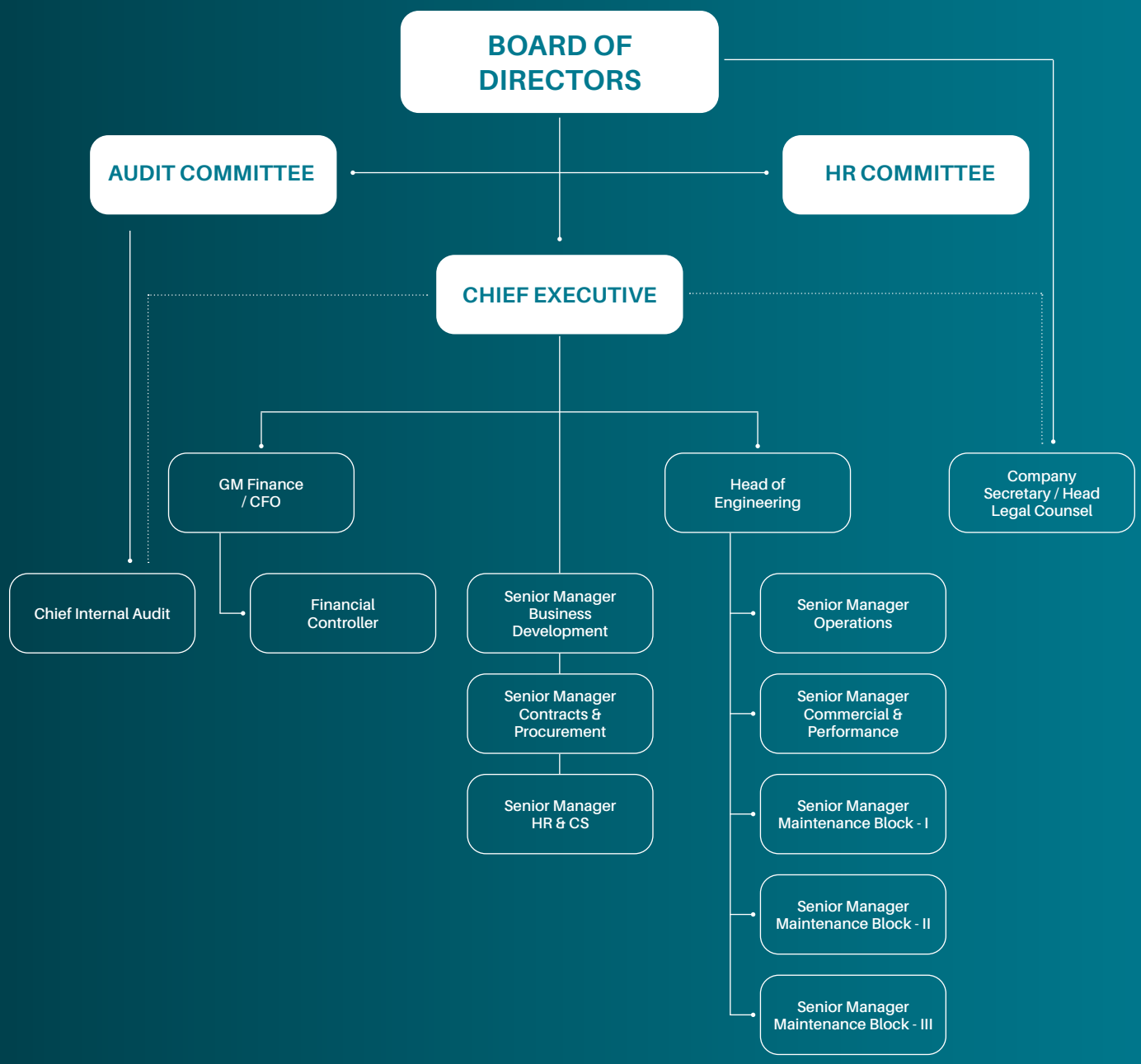
MEMBERS NAME	NO OF SHARES
MULTIPLE INVESTMENT MANAGEMENT LTD	200,000
TRUSTEE NATIONAL REFINERY LTD. MANAGEMENT STAFF PENSION FUND	199,761
NCC - PRE SETTLEMENT DELIVERY ACCOUNT	185,603
UBL INSURERS LIMITED	185,000
CDC - TRUSTEE AKD INDEX TRACKER FUND	167,389
TRUSTEES HOMMIE&JAMSHED NUSSERWANJEE C.T	150,000
ASKARI BANK LIMITED - MT	136,531
TRUSTEE ALOO & MINOCHER DINSHAW CHARITABLE TRUST	135,000
ARIF HABIB LIMITED	114,500
TRUSTEES OF HAJI MOHAMMED WELFARE TRUST	110,000
TRUSTEES OF SAMAD CHARITABLE TRUST	110,000
ABBASI & COMPANY (PRIVATE) LIMITED	100,000
TRUSTEES ALOO&MINOCHER DINSHAW CHR.TRUST	100,000
TRUSTEES MCB EMPLOYEES FOUNDATION	100,000
HAJI DOSSA (PVT) LTD	100,000
SSH TELECOM (SMC-PRIVATE) LIMITED	100,000
TRUSTEES AL-BADER WELFARE TRUST	87,000
SAYA SECURITIES (PRIVATE) LIMITED	85,000
GPH SECURITIES (PRIVATE) LIMITED	80,500
PEARL ENGINEERING (PVT) LTD	66,000
FIKREES (PRIVATE) LIMITED	64,000
BHAYANI ENTERPRISES (PRIVATE) LIMITED	56,500
TRUSTEES OF HAMID ADAMJEE TRUST	55,000
ZAHID LATIF KHAN SECURITIES (PVT) LTD.	52,000
ARIF HABIB LIMITED - MF	50,000
ASA STOCKS (PVT.) LIMITED	50,000
DOSSLANIS SECURITIES (PRIVATE) LIMITED	50,000
LAKHANY LAW (SMC-PRIVATE) LIMITED	46,500
AL HABIB CAPITAL MARKETS (PRIVATE) LIMITED - MT	40,969
AKY SECURITIES (PVT) LTD.	32,000
NUMBERS (PRIVATE) LIMITED	31,729
PAKISTAN REINSURANCE COMPANY LIMITED	30,000
M/S RANG COMMODITIES (PVT) LTD	26,773
MSMANIAR FINANCIALS (PVT) LTD.	25,188
RAO SYSTEMS (PVT.) LTD.	25,000
THE AL-MALIK CHARITABLE TRUST	25,000
MOHAMMAD MUNIR MOHAMMAD AHMED KHANANI SECURITIES LTD. - MF	25,000
FIRST CREDIT & INVESTMENT BANK LIMITED	23,500
DYNASYS NETWORKS (PRIVATE) LIMITED	23,000
THE PAKISTAN MEMON WOMEN EDUCATIONAL SOCIETY	20,000
TRUSTEES-TREET CORP.LTD. E.SUPERANNVAT FUND	20,000
WAH NOBEL (PRIVATE) LIMITED MANAGEMENT STAFF PENSION FUND	20,000
JS GLOBAL CAPITAL LIMITED - MF	20,000
MANAGEMENT AND EDUCATIONAL SERVICES (PRIVATE) LIMITED	17,000
MINDSTORM STUDIOS (PRIVATE) LIMITED	15,913
VALIKA ART FABRICS LTD	15,500
TRUSTEE CHERAT CEMENT CO.LTD.EMP.PRO.FND	15,000
SOFIAN BUSINESS CORPORATION (PRIVATE) LIMITED	15,000
THE PAKISTAN MEMON WOMEN EDUCATIONAL SOC	15,000
AAL BAWANY FOUNDATION	15,000
KHURSHEED SALT WORKS (PRIVATE) LIMITED	15,000

CORPORATE HOLDING 10,000 SHARES AND ABOVE

As on June 30, 2026

MEMBERS NAME	NO OF SHARES
AVI DINSHAW (PRIVATE) LIMITED	15,000
EDDIE COMPANY (PRIVATE) LIMITED	15,000
KARACHI LIGHTERAGE COMPANY (PRIVATE) LIMITED	15,000
FRAMROZE E. DINSHAW (PRIVATE) LIMITED	15,000
TRUSTEE KARACHI PARSI ANJUMAN TRUST FUND	15,000
BROADAXIS TECHNOLOGIES (PRIVATE) LIMITED	15,000
MULTILINE SECURITIES LIMITED - MF	15,000
YOUSUF YAQOOB KOLIA AND COMPANY (PRIVATE) LIMITED	14,000
INA SECURITIES (PVT.) LIMITED	12,500
AL-FARAN MULTIPURPOSE COOPERATIVE SOCIETY LIMITED	12,300
MRA SECURITIES LIMITED - MF	11,509
AXIS GLOBAL LIMITED	11,000
RAFI SECURITIES (PRIVATE) LIMITED	10,450
TRUSTEE- TREET CORPORATION LIMITED G.E. GRATUITY	10,000
PAKISTAN MEMON EDUCATIONAL & WELFARE SOC	10,000
SIKANDER (PVT) LIMITED	10,000
TRUSTEES OF FAROUKH&ROSHEN KARANI TRUST	10,000
MERIN (PRIVATE) LIMITED	10,000
TRUSTEES OF AL-MUSTAFA TRUST	10,000
TRUSTEE-TREET CORPORATION LTD.-GROUP EMP.SUPERANNUATION FUND	10,000
EDULJEE DINSHAW HOLDING COMPANY (PVT) LTD	10,000
PERIDOT PRODUCTS (PVT) LIMITED	10,000
THE TRUSTEES, ZOROASTRIAN CO-OP. HOUSING SOCIETY	10,000
CDC - TRUSTEE FIRST CAPITAL MUTUAL FUND	10,000
SPINZER EQUITIES (PRIVATE) LIMITED	10,000
MUHAMMAD SALIM KASMANI SECURITIES (PRIVATE) LIMITED	10,000
CMA SECURITIES (PVT.) LIMITED	10,000
	655,845,049

ORGANIZATIONAL STRUCTURE*



——— Functional Reporting

····· Administrative Reporting

* Board of Directors' and Senior Management of the Company.

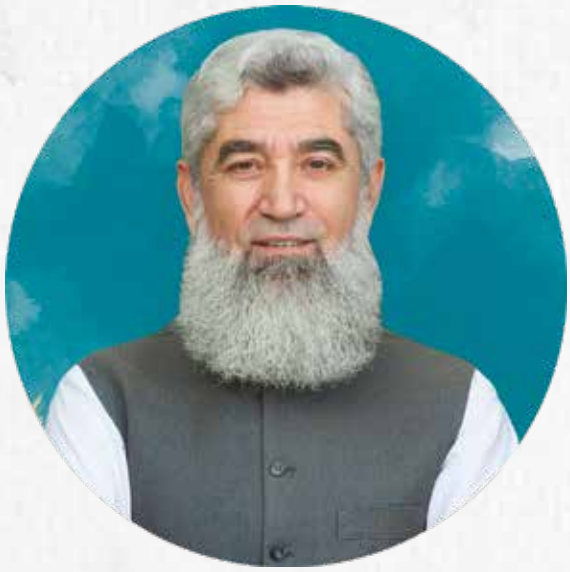
EXECUTIVE & MANAGEMENT COMMITTEES

Executive Committee:

The Executive Committee consists of the Departmental Heads and is chaired by the Chief Executive. Its functions include formulating, reviewing, communicating and managing the delivery of the Company's strategy; agreeing and recommending the Business Plan to the Board of Directors; and managing the delivery of the agreed Business Plan. The Executive Committee meets from time to time to coordinate activities and to take up any matters/issues.

Management Committee:

The Management Committee consists of the Departmental Heads and the Senior Managers and is chaired by the Chief Executive. Its functions include in-depth Departmental reviews so as to create synergies within the Company. The Management Committee meets regularly.



Mr. Waqar Ahmad Khan

Chief Executive

Mr. Arshad Saqib

GM Engineering

Mr. A. Anthony Rath

Company Secretary / Head Legal Counsel

Muhammad Masood

GM Finance/CFO

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES

(Code of Corporate Governance) Regulations, 2019

Name of Company

Kot Addu Power Company Limited (the "Company")

Year Ended

June 30, 2026

The Company has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the "Regulations") in the following manner:

1. The total number of directors are nine (9) as per the following:

   a) Male: Eight (8)

   b) Female: One (1)

2. The composition of the Board of Directors (the "Board") is as follows:

Category	Names
Independent Directors	• Mr. Hafiz Mohammad Yousaf • Ms. Mahwish Humayun Khan • Mr. Khawaja Khalil Shah
Non-Executive Directors	• Lt. General (Retd) Muhammad Saeed • Mr. Naveed Asghar Chaudhry • Mr. Aqeel Ahmed Nasir • Mr. Saad Iqbal • Mr. Muhammad Arfan
Executive Director	• Mr. Muhammad Masood[1] (Acting Chief Executive)
Female Director	• Ms. Mahwish Humayun Khan

3. The Directors have confirmed that none of them is serving as a director on the board(s) of more than seven listed companies, including this Company.

4. The Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.

5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company.

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/shareholders as empowered by the relevant provisions of the Companies Act, 2017 (the "Act"), and the Regulations.

7. The meetings of the Board were presided over by the Chairman. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meetings of the Board.

8. The Board has a formal policy and transparent procedure for remuneration of Directors in accordance with the Act and the Regulations.

9. The majority of the Directors have either completed the Director's Certification from authorized institutions or have the prescribed qualification and experience pursuant to Regulation 19 of the Code of Corporate Governance.

10. The Board has approved the appointment of the Company Secretary, Chief Financial Officer and Head of Internal Audit[2] including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.

11. The Chief Executive and Chief Financial Officer duly endorsed the financial statements before approval by the Board.

[1] Mr. Muhammad Masood appointed as Acting Chief Executive on February 26, 2026 in place of Mr. Shahab Qader Khan.

[2] The Head of Internal Audit of the Company, Mr. Sikandar Usmani resigned w.e.f November 8, 2025 and Mr. Muhammad Umer Javaid Ansari was appointed as the Chief Internal Auditor w.e.f September 1, 2026.

12. The Board has formed Board Committees comprising of following:

Audit Committee

Mr. Hafiz Mohammad Yousaf	Chairman
Mr. Saad Iqbal	Member
Mr. Naveed Asghar Chaudhry	Member
Mr. Khawaja Khalil Shah	Member
Mr. Muhammad Arfan	Member

The Head of Internal Audit of the Company, Mr. Sikandar Usmani resigned w.e.f November 8, 2025 and Mr. Umer Javaid Ansari was appointed as the Chief Internal Auditor w.e.f September 1, 2026.

HR Committee

Ms. Mahwish Humayun Khan	Chairperson
Mr. Naveed Asghar Chaudhry	Member
Mr. Aqeel Ahmed Nasir	Member
Mr. Hafiz Mohammad Yousaf	Member
Mr. Muhammad Arfan	Member

Investment Committee

Mr. Naveed Asghar Chaudhry	Chairman
Mr. Aqeel Ahmed Nasir	Member
Mr. Hafiz Mohammad Yousaf	Member
Mr. Saad Iqbal	Member
Mr. Khawaja Khalil Shah	Member

Special Committe

Mr. Muhammad Arfan	Chairman
Mr. Aqeel Ahmed Nasir	Member
Mr. Naveed Asghar Chaudhry	Member
Mr. Saad Iqbal	Member

13. The terms of reference of the Board Committees have been formed, documented and advised to the Members for compliance.

14. The frequency of Board Committee Meetings (year ended June 30, 2026) are as follows:

Audit Committee	Nine (9)
HR Committee	Ten (10)
Investment Committee	Five (5)
Special Committee	One (1)

15. The Board has set-up an effective internal audit function, which has suitably qualified and experienced personnel for the purpose and conversant with the policies and procedures of the Company.

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review programme of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan; that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not close relatives (spouse, parent, dependent and non-dependent children) of the Chief Executive, Chief Financial Officer, Head of Internal Audit[3], Company Secretary or Directors of the Company.

17. The statutory auditors or the persons associated with them have not been appointed to provide other services, except in accordance with the Act, the Regulations or any other regulatory requirements and the auditors have confirmed that they have observed IFAC Guidelines in this respect.

18. We confirm that all requirements of the Regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.

19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are appended below.

[3]The Head of Internal Audit of the Company, Mr. Sikandar Usmani resigned w.e.f November 8, 2025 and Mr. Muhammad Umer Javaid Ansari was appointed as the Chief Internal Auditor w.e.f September 1, 2026.

EXPLANATION FOR NON-COMPLIANCE

of Non-Mandatory Requirements of the Code of Corporate Governance, 2019 ("CCG")

Sr. No.	Requirement	Explanation of Non-Compliance	Regulations Number
1.	**Directors' Training** It is encouraged that all directors acquire the prescribed certification under a directors' training programme offered by institutions meeting the criteria specified by the Commission.	Eight Directors of the Company have obtained Directors' Training Programme certification. The Company is in the process of arranging the prescribed training for the remaining Directors and intends to complete the same in due course.	19(1)
2.	**Nomination Committee** The Board may constitute a separate Nomination Committee of such number and class of directors as it may deem appropriate.	The functions of the Nomination Committee are assigned to and effectively performed by the Human Resource Committee of the Board.	29(1)
3.	**Risk Management Committee** The Board may constitute a Risk Management Committee to review the effectiveness of risk management procedures and report to the Board.	The requirement is non-mandatory. After due consideration, the Board has determined that the Audit Committee, supported by the Company's existing risk management framework, adequately oversees and reviews matters relating to risk management.	30(1)
4.	**Role of the Board and its Members in addressing Sustainability Risks and Opportunities**	The Company is strengthening its sustainability governance framework in line with the applicable regulatory requirements. During the year, the Company continued to develop internal capacity, including the required human resources, training and data systems, to identify, assess, monitor and report sustainability risks and opportunities, as well as Diversity, Equity and Inclusion (DE&I) targets. The Company will continue to enhance its framework and reporting capabilities as the necessary resources and systems are established.	10-A
5.	**Independent Evaluation of the Board**	The Company has engaged the Pakistan Institute of Corporate Governance (PICG) to conduct an independent evaluation of the performance of the Board of Directors and its Committees. The evaluation process is in progress.	10(3)(v)

For and on behalf of the Board

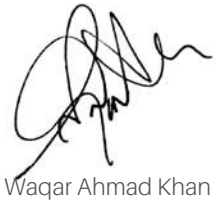
Waqar Ahmad Khan
Chief Executive

Lt. General (Retd.) Muhammad Saeed
Chairman, Board of Directors

Lahore
Date: September 11, 2026

GENDER PAY GAP STATEMENT UNDER CIRCULAR 10 OF 2024 OF THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

	Male Rs/ month	Female Rs/ month	Variance	Remarks
Mean pay gap	177,392	129,221	27%	On average male employees are paid 27% more than female employees due to lower number of female employees (5 out of 156) owing to remote site location.
Median pay gap	160,541	128,798	20%	Due to lower number of female employees (5 out of 156) owing to remote site location, median pay of male employees is 20% more than female employees.
Any other data / details deemed relevant				Nil



Waqar Ahmad Khan
Chief Executive

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Kot Addu Power Company Limited

REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Kot Addu Power Company Limited (the Company) for the year ended June 30, 2026 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Director's statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2026.

A.F. Ferguson & Co.
Chartered Accountants

Lahore
Date: October 05, 2026
UDIN: CR2026108847HTFX68wN

A.F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
308-Upper Mall, Shahrah-e-Quaid-e-Azam, P.O. Box 39, Lahore-54000, Pakistan.
Tel: +92 (42) 3519 9343-50 / Fax: +92 (42) 3519 9351 www.pwc.com/pk

KARACHI LAHORE ISLAMABAD

pwc

A·F·FERGUSON&Co.

INDEPENDENT AUDITOR'S REPORT

To the members of Kot Addu Power Company Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Kot Addu Power Company Limited (the Company), which comprise the statement of financial position as at June 30, 2026, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then and notes to the financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2026 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

A.F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
308-Upper Mall, Shahrah-e-Quaid-e-Azam, P.O. Box 39, Lahore-54000, Pakistan.
Tel: +92 (42) 3519 9343-50 / Fax: +92 (42) 3519 9351 www.pwc.com/pk

Following is the key audit matter:

Sr. No	Key audit matter	How the matter was addressed in our audit
(i)	**Contingent Taxation Liabilities** (Refer notes 4.1, 11.1.1 and 11.1.2 to the annexed financial statements) The Company has contingent liabilities in respect of various income and sales tax matters, which are pending adjudication before the taxation authorities and the Courts of law. Contingencies require management to make judgments and estimates in relation to the interpretation of laws, statutory rules, regulations and the probability of outcome and financial impact, if any, on the Company for disclosure and recognition and measurement of any provision that may be required against such contingencies. Due to significance of amounts involved, inherent uncertainties with respect to the outcome of matters and use of significant management judgments and estimates to assess the same including related financial impacts, we considered contingent liabilities relating to income and sales tax, a key audit matter.	Our audit procedures included the following: • Obtained and examined details of the pending tax matters and discussed the same with the Company's management; • Circularized confirmations to the Company's external tax counsels for their views on open tax assessments and matters. Furthermore, examined prior years' precedents of outcomes in favor of the Company at various forums related to matters under consideration which support the Company's stance; • Examined correspondence of the Company with the relevant authorities including judgements or orders passed by the competent authorities in relation to the issues involved or matters which have similarities with the issues involved; • Involved in-house tax specialists to assess management's conclusion on contingent tax matters and to evaluate the consistency of such conclusions with the views of the management and external tax advisors engaged by the Company; and • Assessed the adequacy and appropriateness of the related disclosures in the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

(a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

(b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

(c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

(d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is Muhammad Ahsan Nadeem.

A. F. Ferguson & Co.

Chartered Accountants
Lahore
Date: October 05, 2026
UDIN: AR202610884OuGaKYLcB

FINANCIAL STATEMENTS

For the year ended June 30, 2026

STATEMENT OF FINANCIAL POSITION

As at June 30, 2026

	Note	2026	2025
		(Rupees in thousand)	
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorized capital			
3,600,000,000 (2025: 3,600,000,000) ordinary shares of Rs 10 each		36,000,000	36,000,000
Issued, subscribed and paid up capital			
880,253,228 (2025: 880,253,228) ordinary shares of Rs 10 each	5	8,802,532	8,802,532
Capital reserve	6	444,451	444,451
Revenue reserve: un-appropriated profit		46,986,930	47,851,102
		56,233,913	57,098,085
NON-CURRENT LIABILITIES			
Long term borrowings - secured	7	8,718,840	–
Staff retirement benefits - deferred liabilities	8	270,435	289,656
		8,989,275	289,656
CURRENT LIABILITIES			
Trade and other payables	9	4,441,413	5,896,023
Finances under mark-up arrangements - secured	10	7,912,069	–
Current portion of long term borrowings - secured	7	4,585,253	–
Provision for taxation - net		–	728,456
Unclaimed dividend		1,261,185	1,241,158
		18,199,920	7,865,637
CONTINGENCIES AND COMMITMENTS	11		
		83,423,108	65,253,378

The annexed notes 1 to 48 form an integral part of these financial statements.

Waqar Ahmad Khan
Chief Executive Officer

Muhammad Masood
Chief Financial Officer

Naveed Asghar Chaudhry
Director

	Note	2026	2025
		(Rupees in thousand)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	12	1,846,975	1,818,304
Long term investment accounted for under equity method	13	21,247,346	–
Long term deposits	14	9,074,584	5,904
Deferred taxation	15	1,043,898	1,461,641
Staff retirement benefits - pension	16	634,592	401,902
		33,847,395	3,687,751
CURRENT ASSETS			
Stores and spares	17	3,816,904	3,942,262
Stock-in-trade	18	5,230,086	7,709,492
Trade debts and other receivables	19	4,526,032	1,881,584
Contract Asset	20	2,509,441	1,563,320
Investments at fair value	21	11,121,861	41,071,844
Income tax due from Government		114,778	–
Loans, advances, deposits, prepayments and other receivables	22	9,870,024	3,865,517
Cash and bank balances	23	12,386,587	1,367,410
		49,575,713	61,401,429
Assets classified as held for sale	24	–	164,198
		83,423,108	65,253,378

Waqar Ahmad Khan
Chief Executive Officer

Muhammad Masood
Chief Financial Officer

Naveed Asghar Chaudhry
Director

STATEMENT OF PROFIT OR LOSS

For the year ended June 30, 2026

	Note	2026	2025
		(Rupees in thousand)	
Revenue	25	19,162,498	1,563,320
Cost of sales	26	(19,200,949)	(2,001,477)
Gross loss		(38,451)	(438,157)
Plant maintenance and preservation costs	27	–	(2,274,380)
Administrative expenses	28	(758,387)	(656,467)
Other operating expenses	29	(232,419)	(460,942)
Other income	30	4,870,894	7,073,435
Share of net profit of investment accounted for under equity method	13	355,292	–
Finance cost	31	(366,906)	(248,364)
Profit before levy and income tax		3,830,023	2,995,125
Levy - minimum and final taxes	32	(109,549)	(22,127)
Profit before income tax		3,720,474	2,972,998
Income tax	33	(1,200,880)	(436,933)
Profit for the year		2,519,594	2,536,065
Earnings per share – basic and diluted			
Rupees	41	2.86	2.88

The annexed notes 1 to 48 form an integral part of these financial statements.

Waqar Ahmad Khan
Chief Executive Officer

Muhammad Masood
Chief Financial Officer

Naveed Asghar Chaudhry
Director

STATEMENT OF COMPREHENSIVE INCOME

For the year ended June 30, 2026

	Note	2026	2025
		(Rupees in thousand)	
Profit for the year		2,519,594	2,536,065
Items that will not be reclassified subsequently to profit or loss:			
- Re-measurement of net defined benefit obligation - net of tax		154,101	82,742
- Share of equity accounted investment, share of OCI - net of tax	13	(16,854)	-
Items that may be reclassified subsequently to profit or loss		-	-
Other comprehensive income for the year - net of tax		137,247	82,742
Total comprehensive income for the year		2,656,841	2,618,807

The annexed notes 1 to 48 form an integral part of these financial statements.

Waqar Ahmad Khan
Chief Executive Officer

Muhammad Masood
Chief Financial Officer

Naveed Asghar Chaudhry
Director

STATEMENT OF CHANGES IN EQUITY

For the year ended June 30, 2026

	Issued, subscribed and paid up capital	Capital reserve	Revenue Reserve: Un-appropriated profits	Total
	(Rupees in thousand)			
Balance as at June 30, 2024	8,802,532	444,451	52,714,448	61,961,431
Profit for the year	–	–	2,536,065	2,536,065
Other comprehensive income:				
- Re-measurement of net defined benefit				
obligation - net of tax	–	–	82,742	82,742
Total comprehensive income for the year	–	–	2,618,807	2,618,807
Transactions with owners				
Final dividend for the year ended				
June 30, 2024 - Rs 4.00 per share	–	–	(3,521,013)	(3,521,013)
Interim dividend for the year ended				
June 30, 2025 - Rs 4.50 per share	–	–	(3,961,140)	(3,961,140)
Balance as at June 30, 2025	8,802,532	444,451	47,851,102	57,098,085
Profit for the year	–	–	2,519,594	2,519,594
Other comprehensive income:				
- Re-measurement of net defined benefit				
obligation - net of tax	–	–	154,101	154,101
- Share of equity accounted investment				
share of OCI - net of tax	–	–	(16,854)	(16,854)
Total comprehensive income for the year	–	–	2,656,841	2,656,841
Transactions with owners				
Final dividend for the year ended				
June 30, 2025 - Rs 2.50 per share	–	–	(2,200,633)	(2,200,633)
Interim dividend for the year ended				
June 30, 2026 - Rs 1.50 per share	–	–	(1,320,380)	(1,320,380)
Balance as at June 30, 2026	8,802,532	444,451	46,986,930	56,233,913

The annexed notes 1 to 48 form an integral part of these financial statements.

Waqar Ahmad Khan
Chief Executive Officer

Muhammad Masood
Chief Financial Officer

Naveed Asghar Chaudhry
Director

STATEMENT OF CASH FLOWS

For the year ended June 30, 2026

	Note	2026	2025
		(Rupees in thousand)	
Cash flows from operating activities			
Cash (used in) / generated from operations	38	(2,397,403)	6,330,584
Finance cost paid		(1,506,853)	(739,795)
Levy - final tax paid		(114,539)	(900,265)
Income tax paid		(1,684,279)	(1,783,202)
Workers' Profit Participation Fund paid	9.4	(186,425)	(121,960)
Workers' Welfare Fund paid	9.3	(192,567)	(110,784)
Staff retirement benefits paid		(44,785)	(65,462)
Net cash (used in) / generated from operating activities		(6,126,851)	2,609,116
Cash flows from investing activities			
Fixed capital expenditure	12	(33,093)	(56,752)
Income on bank deposits received		605,449	177,667
Interest on T-bills received		182,130	-
Interest/ profit on long term deposit received		253,815	-
(Increase)/ decrease in long term deposit		(13,823,013)	1,848
Investment in joint venture	13	(20,913,942)	-
Investment made in mutual funds - net of inter fund transfers	21.2	(12,693,014)	(14,658,158)
Redemption of mutual funds - net of inter fund transfers	21.2	45,349,103	27,853,088
Proceeds from sale of property, plant and equipment	12.3	782	2,431
Proceeds from sale of non - current assets held for sale	24	800,000	-
Net cash (used in) / generated from investing activities		(271,783)	13,320,124
Cash flows from financing activities			
Long term borrowings	7	13,148,559	-
Dividend paid	40	(3,500,986)	(7,401,929)
Net cash generated from / (used in) financing activities		9,647,573	(7,401,929)
Net increase in cash and cash equivalents		3,248,939	8,527,311
Cash and cash equivalents at beginning of the year		1,367,410	(7,159,901)
Cash and cash equivalents at the end of the year	39	4,616,349	1,367,410

The annexed notes 1 to 48 form an integral part of these financial statements.

Waqar Ahmad Khan
Chief Executive Officer

Muhammad Masood
Chief Financial Officer

Naveed Asghar Chaudhry
Director

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2026

1 Legal status and nature of business

Kot Addu Power Company Limited (the Company or KAPCO), was incorporated in Pakistan on April 25, 1996 as a public limited company under the Repealed Companies Ordinance, 1984 (now Companies Act, 2017). The Company was listed on April 18, 2005 on Pakistan Stock Exchange Limited. The principal activities of the Company are to own, operate and maintain a multi-fuel fired power station at Kot Addu, District Muzaffargarh, Punjab, Pakistan and to sell the electricity produced therefrom to a single customer, Pakistan Water and Power Development Authority (WAPDA) under a Power Purchase Agreement (PPA) which was initially for a period of 25 years. WAPDA irrevocably transferred all of its rights, obligations and liabilities under the PPA to Central Power Purchasing Agency Guarantee Limited (CPPA-G) (Power Purchaser) thereunder via Novation Agreement which became effective on May 21, 2021 after approval from the relevant authorities. The PPA was extended by 16 months from June 26, 2021, pursuant to the terms of Master Agreement and the Third Amendment to the PPA, which expired on October 24, 2022. On June 3, 2025 the Company signed a new Tripartite Power Purchase Agreement (TPPA) for 495 MW capacity with CPPA-G and National Grid Company of Pakistan Limited (NGC). The TPPA is effective from September 13, 2025, and has a duration of 3 years from effective date.

The Company has a plant site at Kot Addu (Muzaffargarh), a corporate office located in Lahore and registered office located in Islamabad.

A Special Purpose Vehicle was incorporated in 2014 under the name of KAPCO Energy (Private) Limited (KEPL) for establishment of a coal power project. However, the project was called off and KEPL was put into liquidation under the Easy Exit Scheme of SECP. Subsequently, the liquidation application of KEPL was withdrawn for exploring investments opportunities. However, the share capital of KEPL has not yet been subscribed by the Company, therefore, the Company has not prepared consolidated financial statements.

2 Basis of preparation

2.1 These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of, directives and notifications issued under the Companies Act, 2017.

Where provisions of, directives and notifications issued under the Companies Act, 2017 differ from the IFRS, the provisions of, directives and notifications issued under the Companies Act, 2017 have been followed.

As disclosed in Note 2.5, the Securities and Exchange Commission of Pakistan (SECP) has granted general exemption from the application of IFRS 2 and IFRS 9 on certain matters, which have been applied in the preparation of these financial statements.

2.2 Update on Tri-Partite Power Purchase Agreement

Under the Tri-Partite Power Purchase Agreement (TPPA), the Company's 495 MW generation facility and associated switchyard operate on a hybrid Take-or-Pay basis, providing a minimum guaranteed return at 25% availability, with additional returns for incremental generation. The term of the TPPA is contingent upon the Company's annual inclusion in the Integrated Generation Capacity Expansion Plan (IGCEP) and Power Acquisition Plan (PAP), as approved by the relevant authorities. In its tariff determination dated September 23, 2025, NEPRA approved tariff for 495 MW subject to extension based on IGCEP/PAP approval. In absence of the approved IGCEP / PAP, the TPPA was suspended effective from October 01, 2025. Aggrieved by the suspension, the Company filed a Motion for Leave for Review before NEPRA. In December 2025, NEPRA provisionally reinstated the applicable tariff effective from December 9, 2025 acknowledging the continued requirement of the Company's generation facility and switchyard for system stability. Thereafter, the company started generation and dispatch of electricity. The final tariff determination and extension of the term remain subject to IGCEP approval; upon such approval, the term will automatically extend until the expiry date specified in the IGCEP or for three years as per the TPPA, whichever is earlier.

During the year, the Company generated 479,153 MWh of electricity as dispatched by the National Power Control Centre (NPCC).

In addition, the Company continues to:

1. Pursue diversification through renewable energy projects and strategic brownfield opportunities, some of which are at advanced stages and include, but are not limited to, the following:

a) Sindh Solar Energy Park (SSEP) projects, with 150 MW at Deh Metha Ghar and 120 MW at Deh Halkani, where the Company was declared the lowest bidder by K-Electric, pending NEPRA approval. The NEPRA hearing was held in April 2025, and decision is still awaited; and

b) During the year 2025, the Company, in partnership with Fauji Foundation, submitted a bid to acquire 84.06% of Pharaon Investment Group Limited Holding S.A.L's shareholding in Attock Cement Pakistan Limited (ACPL). Subsequently, in November 2025, Fauji Foundation transferred its acquisition rights and role to Fauji Cement Company Limited (FCCL). During the current year, a Sale and Purchase Agreement (SPA) was executed among the Company, FCCL, and Pharaon Investment Group Limited Holding S.A.L. In addition, an offer was made to the public to acquire 50% of the floating shares of ACPL in accordance with the Securities Act, 2015 and the Listed Companies (Substantial Acquisition of Voting Shares and Takeovers) Regulations, 2017. As a result of these transactions, the Company and FCCL each acquired a 46.02% shareholding in ACPL, as further disclosed in Note 13.

2. Invest surplus funds in mutual funds, T-Bills, Saving accounts totaling Rs. 23,328 million (2025: Rs. 42,257 million) to generate sufficient income to meet expenses during periods of limited dispatch; and

3. Ensure readiness for participation in the Competitive Trading Bilateral Contracts Market (CTBCM) under B2B or merchant plant, once it is implemented by GOP.

Based on the above, Management expects the Company to continue its operations and meets its obligation for the foreseeable future.

2.3 Standards, amendments to published standards and interpretations that are effective for the year and are relevant to the Company

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 1, 2025. However, these do not have any significant impact on the Company's financial statements.

2.4 Standards, Interpretations and Amendments to Published Approved Accounting Standards that are not yet effective

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company:

		Effective date (period beginning on or after)
IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures (Amendments)	January 1, 2027
IFRS 20	Regulatory Assets and Regulatory Liabilities	January 1, 2029
IAS 28	Fair Value Option for Investments in Associates and Joint Ventures (Amendments)	January 1, 2027
IFRS S2	Climate-related Disclosures	January 1, 2027
IAS 21	Translation to a Hyperinflationary Presentation Currency (Amendments)	January 1, 2027
IFRS 7	Financial Instruments: Disclosures (Amendments)	January 1, 2026
IFRS 9	Financial Instruments: Classification and Measurement (Amendments)	January 1, 2026
IAS 7	Statement of Cash Flows (Amendments)	January 1, 2026
Annual Improvements to IFRS 7, IFRS 9 and IAS 7 Statement of Cash Flows		January 1, 2026

The Company is in the process of assessing the impact of these standards, amendments and interpretations on the Company's financial statements.

Other than the aforesaid standards, interpretations and amendments, International Accounting Standards Board (IASB) has also issued the following standards and interpretation, which have not been notified locally or declared exempt by the Securities and Exchange Commission of Pakistan (SECP) as at June 30, 2026;

IFRS 1 First-time Adoption of International Financial Reporting Standards
IFRIC 12 Service Concession Arrangement

2.5 Standards, amendments and interpretations to existing standards that are not yet effective but applicable / relevant to the Company's operations

2.5.1 The Securities and Exchange Commission of Pakistan (SECP) through S.R.O. 229 (I) / 2019 dated February 14, 2019 notified that the standard IFRS 9, 'Financial Instruments' would be effective for reporting period / year ending on or after June 30, 2019. However, SECP through S.R.O. 985 (I) / 2019 dated September 30, 2019 granted exemption from applying expected credit loss based impairment model to financial assets due from the Government till June 30, 2021. This exemption was further extended up to June 30, 2022 vide S.R.O. 1177(I)/2021 dated September 13, 2021, thereafter up to December 31, 2024 vide S.R.O. 67(I)/2023 dated January 20, 2023, further extended up to December 31, 2025 vide S.R.O. 1784(I)/2024 dated November 4, 2024, and most recently up to December 31, 2026 vide S.R.O. 25(I)/2026 dated January 6, 2026. Accordingly, the Company has not followed the requirements of IFRS 9 with respect to application of Expected Credit Losses in respect of trade debts and other receivables due from CPPA-G. The Company is in the process of assessing the impact of this amendment on the Company's financial statements.

2.5.2 IFRS 2 (Amendment), 'Share-based Payment – Group Cash-settled Share-based Payment Transactions' effective for annual periods beginning on or after January 1, 2010.

The IASB amended IFRS 2 whereby an entity receiving goods or services is to apply this IFRS in accounting for group cash-settled share-based payment transactions in its financial statements when that entity has no obligation to settle the share-based payment transaction.

On August 14, 2009, the GoP launched Benazir Employees' Stock Option Scheme ("the Scheme") for employees of certain State Owned Enterprises (SOEs) and non-State Owned Enterprises (non-SOEs) where GoP holds significant investment. The Scheme is applicable to permanent and contractual employees who were in employment of these entities, on the date of launch of the scheme, subject to completion of five years vesting period by all contractual employees and by permanent employees in certain instances.

The Scheme provides for a cash payment to employees on retirement or termination based on the price of shares of respective entities. To administer this Scheme, GoP transferred 12% of its investment in such SOEs and non-SOEs to a Trust Fund created for the purpose by each of such entities. The eligible employees would be allotted units by each Trust Fund in proportion to their respective length of service. On retirement or termination such employees would be entitled to receive such amounts from Trust Fund in exchange for the surrendered units as would be determined based on market price for listed entities or breakup value for non-listed entities. The shares relating to the surrendered units would be transferred back to GoP.

The Scheme also provides that 50% of dividend related to shares transferred to the respective Trust Fund would be distributed amongst the unit-holder employees. The balance 50% dividend would be transferred by the respective Trust Fund to Central Revolving Fund managed by the Privatization Commission of Pakistan for payment to employees against surrendered units. The deficit, if any, in Trust Fund to meet the re-purchase commitments would be met by GoP.

The Scheme, developed in compliance with stated GoP Policy of empowerment of employees of SOEs need to be accounted for by the covered entities, including the Company, under the provisions of amended IFRS 2. However, keeping in view the difficulties that may be faced by entities covered under the scheme, the SECP on receiving representations from some of entities covered under the Scheme and after having consulted the Institute of Chartered Accountants of Pakistan (ICAP), has granted exemption to such entities from the application of IFRS 2 to the Scheme as per S.R.O. 587 (I) / 2011 dated June 7, 2011.

Had the exemption not been granted, the staff costs of the Company for the year would have been higher by Rs. 23 million (2025: lower by Rs. 35 million), profit after taxation would have been lower by Rs. 14 million (2025: higher by Rs. 22 million), retained earnings would have been lower by Rs. 533 million (2025: lower by Rs. 519 million) and earning per share would have been higher by Rs. 0.02 per share (2025: lower by Rs. 0.02 per share).

The Company received letter from GoP dated June 9, 2021, advising the Company to close-off the Scheme in light of the order / judgment of Honorable Supreme Court of Pakistan. As per the management, there will be no material impact of the order on the financial statements of the Company. The Water and Power Development Authority (WAPDA) has filed a suit before the Civil Court in Kot Addu seeking declaration and injunction for recovery / transfer of funds available in KAPCO Employees Empowerment Trust. The matter is pending adjudication before the Court.

2.6 Basis of measurement

These financial statements have been prepared under the historical cost convention unless otherwise specifically stated.

3 Significant accounting judgements, estimates and assumptions

The Company's material accounting policy information is stated in note 4. Not all of these material accounting policies require management to make difficult, subjective or complex judgments or estimates. The following is intended to provide an understanding of the policies that management considers critical because of the complexity, judgment of estimation involved in their application and their impact on these financial statements. Estimates and judgments are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. These judgments involve assumptions or estimates in respect of future

events and the actual results may differ from these estimates. The areas involving a higher degree of judgements or complexity or areas where assumptions and estimates are significant to the financial statements are as follows:

a) Recognition of deferred tax and estimation of income tax provisions - Note 4.1

b) Staff retirement benefits - Note 4.2

c) Useful life and residual values of property, plant and equipment - Note 4.3

d) Assessment of joint control over investee - Note 4.4.1

e) Assessment of classification of joint arrangement - Note 4.4.2

f) Recoverable amount of investment in joint venture - Note 4.4.3

g) Provision for stores and spares - Note 4.8

h) Provision for stock-in-trade - Note 4.9

i) Investments at fair value - Note 4.10

j) Impairment of financial assets - Note 4.10

k) Revenue Recognition - Note 4.19

l) Assessment of operating lease - Note 4.19 & 4.20

4 Material accounting policy information

The material accounting policy information adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

4.1 Taxation

Levy

In accordance with the application guidance issued by the Institute of Chartered Accountants of Pakistan (ICAP) relating to IAS–12 "Income taxes", any amount in excess of normal tax liability and not based on taxable income is to be treated as a levy. Accordingly, the Company classifies any amount over and above the normal tax as per the enacted tax laws as minimum tax differential and same is treated as levy in term of IAS 37 "Provisions, contingent liabilities and contingent assets" and IFRIC 21 "Levies" and not treated as part of income tax balances if any to be recognized under IAS–12. Similarly final taxes which are not based on normal business income of the Company are also designated as levy.

Income tax

Income tax expense comprises current and deferred tax. Income tax is recognized in the statement of profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case it is recognized in equity or other comprehensive income as the case may be.

Current

Provision for current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year if enacted, after taking into account tax credits, rebates and exemptions, if any. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years. Where there is uncertainty in income tax accounting i.e. when it is not probable that the tax authorities will accept the treatment, the impact of the uncertainty is measured and accounted for using either the most likely amount or the expected value method, depending on which method better predicts the resolution of the uncertainty. Such judgements are reassessed whenever circumstances have changed or there is new information that affects the judgements. Where, at the assessment stage, the taxation authorities have adopted a different tax treatment and the Company considers that the most likely outcome will be in favour of the Company, the amounts are shown as contingent liabilities. In making a judgment and / or estimate relating to

probability of outcome, the management considers laws, statutory rules, regulations and their interpretations. Where, based on management's estimate, a provision is required, the same is recorded in the financial statements. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Previously, income of the Company derived from the power station up to June 27, 2006 was exempt from income tax under clause 138 of the Part I of the Second Schedule to the Income Tax Ordinance, 2001. The Company was also exempt from minimum tax under clause 13(A) of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 for the period it continued to be entitled to exemption under clause 138 of the Part I of the Second Schedule i.e. up to June 27, 2006. Thereafter, the income of the Company is taxable under the provisions of the Income Tax Ordinance, 2001.

Deferred

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for:

- temporary differences on initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investment accounted for under equity method to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent it is probable that future taxable profits will be available against which they can be realized. Future taxable profits are determined based on business plans for the Company and the reversal of temporary differences. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves. Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used on the reporting date.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantially enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset if criteria as per applicable financial reporting framework is met.

4.2 Staff retirement benefits

The main features of the schemes operated by the Company for its employees are as follows:

(a) The Company operates an approved funded defined benefit pension scheme for eligible employees with a qualifying service period of ten years. Monthly contribution is made to the fund on the basis of actuarial recommendation. The latest actuarial valuation was carried out as at June 30, 2026. The actual return on plan assets during the year is Rs. 580 million (2025: Rs. 648 million). The actual return on plan assets represents the difference between the fair value of plan assets at beginning of the year and end of the year, after adjustments for contributions made by the Company, as reduced by benefits paid during the year.

The future contribution rate includes allowances for deficit and surplus. Projected unit credit method, using the following significant assumptions, is used for valuation of the scheme:

- Discount rate: 11.75 percent per annum (2025: 11.75 percent per annum).
- Expected rate of increase in salary level: 9.75 percent per annum (2025: 9.75 percent per annum).
- Expected rate of increase in pension: 5.00 percent per annum (2025: 5.00 percent per annum).

- Average duration of the plan: 7.71 years (2025: 7.07 years).
- Mortality rates: SLIC (2001-05)-1.

Plan assets include short-term and long-term Government instruments, term finance certificates of financial institutions, investment in mutual funds and deposits with banks. Return on Government instruments and debt is at fixed and floating rates.

The trustees are managing the pension fund as per applicable Trust Deed, Rules and Regulations applicable to the fund.

(b) The Company also operates an approved funded contributory provident fund for all employees. Equal monthly contributions are made by both the Company and the employees to the fund. The trustees are managing the provident fund as per applicable Trust Deed, Rules and Regulations applicable to the fund.

(c) The Company provides medical facilities to its eligible retired employees and dependent family members along with free electricity. Provisions are made annually to cover the obligation on the basis of actuarial valuation and are charged to statement of profit or loss. The latest actuarial valuation was carried out as at June 30, 2026.

Moreover, during the year ended June 30, 2026, the Company offered option to eligible members for lumpsum payment in lieu of their entitlement of electricity and medical benefits based on actuarial valuation, which was availed by a majority of the eligible members of the scheme.

Projected unit credit method, using the following significant assumptions, is used for valuation of these schemes:

- Discount rate: 12.25 percent per annum (2025: 11.75 percent per annum).
- Expected rate of increase in medical cost: 10.25 percent per annum (2025: 9.75 percent per annum).
- Expected rate of increase in electricity benefit: 10.25 percent per annum (2025: 9.75 percent per annum).
- Average duration of medical plan: 16.05 years (2025: 16.38 years).
- Average duration of electricity plan: 15.32 years (2025: 15.70 years).
- Mortality rates: SLIC (2001-05)-1.

(d) The Company has other long term employee benefits which include the encashment of frozen leaves for eligible employees and a lumpsum amount payable to staff under Charter of Demand settlement. Frozen leaves can be encashed up to 180 days at the time of retirement. Lumpsum amount is payable to staff members at the rate of Rs. 495,000 or Rs. 561,000 per person according to the grade of respective staff member at the time of retirement. The liability is calculated in present value terms by taking into account the expected date of retirement of employees, the available balance of frozen leaves and / or the expected salary at the date of retirement.

Retirement benefits are payable to all regular employees on completion of prescribed qualifying period of service under these schemes.

The Company's policy with regard to actuarial gains/losses is to immediately recognize all actuarial losses and gains in other comprehensive income under IAS 19, 'Employee benefits'.

4.3 Property, plant and equipment

Property, plant and equipment except freehold land are stated at cost less accumulated depreciation and any identified impairment loss. Freehold land is stated at cost less any identified impairment loss. Cost represents the acquisition price of assets transferred to the Company at the time of establishment of the Company in accordance with the Transfer Agreement signed between WAPDA and the Company on June 26, 1996 based on a valuation by M/s Stone and Webster using depreciated replacement cost basis.

Depreciation on all property, plant and equipment is charged to statement of profit or loss on the straight line method so as to write off the depreciable amount of an asset over the economic useful life or the remaining term of TPPA, whichever is lower, using the annual rates mentioned in note 12 after taking their residual values into account.

The assets' residual values and estimated useful lives are reviewed at each financial year end and adjusted if the impact on depreciation is significant. The Company's estimate of the residual value of its property, plant and equipment as at June 30, 2026 has not required any significant adjustment. However, as described in note 4.3.1, the estimated useful life of certain assets has been revised based on management's reassessment of their expected pattern of economic benefits.

Depreciation on additions to property, plant and equipment is charged from the month in which an asset is acquired or capitalized while no depreciation is charged for the month in which the asset is disposed off.

The Company assesses at each balance sheet date whether there is any indication that property, plant and equipment may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in statement of profit or loss. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Where an impairment loss is recognized, the depreciation charge is adjusted in the future periods to allocate the asset's revised carrying amount over its estimated useful life.

Major plant modifications and improvements are capitalized. Overhauls, maintenance and repairs are charged to income as and when incurred. The gain or loss on disposal or retirement of an asset, represented by the difference between the sale proceeds and the carrying amount of the asset, is recognized as an income or expense.

Blades for Gas Turbines are considered a separate category of assets. All blades are depreciated at the annual rate as mentioned in note 12 regardless of whether they are in use or not. Refurbishment costs are accrued and charged to statement of profit or loss.

4.3.1 Change in accounting estimate - useful life of assets

As described in note 1 to the financial statements, the TPPA of the Company has been signed for a period of 3 years from the effective date. Accordingly, the remaining useful life of preperty, plant and equipment has been revised in accordance with the term of TPPA. The depreciable amount of assets is written off over the economic life or the term of TPPA, whichever is lower. Accordingly, the remaining useful life of property, plant and equipment has been revised in accordance with the term of TPPA. Such a change has been accounted for as a change in an accounting estimate in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' and has been treated prospectively. Had these useful lives and residual values not been changed, the depreciation for the year would have been higher by Rs 24.721 million and profit after tax for the year would have been lower by Rs. 15.080 million (EPS impact – Rs. 0.02 per share).

4.4 Investment in joint arrangement

4.4.1 Assessment of joint control over investee

Management exercises judgment in determining whether the Company has joint control over an investee and, consequently, whether the investment should be classified as a joint venture under IFRS 11. Joint control exists only when decisions about the relevant activities of the arrangement require the unanimous consent of the parties sharing control. In assessing the existence of joint control, management evaluates the contractual arrangement, voting rights, governance structure, and the decision–making process relating to the relevant activities of the investee.

4.4.2 Assessment of classification of joint arrangement

Management exercises judgment in determining the classification of the Company's interest in a joint arrangement as either a joint venture or a joint operation in accordance with IFRS 11. This assessment requires an evaluation of the rights and obligations arising from the arrangement, considering its legal form, contractual terms, and other relevant facts and circumstances. In respect of acquisition in Attock Cement Pakistan Limited during the year, management has concluded that the Company has rights to the net assets of the arrangement rather than direct rights to its individual assets and obligations for its liabilities. Accordingly, the arrangement has been classified as a joint venture and is accounted for using the equity method.

4.4.3 Recoverable amount of investment in joint venture

Investment in joint venture is measured at cost as per the requirements of "IAS 28 – Investment in Associates and Joint Ventures". However, at subsequent reporting dates, the Company reviews the carrying amount of the investment and its recoverability to determine whether there is an indication that such investment has suffered an impairment loss. If any such indication exists the carrying amount of the investment is adjusted to the extent of impairment loss.

Investments in joint ventures are accounted for using the equity method, whereby the investment is initially recognized at cost and subsequently adjusted for the Company's share of the joint venture's profit or loss and other comprehensive income. Dividends received reduce the carrying amount of the investment. The investment is assessed for impairment at each reporting date, with impairment losses and any subsequent reversals recognized in profit or loss. Gains or losses on disposal of the investment are also recognized in profit or loss. Losses of a joint venture in excess of Company's interest in that joint venture are recognized only to the extent that the Company has incurred legal or constructive obligation or made payment on behalf of the joint venture.

On acquisition of the investment, any difference between the cost of the investment and the joint venture's share of the net fair value of the investee's identifiable assets and liabilities is accounted for as follows:

a) Goodwill relating to a joint venture is included in the carrying amount of the investment; and

b) Any excess of the joint venture's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the joint venture profit or loss in the period in which the investment is acquired.

4.5 Non - current assets classified as held for sale

The Company classifies non–current assets as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non–current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense. The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification. Property, plant and equipment are not depreciated once classified as held for sale. Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

4.6 Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. An impairment loss is recognized in statement of profit or loss for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

4.7 Ijarah contracts

The Company has entered in to Ijarah contracts under which it obtains usufruct of an asset for an agreed period against an agreed consideration. The Ijarah contracts are undertaken in compliance with the Shariah essentials for such contracts prescribed by the State Bank of Pakistan.

Company accounts for its Ijarah contracts in accordance with the requirements of IFAS 2 'Ijarah'. Accordingly, Company as a Mustaj'ir (lessee) in the Ijarah contract recognizes the Ujrah (lease) payments as an expense in the statement of profit or loss on straight line basis over the Ijarah term.

4.8 Stores and spares

Stores and spares are valued principally at weighted average cost. Impairment provision is recognized against items determined to be obsolete and / or not expected to be used up till the expiry of TPPA. Items in transit are valued at cost comprising invoice value plus other charges paid thereon.

Refurbishable items are valued at the lower of cost and net realizable value. Cost of refurbishment is charged to the statement of profit or loss as it is incurred. The item is charged to the statement of profit or loss when, upon inspection, it cannot be refurbished. Provision for obsolescence of stores and spare parts wherever required, is made on the basis of management's best estimate of usability of items as determined by the in-house technical team. Provision is recognized against items determined to be obsolete.

4.9 Stock-in-trade

Stock-in-trade except for those in transit are valued at lower of cost based on First In First Out (FIFO) and net realizable value.

Materials in transit are stated at cost comprising invoice value plus other charges paid thereon.

Net realizable value is determined on the basis of estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale. If the expected net realizable value is lower than the carrying amount, a write-down is recognized for the amount by which the carrying amount exceeds its net realizable value.

4.10 Financial instruments

4.10.1 Financial assets

a) Classification

The Company classifies its financial assets other than investments in equity instruments of subsidiary and associate in the following measurement categories:

- those to be measured subsequently at fair value [either through other comprehensive income ('OCI') or through profit or loss], and
- those to be measured at amortized cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognized on trade date, being the date on which the Company commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

c) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments of principal and interest.

Debt Instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

i) Amortized Cost

Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortized cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss. Impairment losses are presented as separate line item in the statement of profit or loss.

As at the reporting date, the financial instruments classified by the Company at amortized cost are disclosed in note 42.3.

ii) Fair Value through Other Comprehensive Income (FVOCI)

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss. Interest income from these financial assets is included in other income using the effective interest rate method. Impairment expenses are presented as separate line item in the statement of profit or loss.

As at the reporting date, the Company has not classified any financial instruments under FVOCI.

iii) Fair Value through Profit or Loss (FVPL)

Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognized in profit or loss in the period in which it arises.

As at the reporting date, the Company classifies the investments relating to Mutual Funds as fair value through profit or loss.

Equity instruments

The Company subsequently measures all equity investments except for investments in equity instruments of subsidiary and associate at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses

to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognized in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognized in the statement of profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

4.10.2 Impairment of Financial Assets due from Government

Financial assets due from the Government of Pakistan includes trade debts and other receivables due from CPPA-G under the PPA that also includes accrued amounts. The Company follows relevant requirements of IAS 39 in respect of impairment of these financial assets due to the exemption available in respect of IFRS 9 till December 31, 2026 as stated in note 2.5.1.

A provision for impairment is established when there is objective evidence that the Company will not be able to collect all the amount due according to the original terms of the receivable.

The Company assesses at the end of each reporting period whether there is objective evidence that the financial asset is impaired. The financial asset is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset that can be reliably estimated. Evidence of impairment may include indications that the debtor is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization, and where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults. The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognized in the statement of profit or loss. When the financial asset is uncollectible, it is written off against the provision. Subsequent recoveries of amounts previously written off are credited to the statement of profit or loss. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the reversal of the previously recognized impairment loss is recognized in the statement of profit or loss.

4.10.3 Impairment of financial assets other than those due from the Government of Pakistan and investment in equity instruments

The Company assesses on a forward-looking basis, the expected credit losses ('ECL') associated with its financial assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Company applies general 3-stage approach for loans, deposits and other receivables and bank balances i.e. to measure ECL through loss allowance at an amount equal to 12-month ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition.

Following are the financial assets that are subject to the ECL model:

- Long term deposits
- Loans, advances, deposits, prepayments and other receivables
- Investments at fair value
- Cash and bank balances

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information (adjusted for factors that are specific to the counterparty, general economic conditions and an assessment of both the current as well as the

forecast direction of conditions at the reporting date, including time value of money where appropriate). As for the exposure at default for financial assets, this is represented by the assets' gross carrying amount at the reporting date. Loss allowances are forward looking, based on 12 month expected credit losses where there has not been a significant increase in credit risk rating, otherwise allowances are based on lifetime expected losses.

Expected credit losses are a probability weighted estimate of credit losses. The probability is determined by the risk of default which is applied to the cash flow estimates. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. In the absence of a change in credit rating, allowances are recognized when there is reduction in the net present value of expected cash flows. On a significant increase in credit risk, allowances are recognized without a change in the expected cash flows, although typically expected cash flows do also change; and expected credit losses are rebased from 12 month to lifetime expectations.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the instrument as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportable forward-looking information.

The following indicators are considered while assessing credit risk:

- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations;
- actual or expected significant changes in the operating results of the counterparty;
- significant increase in credit risk on other financial instruments of the same counterparty; and
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees, if applicable.

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collaterals held by the Company).

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for that financial asset because of financial difficulties.

Where lifetime ECL is measured on a collective basis to cater for cases where evidence of significant increases in credit risk at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments;
- Past-due status;
- Nature, size and industry of borrowers; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

The Company recognizes an impairment gain or loss in the statement of profit or loss for financial assets with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVOCI, for which the loss allowance is recognized in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

The Company writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of counterparty's sources of income or assets to generate sufficient future cash flows to repay the amount. The Company may write-off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in impairment gains.

4.10.4 Financial liabilities

Financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities at amortized cost are initially measured at fair value less transaction costs. Financial liabilities at fair value through profit or loss are initially recognized at fair value and transaction costs are expensed on statement of profit or loss.

Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortized cost using the effective yield method.

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender or substantially different terms, or the terms of an existing liability are substantially modified, such an exchange and modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognized in profit or loss.

4.11 Offsetting of financial assets and liabilities

Financial assets and liabilities are offset and the net amount is reported in the financial statements only when there is a legally enforceable right to set off the recognized amount and the Company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

4.12 Long term deposits

Long term deposits are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in non-current assets for having maturities greater than 12 months after the reporting date. Initially they are recognized at fair value and subsequently stated at amortized cost.

4.13 Trade debts

Trade debts are amounts due from CPPA-G in the ordinary course of business. They are generally due for settlement as referred to in note 4.19 and therefore are all classified as current. Trade debts are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at fair value. Trade debts are carried at a value to be received less an estimate made for loss allowance based on a review of all outstanding amounts at the reporting date. Bad debts are written off when identified and when the contractual cashflows are not expected to be recovered. Furthermore, the Company holds the trade debts with the objective of collecting the contractual cashflows and therefore measures the trade debts subsequently at amortized cost using the effective interest rate method less provision for loss allowance.

4.14 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand, demand deposits, other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value and finances under mark-up arrangements. In the statement of financial position, finances under mark-up arrangements are included in current liabilities.

4.15 Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. Trade and other payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method. Exchange gains and losses arising on translation in respect of liabilities in foreign currency are added to the carrying amount of the respective liabilities.

4.16 Foreign currencies

a) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the functional currency). The financial statements are presented in Pakistan Rupee (Rs/Rupees), which is the Company's functional and presentation currency. Figures have been rounded off to nearest thousand of Rupees, unless otherwise stated.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are generally recognized in statement of profit or loss.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other gains / (losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss, and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognized in other comprehensive income.

4.17 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed periodically and adjusted to reflect the current best estimates.

4.18 Dividend

Dividend distribution to the Company's shareholders is recognized as a liability in the period in which the dividends are declared.

4.19 Revenue recognition

The Company's TPPA contains both lease and non-lease components. Consideration attributable to the lease component is accounted for as operating lease income in accordance with IFRS 16, as set out in note 4.20. Revenue arising from the non-lease components of the TPPA is accounted for in accordance with IFRS 15 Revenue from Contracts with Customers and is recognized when (or as) the related performance obligations are satisfied by transferring control of the promised goods or services to the customer.

The Securities and Exchange Commission of Pakistan ("SECP"), through S.R.O. 24(I)/2012 dated January 16, 2012, as amended by S.R.O. 986(I)/2019 dated September 2, 2019, granted an exemption from the application of IFRS 16 Leases to companies that entered into power purchase agreements before January 1, 2019. Accordingly, the Company did not apply lease accounting to its original Power Purchase Agreement, which was executed before that date. However, the Company entered into a new Tripartite Power Purchase Agreement ("TPPA") on June 3, 2025, which became effective upon declaration of the Commercial Operations Date on September 13, 2025. As the TPPA was entered into after January 1, 2019, the aforementioned exemption is not applicable. Consequently the Company applies IFRS 16 to the lease component of the TPPA from its commencement date.

Revenue from the sale of electricity to CPPA-G, the sole customer of the Company, is recognized on the following basis:

- Capacity Purchase Price revenue is recognized over time, based on the capacity made available to CPPA-G, at rates specified under the TPPA. The portion of the Capacity Purchase Price allocated to the operating lease component, including the fixed or in-substance fixed amounts described in note 4.20, is excluded from revenue from contract with customer and is recognized as operating lease income under IFRS 16. Any consideration allocated to distinct non-operating lease components is recognized under IFRS 15 over time as performance obligation is satisfied, as CPPA-G simultaneously receives and consumes the benefit of capacity made available.

- Energy Purchase Price revenue, including dispatch-based energy charges, is recognized at a point in time when the Net Electrical Output (NEO) is delivered to CPPA-G.

The transaction price for the operating lease and non-operating lease components is determined using the rates and adjustment mechanism specified in the TPPA. Where the notifications in relation to indexation have not been issued by NEPRA, the management excercises its best estimate and judgement in determining the applicable indexation in line with the provisions of the TPPA.

Late payment surcharge arising on overdue amounts under the TPPA is recognized separately from revenue from contract with customer on a time-proportion basis by reference to the amount outstanding and the applicable contractual rate, when the Company's right to the Late payment surcharge is established.

The Company typically issues invoices on a monthly basis, which are payable within 30 days of acknowledgment by CPPA-G. Weekly RLNG commodity invoices are payable following the day that the Periodic RLNG Invoice is received by the Power Purchaser, as stipulated under the Tripartite Power Purchase Agreement (TPPA).

4.20 Operating Leases

At inception, the Company assesses whether the TPPA contains a lease. The arrangement contains a lease where it conveys to the Power Purchaser the right to control the use of the identified generation assets, comprising the contracted 495MW generation capacity, for a period of time in exchange for consideration. The Company has concluded that the generation assets are identified, that it does not have substantive substitution rights and that the Power Purchaser has the right to control their use during the lease term. Based on this assessment, the Company has concluded that among other factors the TPPA contains a lease which, from the Company's perspective as lessor, is classified as an operating lease because it does not transfer substantially all the risks and rewards incidental to ownership of the underlying assets and the lease term covers an insignificant portion of the total economic life of the Power Plant. Accordingly, the underlying generation assets continue to be recognized within property, plant and equipment and are depreciated over their remaining useful lives, subject to impairment requirements.

Operating lease income is recognized in profit or loss on a straight-line basis over the lease term, unless another systematic basis is more representative of the pattern in which benefit from the use of the underlying assets is diminished. Lease income comprises the fixed or in-substance fixed components of the Capacity Purchase Price that represent consideration for making the contracted generation capacity available, including fixed operation and maintenance charges, insurance and the unconditional 25% take-or-pay portion of the return on equity component, as applicable under the TPPA.

4.21 Contract assets / liabilities

A contract asset is recognized for the Company's right to consideration in exchange for goods or services that it has transferred to a customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, the Company presents the amount as a contract asset, excluding any amounts presented as a receivable.

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract.

4.22 Borrowings

Borrowings are recognized initially at fair value, net of attributable transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the statement of profit or loss over the period of the borrowings using the effective interest rate method.

4.23 Borrowing costs

Borrowing costs are recognized as an expense in the period in which they are incurred except where such costs relate to the acquisition, construction or production of a qualifying asset in which case such costs are capitalized as part of the cost of that asset.

4.24 Contingent liabilities

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

4.25 Other income

Other income comprises interest income on funds invested (financial assets), dividend income, gain on disposal of financial assets, interest on late payment - CPPA-G, Scrap sales, house rent, exchange gain, unclaimed balances written back and changes in fair value of investments. Other income is recognized in statements of profit or loss as it accrue.

4.26 Share capital

Ordinary shares are classified as equity and recognized at their face value. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, if any.

5 Issued, subscribed and paid up capital

2026	2025		Note	2026	2025
(Number of shares)				(Rupees in thousand)	
253,000	253,000	Ordinary shares of Rs 10 each fully paid in cash		2,530	2,530
880,000,228	880,000,228	Ordinary shares of Rs 10 each issued as fully paid for consideration other than cash	5.2	8,800,002	8,800,002
880,253,228	880,253,228			8,802,532	8,802,532

5.1 There has been no movement in the ordinary share capital of the Company.

5.2 This represents shares issued as consideration against transfer of net assets by WAPDA to the Company.

Ordinary shares of the Company held by associated undertakings are as follows:

	2026	2025
	(Number of shares)	
Pakistan Water and Power Development Authority (WAPDA)	354,311,133	354,311,133
KAPCO Employees Empowerment Trust [Formed under Benazir Employees' Stock Option Scheme (BESOS)]	48,252,429	48,252,429
	402,563,562	402,563,562

5.3 All ordinary shares rank equally with regard to the Company's residual assets. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

6 Capital reserve

This represents the value of fuel stock taken over by the Company at the time of take over of Kot Addu Gas Turbine Power Station from WAPDA.

	Note	2026	2025
		(Rupees in thousand)	
7 Long term borrowings - secured			
Term Loan Facility - Conventional	7.1	2,660,410	–
Murabaha Facility - Shariah Compliant	7.2	10,643,683	–
	7.3	13,304,093	–
Less: Current portion of long term borrowings	7.4	(4,585,253)	–
		8,718,840	–

Note	Lender	Rupees '000 2026	2025	Rate of interest per annum	No. of installments outstanding	Ending on	Interest payable
7.1	Askari Bank Limited	2,660,410	-	3 month's SOFR + 3.25% (2025: Nil)	12 quarterly	Apr-29	Quarterly

7.1.1 This facility is obtained from Askari Bank Limited equivalent to USD 9.5 million (2025: Nil) for equity investment in Attock Cement Pakistan Limited.

Note	Lender	Rupees '000 2026	2025	Rate of interest per annum	No. of installments outstanding	Ending on	Interest payable
7.2	Dubai Islamic Bank Limited	10,643,683	-	3 month's SOFR + 3.25% (2025: Nil)	12 quarterly	Apr-29	Quarterly

7.2.1 This facility is obtained from Dubai Islamic Bank Limited equivalent to USD 38 million (2025: Nil) for equity investment in Attock Cement Pakistan Limited.

7.3 These facilities are secured against pledge of equity investment of the Company in Attock Cement Pakistan Limited, 100% cash-backed lien over bank deposits, as disclosed in note 14.1 to the financial statements, and standby letters of credit amounting to Rs. 2,660 million (2025: Nil) issued in respect of long-term borrowings.

7.4 The current portion of long term borrowings includes accrued finance cost amounting to Rs. 188.595 million (2025: Nil).

		Note	2026	2025
			(Rupees in thousand)	
8	Staff retirement benefits - deferred liabilities			
	These are composed of:			
	Medical	8.1	92,585	92,710
	Free electricity	8.1	123,206	135,965
	Other long term employee benefits	8.2	54,644	60,981
			270,435	289,656

8.1

	Post retirement medical		Post retirement free electricity	
	2026	2025	2026	2025
	(Rupees in thousand)			
The amounts recognized in the balance sheet are as follows:				
Present value of defined benefit obligation as at June 30	92,585	92,710	123,206	135,965
Liability as at July 1	92,710	98,586	135,965	168,681
Charged to statement of profit and loss account	12,854	17,545	18,874	29,840
Benefits paid during the year	(13,630)	(17,898)	(20,525)	(35,230)
Loss /(gain) due to change in financial assumptions	237	(1,433)	451	(3,007)
Loss /(gain) due to change in experience adjustments	414	(4,090)	(11,559)	(24,319)
Liability as at June 30	92,585	92,710	123,206	135,965

	Post retirement medical		Post retirement free electricity	
	2026	2025	2026	2025
	(Rupees in thousand)			
The movement in the present value of defined benefit obligation is as follows:				
Present value of defined benefit obligation as at July 1	92,710	98,586	135,965	168,681
Current service cost /(income)	2,694	2,833	3,880	4,693
Interest cost for the year	10,160	14,712	14,994	25,147
Benefits paid during the year	(13,630)	(17,898)	(20,525)	(35,230)
Remeasurement loss recognized in other comprehensive income	651	(5,523)	(11,108)	(27,326)
Present value of defined benefit obligation as at June 30	92,585	92,710	123,206	135,965

The present value of defined benefit obligation, the fair value of plan assets and the surplus or deficit of post retirement medical is as follows:

	Post retirement medical				
	2026	2025	2024	2023	2022
	(Rupees in thousand)				
As at June 30					
Present value of defined benefit obligations	92,585	92,710	98,586	196,075	290,936
Fair value of plan assets	–	–	–	–	–
Deficit	92,585	92,710	98,586	196,075	290,936
Experience adjustment on obligation -loss / (gain)	414	(4,090)	17,832	21,797	68,323

The present value of defined benefit obligation, the fair value of plan assets and the surplus or deficit of post retirement free electricity is as follows:

	Post retirement free electricity				
	2026	2025	2024	2023	2022
	(Rupees in thousand)				
As at June 30					
Present value of defined benefit obligations	123,206	135,965	168,681	482,040	719,691
Fair value of plan assets	–	–	–	–	
Deficit	123,206	135,965	168,681	482,040	719,691
Experience adjustment on obligation - (gain) / loss	(11,559)	(24,319)	(38,092)	170,463	140,301

Year end sensitivity analysis on present value of defined benefit obligation:

	Post retirement medical		Post retirement free electricity	
	2026	2025	2026	2025
	(Rupees in thousand)			
Discount rate+0.50%	85,157	85,116	113,767	125,289
Discount rate -0.50%	100,923	101,253	133,772	147,938
Increase in medical cost / electricity benefit+0.50%	94,457	94,722	125,540	138,782
Increase in medical cost / electricity benefit-0.50%	90,755	90,750	120,925	133,218
Maturity profile of the defined benefit obligation				
Weighted average duration of the benefit (Years)	16.05	16.38	15.32	15.70
Distribution of timing of benefit payments (time in years)				
1	10,807	15,533	639	21,066
2	13,276	10,461	1,539	20,395
3	29,171	12,777	2,899	19,702
4	26,946	27,943	4,763	38,393
5	19,745	25,723	6,561	35,479
6 to 10	53,344	63,589	56,592	88,444

8.1.1 Risk exposure

Through its defined benefit scheme, the Company is exposed to a number of risks, the most significant of which are detailed below:

Interest rate risk - The present value of the defined benefit liability is calculated using a discount rate determined by reference to the market yields at the end of the reporting period on high quality corporate bonds, or where there is no deep market in such bonds, by reference to market yields on government bonds. Currencies and terms of bond yields used must be consistent with the currency and estimated term of the post-employment benefit obligations being discounted. A decrease in bond interest rates will increase the liability, and vice versa.

Medical and electricity cost inflation risk - The present value of the defined benefit liability is calculated after taking into account the future growth in medical and electricity cost. As such, an increase in the medical and electricity cost growth rate of the plan participants will increase the liability and vice versa.

Withdrawal rate risk - The present value of the defined benefit liability is calculated by reference to the best estimate of the withdrawal rate / attrition rate of plan participants. As such, an increase in the withdrawal rate may increase / decrease the liability and vice versa depending on the age-service distribution of the exiting employees.

Mortality rate risk - The present value of the defined benefit liability is calculated by reference to the best estimate of the mortality of plan participants (actives and pensioners). An improvement in the mortality rates of the participants may increase the liability.

		2026	2025
		(Rupees in thousand)	
8.1.2	Medical and electricity benefits recognized during the year		
	Amount recognized in statement of profit or loss:		
	– Loss on medical recognized	12,854	17,545
	– Loss on electricity recognized	18,874	29,840
	Amount recognized in other comprehensive income:		
	– Loss / (gain) on medical recognized	651	(5,523)
	– Gain on electricity recognized	(11,108)	(27,326)

8.2 Movement of other long term employee benefits

	July 1, 2025	Charge/(reversal) for the year	Payments during the year	June 30, 2026
	(Rupees in thousand)			
Other long term benefits:				
Provision for leave encashment	24,645	4,965	(3,899)	25,711
Provision for lumpsum payment to employees	36,336	(672)	(6,731)	28,933
	60,981	4,293	(10,630)	54,644

	July 1, 2024	Charge for the year	Payments during the year	June 30, 2025
	(Rupees in thousand)			
Other long term benefits:				
Provision for leave encashment	27,036	3,439	(5,830)	24,645
Provision for lumpsum payment to employees	30,535	12,305	(6,504)	36,336
	57,571	15,744	(12,334)	60,981

		Note	2026	2025
			(Rupees in thousand)	
9	Trade and other payables			
	Trade creditors		206,192	69,091
	Accrued liabilities	9.1	386,141	395,240
	Markup accrued on credit supplies of raw material		3,483,376	4,953,749
	Deposits - interest free repayable on demand	9.2	879	554
	Workers' Welfare Fund	9.3	74,050	223,956
	Workers' Profit Participation Fund	9.4	18,126	19,425
	Levy - final tax payable		684	5,674
	Provident fund payable	9.5	5,155	5,172
	Others	9.6	266,810	223,162
			4,441,413	5,896,023

9.1 Accrued liabilities include Rs. 76.69 million (2025: Rs. 63.14 million) payable to CPPA-G against purchase of electricity.

9.2 These represent security deposits received against rent and utility charges of shops rented out in colony. None of these deposits is utilizable for other purposes. These have been kept in a separate bank account in accordance with the requirements of section 217 of the Companies Act, 2017.

		2026	2025
		(Rupees in thousand)	
9.3	Movement in Workers' Welfare Fund is as follows:		
	Opening balance	223,956	110,784
	Provision made during the year	42,661	223,956
		266,617	334,740
	Payment made during the year	(192,567)	(110,784)
	Closing balance	74,050	223,956
9.4	Movement in Workers' Profit Participation Fund is as follows:		
	Opening balance	19,425	(28,040)
	Provision made during the year	185,126	169,425
		204,551	141,385
	Payment made during the year	(186,425)	(121,960)
	Closing balance	18,126	19,425

9.5 The investments by the provident fund in collective investment schemes, listed equity and debts securities have been made in accordance with the conditions specified in section 218 of the Companies Act, 2017 and rules specified thereunder.

9.6 This includes an amount of Rs. 37.44 million (2025: Nil) received, as advance for sale of sludge, from Fauji Cement Company Limited - a related party.

		Note	2026	2025
			(Rupees in thousand)	
10	Finances under mark-up arrangements - secured			
	- Under Conventional finances	10.1	6,106,598	–
	- Under Islamic finances	10.2	1,805,471	–
		10.3	7,912,069	–

10.1 The available limit of finances under mark-up arrangements from conventional banks amounted to Rs. 7,214 million (2025: Rs. 500 million), carrying mark-up rates ranging from 11.05% to 12.34% per annum. The Company also utilized ancillary facilities, including letters of credit and bank guarantees, during the year.

10.2 The available limit of finances under mark-up arrangements from Shariah compliant sources amounted to Rs. 2,000 million (2025: Nil). The profit rates under Shariah-compliant arrangements ranged from 11.05% to 12.34% per annum on outstanding balances.

10.3 This includes an amount of Rs. 141.83 million (2025: Nil) of markup / profit accrued on finances under mark-up arrangements.

10.4 Letters of credit and bank guarantees

Of the aggregate facility of Rs. 200 million (2025: Rs. 200 million) for opening letters of credit and Rs. 5,113 million (2025: Rs. 2,610 million) for guarantees, the amounts utilized as at June 30, 2026 were Nil (2025: Rs. 6 million) and Rs. 5,013 million (2025: Rs. 2,586 million) respectively.

10.5 The aggregate running finances, short term finances and letters of credit and guarantees are secured by joint pari passu and ranking charge over current assets up to a limit of Rs. 22,701 million (2025: Rs. 67,200 million). The Company has initiated the process for revision of lien/charge in accordance with the required credit lines.

11 Contingencies and commitments

11.1 Contingencies

11.1.1 Income tax

(i) Income tax returns of the Company for tax years 2003 to 2007 were filed, wherein, only normal tax depreciation was claimed. Subsequently, the aforesaid returns were revised thereby depreciation and initial allowance earlier claimed in respect of assets in the original income tax returns for tax periods up to June 27, 2006 were not claimed being the date up to which the Company was exempt from levy of income tax.

Tax depreciation in income tax return for tax year 2008 was also claimed with resultant written down value carried forward from tax year 2007, as computed in the revised return of income in accordance with position explained above. Such return and revised returns for tax year 2003 to 2007 were amended by Tax Authorities restoring the earlier position and were also endorsed by Commissioner Inland Revenue (Appeals) [CIR(A)]. The Company preferred appeal before Income Tax Appellate Tribunal (ITAT) [now Appellate Tribunal Inland Revenue (ATIR)] against the decision of CIR(A) which was decided in the Company's favour vide order dated April 14, 2012. No appeal was filed by the Tax Department (the Department) before High Court within the time stipulated under law.

Subsequently, the Department filed miscellaneous application for rectification before ATIR which was decided against the Company. Being aggrieved, the Company filed reference with the Honorable Lahore High Court (LHC) against this order. The LHC proceeded to set aside the miscellaneous applications and declared the same to be pending before ATIR vide order dated November 12, 2018. Being aggrieved, the Company applied for leave of appeal from the Honorable Supreme Court of Pakistan, which was remanded back to LHC vide order dated August 9, 2019 for deciding the matter afresh after addressing the question of law involved therein. The LHC decided the case against the Company on May 25, 2022, by setting aside all the precedents of High Courts on this matter. Being aggrieved, the Company again filed an appeal with the Honorable Supreme Court of Pakistan, which was verbally decided in favor of the Company on April 20, 2023. However, detailed order was not issued within a period of 3 months from the date of hearing, resulting in commencement of rehearing proceedings due to which the case is still pending adjudication. The cumulative tax impact of this issue is approximately Rs. 2,263 million.

(ii) The learned Additional Commissioner Inland Revenue (ACIR) re-initiated proceedings under section 122(5A) of the Income Tax Ordinance, 2001 for tax year 2014 and passed an order dated January 02, 2020, whereby the Company's refund was reduced by Rs. 50 million on the basis that the tax credit claimed under section 65B of the Income Tax Ordinance, 2001 should be deducted from the cost of the relevant assets prior to the computation of initial allowance and tax depreciation. Being aggrieved, the Company filed an appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)], which was decided against the Company vide order dated May 18, 2020. Being further aggrieved, the Company filed an appeal before the Appellate Tribunal Inland Revenue (ATIR), which was also decided against the Company vide order dated April 15, 2021. Being aggrieved, the Company has filed a reference before the Honorable Lahore High Court (LHC), which is currently pending adjudication.

(iii) The Deputy Commissioner Inland Revenue (DCIR) initiated proceedings under sections 147/205 alleging that the Company had not paid advance tax liability to the tune of 90% of the tax liability for tax year 2015 and raised a tax demand amounting to Rs. 69 million through order dated March 31, 2023. Being aggrieved, the Company filed an appeal before Commissioner Inland Revenue (Appeals) [CIR(A)]. The CIR(A) remanded back the issue to the DCIR vide order dated May 26, 2023 on the grounds that there were computational errors in the above order that need to be corrected. Being further aggrieved, the Company filed an appeal before the Appellate Tribunal Inland Revenue which was decided against the Company vide order dated September 21, 2023. Being aggrieved, Company has filed reference in Lahore High Court which is pending adjudication.

(iv) The learned Additional Commissioner Inland Revenue ['ACIR'] amended the Company's assessment for tax year 2016 through an assessment order dated October 13, 2017 and raised a tax demand of Rs. 1,162 million by disallowing certain expenses. The demand was subsequently reduced to Rs. 1,077 million through a rectification order. The Company filed an appeal before the Commissioner Inland Revenue (Appeals) ['CIR(A)'], who, vide order dated January 4, 2018, partly allowed the appeal and further reduced the tax demand to Rs. 779 million.

Being aggrieved, both the Department and the Company filed appeals before the Appellate Tribunal Inland Revenue ['ATIR']. The ATIR proceeded to uphold the order passed by the learned CIR(A). Being aggrieved by the CIR(A)'s order, both the Department and the Company filed appeals before the Honorable Lahore High Court (LHC), which, through its order dated February 13, 2019, remanded the matter to the ATIR for fresh proceedings. The ATIR partially decided the case in favour of the Company vide order dated December 16, 2020 and remanded back the remaining matters amounting to Rs. 277 million for fresh adjudication. Being aggrieved, the Company filed another appeal before LHC against the said order of ATIR which is pending adjudication.

The Addl. CIR re-initiated proceedings under sections 124/122(5A) of the Income Tax Ordinance, 2001 and, vide order dated 01 January 2020, raised a cumulative tax demand of Rs. 415 million on account of the treatment of tax credit under section 65B, disallowance of repair and renewal expenses, and differential payable to WAPDA. Aggrieved by the order, KAPCO filed an appeal before the CIR(A), which was decided against the Company on 18 May 2020. Subsequently, the Company filed a appeal before the ATIR which, vide its consolidated order dated 15 April 2021, decided the issue relating to section 65B tax credit against KAPCO. The Department thereafter erroneously issued a recovery notice for the entire amount without giving effect to the ATIR's order dated 16 December 2020, whereby the issue relating to differential payable to WAPDA was deleted, while the matter relating to repair and renewal expenses remains pending adjudication before the Lahore High Court. Accordingly, the tax demand currently in dispute, relating to section 65B, amounts to Rs. 10 million. LHC has issued a stay order against the recovery notice issued by the Department. KAPCO has challenged the ATIR's order dated 15 April 2021 before the LHC, where the matter is pending adjudication.

(v) The Deputy Commissioner Inland Revenue (DCIR) amended the assessment for tax year 2017 vide order dated June 23, 2023 and created a demand of Rs. 322 million by disallowing certain expenses. Being aggrieved, the Company filed an appeal before CIR(A), which was partially decided in favour of the Company vide order dated December 04, 2023 whereby demand of Rs. 149 million was deleted and remaining issues were remanded back to DCIR. The DCIR reinitiated the remand back proceedings and created a demand of Rs. 85 million vide order dated June 30, 2026. Being aggrieved, the Company filed an appeal before CIR(A) which is currently pending adjudication.

(vi) The Additional Commissioner Inland Revenue amended the assessment for the tax year 2018 vide order dated May 28, 2019 and created a demand of Rs. 277 million by disallowing certain expenses. The Company filed an appeal before Commissioner Inland Revenue (Appeals) [CIR(A)] against the said order, which was partially decided in favour of the Company vide order dated July 23, 2019 and matter having a tax impact of Rs. 95 million was decided against the Company. The Company filed an appeal before Appellate Tribunal Inland Revenue (ATIR) against the said order, which was decided against the Company vide order dated September 24, 2021. Being aggrieved, the Company has filed reference before the Honorable Lahore High Court, which is pending adjudication.

(vii) The Additional Commissioner Inland Revenue re-initiated proceedings for the tax year 2018 and created a demand of Rs. 1,121 million by charging tax on true-up income on accrual basis instead of receipt basis. The Company filed an appeal before CIR(A), which was decided against the Company vide order dated May 28, 2020. Consequently, the Deputy Commissioner Inland Revenue (DCIR) issued recovery notice. Being aggrieved, the Company filed appeal before ATIR, which was decided in favour of the Company vide order dated April 28, 2022. Being aggrieved, the Department has filed an appeal before the Honorable Lahore High Court, which is pending adjudication.

(viii) The Additional Commissioner Inland Revenue amended the assessment of tax year 2019 vide order dated March 05, 2020 and created a demand of Rs. 2,203 million on account of chargeability of tax on true-up income, LP income from CPPA-G and inadmissibility of few deductions and tax credit under section 65B. The Company filed an appeal before CIR(A),which was partially decided in favour of the Company vide order dated May 28, 2020 and the demand was

reduced to Rs. 1,604 million. Being aggrieved, the Company filed an appeal before ATIR which was decided in favour of the Company vide order dated April 28, 2022 except for an issue amounting to Rs. 3 million. Being aggrieved, the Department has filed a reference against the Company before LHC, which is pending adjudication.

(ix) The Additional Commissioner Inland Revenue amended the assessment of tax year 2020 vide order dated February 01, 2021 creating a demand of Rs. 6,121 million on account of chargeability of tax on true-up income, late payment (LP) income from CPPA-G and inadmissibility of few deductions by disallowing certain expenses. The Company filed an appeal before CIR(A) which was partly decided in its favour vide order dated September 01, 2021. Being aggrieved, the Company filed appeal before ATIR that was decided entirely in its favour vide order dated April 28, 2022. Being aggrieved, the Department has filed an appeal before LHC, which is pending adjudication.

(x) The Additional Commissioner Inland Revenue (ACIR) amended the assessment of tax year 2021 vide order dated February 26, 2022 and created a demand of Rs. 6,788 million on account of chargeability of tax on True up income and late payment income from CPPA-G and inadmissibility of few deductions. Being aggrieved, the Company has filed appeal before Commissioner Inland Revenue [CIR(A)]. The CIR(A) decided certain matters amounting to Rs. 4,032 million in favour of the Company except for remaining matters, which were remanded back to ACIR for fresh consideration, vide order dated December 29, 2022.

(xi) The Additional Commissioner Inland Revenue (ACIR) amended the assessment for tax year 2022 vide order dated March 20, 2024, and created a demand of Rs. 3,237 million on account of chargeability of tax on true-up income, interest on late payment from CPPA-G and inadmissibility of few expenses. Being aggrieved, the Company filed appeal before the CIR(A). However, due to tax amendments, the appeal was transferred to the ATIR who decided the case in favor of the company through its order dated September 25, 2025 except for the issue regarding the classification of interest on late payments from CPPA-G. KAPCO has filed a reference before the Lahore High Court (LHC) challenging the ATIR's order with respect to the late payment surcharge which was decided against the company. Additionally, the tax department has also filed a separate reference before the LHC regarding the other issues that were decided in favor of KAPCO. These references are currently pending adjudication.

(xii) The Additional Commissioner Inland Revenue (ACIR) amended the assessment for Tax Year 2024 vide order dated February 27, 2026, creating a demand of Rs. 274 million. The demand was raised on account of super tax related to dividend income and return on sukuk, default surcharge arising from classification of interest on late payments pertaining to previous tax years, and disallowance of tax depreciation of Rs. 313 million. The Company discharged the liability by paying Rs. 274 million. However, being aggrieved, the Company filed an appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)] against the disallowance of tax depreciation amounting to Rs. 313 million who upheld the decision of ACIR vide order dated May 29, 2026. Being aggrieved, the Company filed an appeal before the Appellate Tribunal Inland Revenue (ATIR) dated June 08, 2026 which is currently pending adjudication.

The management, legal and taxation experts of the Company believe that there are meritorious grounds available to defend the foregoing demand. Consequently no provision has been recorded in these financial statements.

11.1.2 Sales tax

(i) The Department issued a sales tax order dated April 30, 2014 against the Company for the financial period from June 2008 to June 2013 and created a demand of Rs. 10,102 million by apportioning input sales tax between Capacity Purchase Price (CPP) invoices and Energy Purchase Price (EPP) invoices and allowed input sales tax allocated to EPP invoices only. The refund claims of the Company during the period falling between the aforementioned period were also rejected by the Tax Authorities amounting to Rs. 415 million. Against the foregoing order, the Company filed an appeal before CIR(A) which was partially decided against the Company. However, CIR(A) instructed the Department to rectify the demand by deleting the sales tax liability in respect of tax periods beyond five years, resulting in reduction of demand to the tune of Rs. 1,481 million. Being aggrieved, the Company filed an appeal before ATIR against the CIR(A) order which was also decided against the Company. The Company filed an appeal before LHC against ATIR decision which was decided in favor of KAPCO.

The LHC vide its judgment dated October 31, 2016 decided the case in favor of the Company and Company has received the refund from Federal Board of Revenue (FBR) out of the refunds which were withheld by the Department due to above mentioned apportionment issue. The Department has filed Civil Petition for Leave to Appeal (CPLA) in Supreme Court of Pakistan against the decision of LHC, which was accepted in March 2021, however appeal is pending adjudication.

(ii) The tax department created sales tax demand of Rs. 2,933 million for the financial period July 2013 to June 2014 pertaining to the issue of apportionment of input tax against Capacity Purchase Price and Energy Purchase Price (EPP) and allowed input against EPP only. Being aggrieved, the Company filed an appeal before CIR(A), which was remanded back vide order dated April 29, 2016. Being aggrieved, the tax department filed an appeal before ATIR which was rejected vide order dated October 24, 2023. The tax department has filed a sales tax reference in LHC dated May 07, 2024 against the order of ATIR, which is pending adjudication.

(iii) For tax year 2004-2009 a show cause notice was issued by the Commissioner in 2015 rejecting KAPCO's deferred refund amounting to Rs. 61 million. The Company filed an appeal before CIR(A) who vide its order dated January 30, 2020 remanded the case back to Commissioner for fresh verification of all the documents pertaining to refund. Subsequently, CIR issued an assessment order dated June 25, 2021 wherein all the deferred refund of the Company was rejected along with imposition of penalty. Being aggrieved, the Company filed an appeal in CIR(A) against the said order. The CIR(A) annulled the rejection of the sales tax refund and the case has been remanded back to the tax department for processing of sales tax refund vide order dated June 13, 2022.

(iv) The Company was selected for sales tax audit for the tax year 2017 under section 72B of the Sales Tax Act, 1990. The Department issued a sales tax order dated August 31, 2020 creating a demand amounting to Rs. 2,689 million. Being aggrieved, the Company filed an appeal before CIR(A), which resulted in the deletion of demand amounting to Rs. 2,684 million. Subsequently, the Department filed an appeal before the Appellate Tribunal Inland Revenue (ATIR). Vide order dated March 17, 2026, the ATIR upheld the order passed by CIR(A). However, the issue relating to inadmissible input tax amounting to Rs. 29.399 million was remanded back to the Department for reconsideration.

(v) The Deputy Commissioner Inland Revenue (DCIR) issued an assessment order dated September 30, 2021 and created a demand of Rs. 15,110 million for tax year 2019 mainly on account of alleged non compliance of section 73 of Sales Tax Act, 1990. The Company filed appeal before CIR(A) who vide order dated January 28, 2022 annulled the demand and remanded the case back to DCIR. The DCIR issued order dated March 29, 2022 in remand back proceedings and created demand of Rs. 155 million on inadmissibility of input tax on certain issues. The Company had filed an appeal before CIR(A), who vide order dated September 29, 2022 reduced the demand to Rs. 1 million. Being aggrieved, the Company and the Department filed an appeal with the ATIR against the said order, which is pending adjudication.

(vi) The Deputy Commissioner Inland Revenue (DCIR) passed an ex-parte order dated April 7, 2025, for July 2022 to June 2023, creating a sales tax demand of Rs. 4.60 million on account of inadmissible input tax under section 8 of the Sales Tax Act, 1990. Being aggrieved, the company filed an appeal before Commissioner Inland Revenue Appeals [CIR(A)], who vide order dated June 27, 2025, upheld the demand. Being aggrieved, the Company filed an appeal before the Appellate Tribunal Inland Revenue (ATIR) on July 29, 2025 and ATIR remanded the case back to the DCIR vide order dated February 13, 2026.

(vii) The Deputy Commissioner Inland Revenue (DCIR) finalized the proceedings under section 11E of the Sales Tax Act, 1990, vide order dated June 27, 2025, received on August 5, 2025, and created a demand of Rs. 130.54 million along with a penalty of Rs. 6.53 million and default surcharge for the tax periods July 2019 to June 2020, on account of alleged non-charging of sales tax. Being aggrieved, the Company filed an appeal before the Commissioner Inland Revenue Appeals [CIR(A)] on September 3, 2025, who vide order dated May 29, 2026 upheld the demand of Rs. 96.5 million. Being aggrieved, the Company filed an appeal before the Appellate Tribunal Inland Revenue (ATIR), dated July 02, 2026 which is currently pending adjudication.

(viii) During a sales tax audit for the period from September 2000 to June 2003, the Tax Department issued an order dated March 31, 2006 creating a sales tax demand of Rs. 275.068 million. The Company filed an appeal before the Collector (Appeals), who vide Order-in-Appeal dated March 10, 2007 partly decided the matter against the Company and upheld a demand of Rs. 11.843 million. Subsequently, the Appellate Tribunal Inland Revenue (ATIR), vide orders dated June 1, 2021 and June 16, 2023, remanded the matter to the Tax Department for re-verification of certain issues relating to start-up invoices and late claim of input tax. Pursuant to the remand proceedings, the Deputy Commissioner Inland Revenue (DCIR), vide order dated June 27, 2025, re-determined the sales tax demand at Rs. 190.725 million. The Company challenged the said order before the Commissioner Inland Revenue (Appeals) [CIR(A)], who vide order dated February 16, 2026 directed the DCIR to rectify the demand. Being aggrieved by certain findings of the CIR(A)'s order, the Company has filed an appeal before the ATIR, which is currently pending adjudication.

The management, legal and taxation experts of the Company believe that there are meritorious grounds to defend the foregoing demands/cases. Consequently, no provision has been recorded in these financial statements.

11.1.3 Others

(i) Before introduction of amendments in Finance Act 2006, the Company had not established Workers' Profit Participation Fund under the Companies Profit (Workers' Participation) Act, 1968 (the Act) based on the opinion of the legal advisor that it did not employ any person who fell under the definition of Worker as defined in the Act.

Further, the question whether a company to which the Act and its scheme applies but which does not employ any worker is nevertheless obliged to establish and pay contributions into the Fund under the Act and thereafter transfer the same to the Fund established under the WWF Ordinance, 1971 is subjudice before the Sindh High Court, as the Supreme Court of Pakistan accepted the petition of another company and remanded the case to the Sindh High Court for fresh decision in accordance with its order.

Certain amendments were introduced in Finance Act 2006, to relax the conditions of payment of interest and penalty for companies defaulting in creating Fund under the Act. If it is established that Workers' Profit Participation Fund (WPPF) is applicable to the Company and Company makes the principal payment on or before the date which is yet to be decided by the Federal Government, no such penalty may be imposed and the Company may not be liable to pay interest.

In view of the foregoing, the Company did not make any provision for Workers' Profit Participation Fund and interest thereon in the financial statements up to June 30, 2006.

Subsequent to the amendments in Finance Act 2006, the Company had established the KAPCO Workers' Profit Participation Fund in March 2008 to allocate the amount of annual profits stipulated by the Act for distribution amongst workers eligible to receive such benefits under the Act. Accordingly contributions to WPPF were duly made up to the year ended June 30, 2015.

In 2017, the Honorable Supreme Court of Pakistan decided that amendments in Workers' Welfare Fund Ordinance, 1971 and Companies Profit (Workers Participation) Act, 1968 cannot be introduced through Finance Act, thereby, the said amendments made through the Finance Act 2006 are void ab initio. Subsequently, the Commissioner Inland Revenue (Peshawar) filed review petition in the Honorable Supreme Court of Pakistan against the said decision in case of another company, which is pending adjudication.

In June 30, 2018, the Government of Punjab issued Companies Profits (Workers' Participation) (Amendment) Ordinance 2018 and accordingly the Company made contribution to WPPF for the year ended June 30, 2018. During year ended June 30, 2019, this Ordinance expired and no further enactment was made by the Government of Punjab till October 01, 2021. After enactment of Companies Profits (Workers' Participation) Amendment Act, 2021 on October 1, 2021 Company has created provision of WPPF for the year ended June 30, 2022 and paid the same to the Fund as well.

During the year ended June 30, 2022, the Company received a notice from the Ministry of Overseas Pakistanis and Human Resource Development, Workers Welfare Fund (the Ministry) to deposit the left-over amount of WPPF from 2016 onward to WWF. The Company rejected the stance of Ministry through its response and the issue remains undecided. In case the liability materializes, the cumulative principal amount of WPPF for the year ended June 30, 2016 up to the year ended June 30, 2021 would amount to Rs. 5,362 million (2025: Rs. 5,362 million). If it is established that the scheme is applicable to the Company and the Company is liable to pay contribution to the Workers' Welfare Fund, then these amounts would be recoverable from CPPA-G as a pass-through item under the provisions of PPA.

(ii) During the year ended June 30, 2022, NEPRA issued a letter to the Company seeking explanation in respect of the extension of its PPA for a period of 485 days in lieu of settlement of the liquidated damages dispute between the Company and the Power Purchaser by invoking the terms of the PPA under Other Force Majeure Events (OFME). The Company submitted the explanation to NEPRA that extension of the PPA was within the terms of the PPA and there was no violation of NEPRA regulations.

During the year ended June 30, 2023, NEPRA issued a show cause notice dated July 21, 2022, to the Company alleging prima facie violation of Regulation 6(2) of NEPRA Interim Power Procurement (Procedures and Standards) Regulations, 2005 in respect of the extension of the Company's PPA for 485 days. Being aggrieved, the Company filed an appeal, against the show cause notice before the NEPRA Appellate Tribunal in accordance with NEPRA Regulations and also simultaneously filed stay with the Honorable Lahore High Court, which was granted. The Appellate Tribunal through its decision dated April 13, 2023 held that the impugned order dated July 21, 2022 is set-aside and the case was remanded back to NEPRA for denovo proceedings. Accordingly, a hearing was conducted by NEPRA on August 22, 2023 and since then the matter is pending.

The Management and the legal advisor of the Company believe that there are meritorious grounds available to defend the notice issued by NEPRA.

(iii) Sui Northern Gas Pipelines Limited ("SNGPL") had raised claims in respect of late payment surcharge amounting to Rs. 2,252 million (2025: Rs. 2,250 million). During the year, the Company and SNGPL entered into a Settlement and Agreement for Expert Dispute Resolution dated August 21, 2025. Pursuant to the Settlement Agreement, the Company paid an amount of Rs. 1,360 million to SNGPL and the remaining amount of Rs. 892 million continued to be disputed and was referred to an Independent Expert for determination. The Company also provided an irrevocable and unconditional bank guarantee/security of Rs. 892 million in favour of SNGPL in respect of the disputed amount.

Subsequent to the year end, on July 8, 2026, the Independent Expert issued his determination. Based on the Company's interpretation of the determination and advice of its legal counsel, the Company considers that no amount is payable to SNGPL in respect of the disputed claim and that the aforesaid bank guarantee stands discharged in terms of the Settlement Agreement. SNGPL has, however, disputed the Company's interpretation of the Independent Expert's determination and has raised certain contentions regarding the scope and effect of the Expert's findings.

Subsequently, SNGPL sought extension of the bank guarantee. The Company arranged an extension of the bank guarantee amounting to Rs. 892 million up to November 21, 2026. The Company continues to dispute SNGPL's entitlement to the aforesaid amount and maintains its position based on the Expert's determination and advice of its legal counsel.

The Management and the legal advisor of the Company believe that no liability is expected to arise in respect of the disputed amount and, accordingly, no provision has been recorded in these financial statements.

(iv) During the year, the Company received an invoice from SNGPL amounting to Rs. 4,084 million in respect of RLNG notified sales price actualization for the period April 2015 to June 2022. The Company disputed the invoice and returned it to SNGPL on the grounds that the PPA, under which the RLNG charges for the said period were governed, has expired and, accordingly, the Company is not liable to pay any such amount. On October 09, 2025, the Company obtained a stay order from the Honorable High Court against the aforementioned claim. In compliance with the Court's

directives, the Company has issued a post dated cheque equivalent to the principal amount along with applicable interest as a guarantee, which shall only be encashed subject to the final outcome of the case.

Further, the Company received an additional invoice from SNGPL amounting to 80 million in respect of RLNG notified sales price actualization for the period July 2022 to March 2024. The Company has filed the Writ Petition in the Honorable High Court against the aforementioned claim.

Management is of the view that, in case of an adverse decision, the Company would be entitled to recover the same from CPPA-G as part of fuel cost reimbursement, and the Company shall only bear the differential between the amount of this invoice and the reimbursement recoverable from CPPA-G, which is not expected to be material.

The Management, in consultation with its legal and taxation advisors, believes that the above matters will be decided in favor of the Company and, accordingly, no provision has been recorded in these financial statements.

11.2 Commitments

(i) Contracts for capital expenditure are Nil (2025: Rs. 2 million).

(ii) Stand by letters of credit for long term borrowings are Rs. 2,660 million (2025: Nil).

(iii) Contracts for car ijarah are Rs. 11.1 million (2025: Rs. 27 million).

	2026	2025
	(Rupees in thousand)	
Not later than one year	8,918	15,121
Later than one year and not later than five years	2,216	11,809
Later than five years	–	–
	11,134	26,930

(iv) Based on Power Purchaser's forecast of electricity generation during the expired PPA term, the Company placed orders with Pakistan State Oil (PSO) for purchase of fuel stock in June 2022 for delivery in July 2022. Out of these orders, approximately 40,000 MT of furnace oil was available with PSO. Subsequent to the placement of these orders, the Company has procured the entire quantity of furnace oil from PSO at prevailing market prices and the related cost has been passed on to the Power Purchaser in line with the applicable agreement. Accordingly, the management of the Company believes that no fuel inventory relating to these orders is currently held with PSO on behalf of the Company.

12 Property, plant and equipment

	Freehold land	Buildings on freehold land	Plant and machinery	Gas turbine blading	Auxiliary plant and machinery	Office equipment	Fixtures and fittings	Vehicles	Total
	(Rupees in thousand)								
Net carrying value basis									
Year ended June 30, 2026									
Opening net book value (NBV)	154,229	-	1,611,564	-	19,575	-	-	32,936	1,818,304
Additions (at cost)	-	-	-	-	-	13,587	-	19,506	33,093
Transfers from leased assets at NBV	-	-	-	-	-	-	-	-	-
Disposals / adjustments (at NBV)	-	-	-	-	-	-	-	-	-
Transfer from asset held for sale (NBV)			-	-	48	-	-	-	48
Depreciation charge	-	-	-	-	-	(1,953)	-	(2,517)	(4,470)
Closing net book value (NBV)	154,229	-	1,611,564	-	19,623	11,634	-	49,925	1,846,975
Gross carrying value basis									
As at June 30, 2026									
Cost	154,229	894,051	32,231,273	8,740,803	425,676	170,137	17,830	190,424	42,824,423
Accumulated depreciation	-	(894,051)	(30,619,709)	(8,740,803)	(406,053)	(158,503)	(17,830)	(140,499)	(40,977,448)
Net book value (NBV)	154,229	-	1,611,564	-	19,623	11,634	-	49,925	1,846,975
Depreciation rate % per annum	-	4	4	10-100	20	32.43-44.44	20	38.70	
Net carrying value basis									
Year ended June 30, 2025									
Opening net book value (NBV)	100,773	-	1,775,679	-	19,658	-	-	32,936	1,929,046
Additions (at cost)	53,456	-	-	-	-	3,296	-	-	56,752
Transfers from leased assets at NBV	-	-	-	-	-	-	-	-	-
Disposals / adjustments (at NBV)	-	-	-	-	-	-	-	-	-
Depreciation charge	-	-	-	-	-	(3,296)	-	-	(3,296)
Asset held for sale (NBV)	-	-	(164,115)	-	(83)	-	-	-	(164,198)
Closing net book value (NBV)	154,229	-	1,611,564	-	19,575	-	-	32,936	1,818,304
Gross carrying value basis									
As at June 30, 2025									
Cost	154,229	894,051	32,231,273	8,352,291	425,259	173,576	17,830	170,919	42,419,428
Accumulated depreciation	-	(894,051)	(30,619,709)	(8,352,291)	(405,684)	(173,576)	(17,830)	(137,983)	(40,601,124)
Net book value (NBV)	154,229	-	1,611,564	-	19,575	-	-	32,936	1,818,304
Depreciation rate % per annum	-	4	4	10-100	20	20-100	20	25	

The cost of fully depreciated assets which are still in use as at June 30, 2026 is Rs. 42,824 million (2025: Rs. 46,296 million).

12.1 During the year, the Company assessed the Tripartite Power Purchase Agreement (TPPA) under IFRS 16 and concluded that the arrangement contains a lease which, from the Company's perspective as lessor, is classified as an operating lease because it does not transfer substantially all the risks and rewards incidental to ownership of the underlying asset. Accordingly, the underlying plant continues to be recognized within property, plant and equipment and is depreciated over its remaining useful life.

		Note	2026	2025
			(Rupees in thousand)	
12.2	The depreciation charge for the year has been allocated as follows:			
	Cost of sales	26	1,953	–
	Plant preservation costs	27	–	3,296
	Administrative expenses	28	2,517	–
			4,470	3,296

12.3 Disposal of property, plant and equipment of book value exceeding Rs. 500,000.

2026

Particulars of assets	Sold to	Cost	Accumulated depreciation	Book value	Sale proceeds	Gain / (Loss)	Mode of disposal
		(Rupees in thousand)					
Assets with book value greater than Rs. 0.5 million		–	–	–	–	–	
Other assets with book value less than Rs. 0.5 million							
Various	Multiple	17,026	(17,026)	–	782	782	Company Policy
		17,026	(17,026)	–	782	782	

2025

Particulars of assets	Sold to	Cost	Accumulated depreciation	Book value	Sale proceeds	Gain / (Loss)	Mode of disposal
		(Rupees in thousand)					
Assets with book value greater than Rs. 0.5 million		–	–	–	–	–	
Other assets with book value less than Rs. 0.5 million							
Various	Multiple	3,959	(3,959)	–	2,431	2,431	Company Policy
		3,959	(3,959)	–	2,431	2,431	

			2026	2025
			(Area in kanals)	
12.4	Description	Location		
	Plant site	Kot Addu, District Muzaffargarh, Pakistan	3,081	3,081
	Corporate office	Lahore, Pakistan	2	2
	Land (Plot)	Islamabad, Pakistan	1	1

		2026	2025
		(Rupees in thousand)	
13	Long term investment accounted for under equity method		
	Balance at the beginning of the year	-	-
	Investment during the year	20,913,942	-
	Gain on bargain purchase	67,190	-
	Share of total comprehensive income for the year	266,214	-
	Closing carrying value	21,247,346	-

13.1 This represents investment in Attock Cement Pakistan Limited (ACPL) through acquisition of 63,238,327 fully paid ordinary shares of Rs. 10 each, representing 46.02% of ACPL share capital. Market value of the investment in the ordinary shares of ACPL as at June 30, 2026 was Rs. 13,708 million.

The company jointly controls ACPL along with Fauji Cement Company Limited (FCCL) and ACPL's registered office is at D-70, Block-4, Kehkashan-5, Clifton, Karachi. The principal activity of ACPL is manufacturing and sale of different types of cement.

Identified assets acquired, liabilities assumed or incurred have been currently carried at provisional fair values. The fair value exercise of identifiable assets and liabilities is currently in progress and will be completed within the allowed measurement period of one year specified under IFRS - 3. The carrying value of the below balances may change as a result of the fair value exercise as required under IFRS-3. Any adjustment arising at the time finalization of this exercise will be incorporated with retrospective effect from the date of acquisition.

Summary of provisional fair values as at acquisition date and gain on bargain purchase arising on acquisition of stake in ACPL is as follows;

	Provisional Fair value as at acquisition date (Rupees in thousand)
Assets	
Non-current assets	
Property, plant and equipment	57,433,200
Long-term loans and advances	55,313
Long-term deposits and Prepayments	99,940
	57,588,453
Current assets	
Inventories	6,297,951
Trade debts	1,196,074
Advances, Deposits, prepayments and other receivables	1,145,138
Tax refund due from government	1,018,198
Short term investments	4,352,638
Cash and bank balances	1,403,959
	15,413,958
Total assets	73,002,411
Non current liabilities	
Long - term loans	4,268,220
Deferred income - Government grant	494,941
Deferred liabilities	5,592,434
Employee benefit obligations	143,207
	10,498,802
Current liabilities	
Trade and other payables	10,569,238
Preference dividend payable	4,750
Mark-up accrued on borrowings	29,267
Short term borrowings – secured	6,309,020
	16,912,275
Total liabilities	27,411,077
Fair value of net assets of ACPL as at acquisition date - provisional	45,591,334
Bargain purchase - provisional	
Cost of investment in joint venture	20,913,942
Fair value of net assets of ACPL as at acquisition date - provisional	45,591,334
Percentage shareholding	46.02%
Company's share of net assets	20,981,132
Gain on bargain purchase - provisional	67,190

Summary financial information of equity accounted investee

Following is financial information of long term investment accounted for under equity method as included in its financial statements for the year ended June 30, 2026.

	2026
	(Rupees in thousand)
Percentage of shareholding	46.02%
Non - current assets	35,837,013
Current assets	14,540,299
Total assets	50,377,312
Non - current liabilities	10,120,307
Current liabilities	15,555,553
Total liabilities	25,675,860
Net assets (100%)	24,701,452
Joint controlling interest of the joint venture (46.02%)	(11,367,608)
Non-controlling interest of joint venture (7.96%)	(1,966,236)
Net assets attributable to the Company (46.02%)	11,367,608
Reconciliation to carrying amount of investment	
Company's share of net	11,367,608
Fair value adjustment	9,879,738
Carrying amount of interest in long term investment accounted for under equity method	21,247,346
Revenue	44,324,642
Depreciation and amortization	1,849,534
Interest expense	1,015,303
Income tax expense	1,861,023
Interest income	60,494
Profit from continuing operations (100%)	788,625
Other comprehensive loss (100%)	(47,563)
Total comprehensive	741,062
Bargain Purchase Gain	67,190
Company share of net profit	288,102
Share of net profit of long term investment accounted for under equity method	355,292
Share of other comprehensive loss of long term investment accounted for under equity method	(21,888)
Share of total comprehensive income of long term investment accounted for under equity method	333,404

		Note	2026	2025
			(Rupees in thousand)	
14	Long term deposits			
	Deposit under lien arrangement	14.1	13,621,000	–
	Profit / interest received during the year		205,913	–
	Less: current portion		(4,754,333)	–
			9,072,580	–
	Deposit - other		2,004	5,904
			9,074,584	5,904

14.1 This represents a 100% cash margin deposit placed under lien with Askari Bank Limited and Dubai Islamic Bank Pakistan Limited at an agreed rate (to be reset annually), as security against the foreign currency loans obtained to finance the acquisition of a stake in Attock Cement Pakistan Limited. During the year, profit / interest was earned on the deposit at an average rate of 10.72% per annum. Included in these is deposit amounting to Rs. 11,126 million (2025: Nil) held with Shariah-compliant financial institution.

		Note	2026	2025
			(Rupees in thousand)	
15	Deferred taxation			
	The net asset for deferred taxation comprises deductible / (taxable) temporary differences relating to:			
	Taxable temporary difference			
	Unrealized true-up income		(64,944)	(68,455)
	Unrealized interest income on late payment to CPPA-G		–	(653,562)
	Interest receivable against deposit		(9,672)	–
	Long term investment accounted for under equity method		(76,683)	–
	Long term borrowings - secured		(37,776)	–
	Unrealized exchange gain		(12,541)	–
	Accelerated tax depreciation		(152,710)	(112,199)
	Deductible temporary difference			
	Provision for store obsolescence		648,321	683,366
	Provision for NRV against fuel stock		–	715,240
	Provision for doubtful debts		228,540	240,894
	Provision for other staff benefits		20,218	23,783
	Unrealized exchange loss on trade payables		–	12,706
	Unrealized loss on mutual funds		1,747	26,608
	Tax loss for the year	15.2	259,868	593,260
	Minimum tax	15.2	239,530	–
		15.1	1,043,898	1,461,641
15.1	Movement in deferred taxation			
	Opening balance		1,461,641	(1,100,706)
	Charged to statement of profit or loss		(359,835)	2,562,347
	Charged to other comprehensive income		(57,908)	–
	Closing balance		1,043,898	1,461,641

15.2 The expiry of tax losses for which deferred tax asset has been recognized are as follows:

Expiry tax year	Nature	2026
2032	Business loss - TY 2026	675,603
Indefinite	Business loss on depreciation - TY 2026	220,494
2028	Minimum tax - TY 2026	239,530

		Note	2026	2025
			(Rupees in thousand)	
16	Staff retirement benefits - Pension			
	Pension asset	16.1	634,592	401,902
16.1	Pension asset			
	The amounts recognized in the balance sheet are as follows:			
	Fair value of plan assets		3,549,839	3,197,044
	Present value of defined benefit obligation		(2,915,247)	(2,795,142)
	Net Assets at June 30		634,592	401,902
	The movement in the net assets is as follows:			
	Asset as at July 1		401,902	280,566
	Income to statement of profit or loss		26,104	18,542
	Excess contribution paid back to the Company		–	–
	Remeasurement gain recognized in other comprehensive income		206,586	102,794
	Assets at June 30		634,592	401,902
	The movement in the present value of defined benefit obligation is as follows:			
	Present value of defined benefit obligation as at July 1		2,795,142	2,514,955
	Current service cost		18,567	20,090
	Interest cost for the year		315,214	359,138
	Benefits paid during the year		(227,370)	(246,017)
	Loss due to change in financial assumptions		46,192	310,299
	Gain due to change in experience adjustments		(32,498)	(163,323)
	Present value of defined benefit obligation as at June 30		2,915,247	2,795,142
	The movement in fair value of plan assets is as follows:			
	Fair value as at July 1		3,197,044	2,795,521
	Expected return on plan assets		359,885	397,770
	Benefits paid during the year		(227,370)	(246,017)
	Remeasurement gain on plan assets		220,280	249,770
	Fair value as at June 30		3,549,839	3,197,044

	2026	2025
Plan assets are comprised of following:		
Mutual funds	64%	59%
Interest bearing instruments	33%	39%
Equity instruments	1%	1%
Other	2%	1%
	100%	100%

The present value of defined benefit obligation, the fair value of plan assets and the surplus or deficit of pension fund is as follows:

	2026	2025	2024	2023	2022
	(Rupees in thousand)				
As at June 30					
Fair value of plan assets	3,549,839	3,197,044	2,795,521	3,708,537	3,767,734
Present value of defined benefit obligations	(2,915,247)	(2,795,142)	(2,514,955)	(2,696,625)	(3,045,774)
Surplus / (Deficit)	634,592	401,902	280,566	1,011,912	721,960
Experience adjustment on obligation - (gain) / loss	(32,498)	(163,323)	221,325	44,908	204,219
Experience adjustment on plan assets - gain / (loss)	220,280	249,770	276,271	(30,303)	(270,602)

	2026	2025
	(Rupees in thousand)	
Year end sensitivity analysis on present value of defined benefit obligation:		
Discount rate + 0.50%	2,783,911	2,696,349
Discount rate - 0.50%	3,017,250	2,925,119
Increase in salary level + 0.50%	2,823,475	2,823,475
Increase in salary level - 0.50%	2,789,867	2,789,867
Increase in pension + 0.50%	3,008,196	2,916,082
Increase in pension - 0.50%	2,791,829	2,704,249
Maturity profile of the defined benefit obligation		
1. Weighted average duration of the benefit (Years)	7.71	7.07
2. Distribution of timing of benefit payments (time in years)		
1	263,832	249,938
2	271,966	262,710
3	313,912	266,505
4	377,897	309,309
5	308,486	368,972
6 to 10	1,727,616	1,673,892

16.2 Funding

The pension plan is fully funded by the Company. The funding requirements are based on the pension fund's actuarial measurement framework set out in the funding policies of the plan. The funding is based on a separate actuarial valuation for funding purposes for which the assumptions may differ from the assumptions used in determining defined benefit liability. Employees are not required to contribute to the plan.

16.3 Expected future Contribution

Expected future contributions for the year ending June 30, 2027 is Nil since the Company has already contributed more than required funds.

16.4 The sensitivity analysis is prepared using same computation model and assumptions as used to determine defined benefit obligation based on Projected Credit Unit Method.

16.5 Risk Exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

Interest rate risk - The present value of the defined benefit plan is calculated using a discount rate determined by reference to the market yields at the end of the reporting period on high quality corporate bonds, or where there is no deep market in such bonds, by reference to market yields on government bonds. Currencies and terms of bond yields used must be consistent with the currency and estimated term of the post-employment benefit obligations being discounted. A decrease in bond interest rates will increase the liability, and vice versa.

Salary rate risk - The present value of the defined benefit plan is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the liability and vice versa.

Pension rate risk - The present value of the defined benefit plan is calculated after taking into account the future pension growth of plan participants. As such, an increase in the pension growth rate of the plan participants will increase the liability and vice versa.

Withdrawal rate risk - The present value of the defined benefit plan is calculated by reference to the best estimate of the withdrawal rate / attrition rate of plan participants. As such, an increase in the withdrawal rate may increase/decrease the liability and vice versa depending on the age-service distribution of the exiting employees.

Mortality rate risk - The present value of the defined benefit plan is calculated by reference to the best estimate of the mortality of plan participants during employment. An improvement in the mortality rates of the participants may increase the liability.

		Note	2026	2025
			(Rupees in thousand)	
16.6	Defined benefit obligation recognized during the year			
	Income recognized in statement of profit or loss		26,104	18,542
	Gain recognized in other comprehensive income		206,586	102,794
17	Stores and spares			
	Stores and spares		5,569,124	5,694,482
	Provision for store obsolescence	17.1	(1,752,220)	(1,752,220)
		17.2	3,816,904	3,942,262
17.1	Provision for store obsolescence			
	Opening balance as at July 1		1,752,220	1,752,220
	Provision for the year		–	–
	Stores written off against provision		–	–
	Closing balance as at June 30		1,752,220	1,752,220

17.2 Stores and spares include items which may result in fixed capital expenditure but are not distinguishable.

		Note	2026	2025
			(Rupees in thousand)	
18	Stock-in-trade			
	Furnace oil		4,495,066	9,007,539
	Provision for net realizable value (NRV) against furnace oil	18.1	–	(1,833,950)
			4,495,066	7,173,589
	Diesel		710,696	496,540
	Coal		24,324	39,363
			5,230,086	7,709,492
18.1	Provision for net realizable value (NRV) against furnace oil			
	Opening balance as at July 1		1,833,950	1,729,000
	Provision for the year		–	400,000
	Reversal / write off against provision		(1,833,950)	(295,050)
	Closing balance as at June 30	18.1.1	–	1,833,950

18.1.1 During the year, the furnace oil against which provision for Net Realizable Value (NRV) had been recognized was consumed, and accordingly, the related provision has been written back. As at the reporting date, the carrying value of furnace oil is stated at NRV, which is determined based on the applicable fuel cost reimbursable under the TPPA. As at the reporting date, no further provision is required.

		Note	2026	2025
			(Rupees in thousand)	
19	Trade debts and other receivables			
	Trade debts		4,603,899	2,499,261
	Operating lease receivables	19.1	539,810	–
		19.2	5,143,709	2,499,261
	Provision for doubtful debts	19.3	(617,677)	(617,677)
			4,526,032	1,881,584

19.1 Operating lease receivables include amounts due from CPPA-G in respect of operating lease income arising under the Tripartite Power Purchase Agreement (TPPA). These receivables represent consideration for the fixed or in-substance fixed components of the capacity payment, including fixed O&M, insurance and the fixed return on equity component, which are recognized as operating lease income over the lease term in accordance with IFRS 16.

19.2 Trade debts and other receivables represent an overdue amount of Rs. 3,514 million (2025: Rs. 2,499 million) receivable from CPPA-G, which is a related party of the Company. Amount disputed by the Power Purchaser is Rs. 3,214 million (2025: Rs. 2,499 million), out of which Rs. 618 million (2025: Rs. 618 million) is considered doubtful and the provision has been recorded accordingly. Out of this disputed amount Rs. 715 million is against the invoices raised under the new TPPA and the management believes that these disputes are timing differences only pending NEPRA indexations. Accordingly, the Company has not recorded provision in respect of this amount, as there are adequate grounds to defend the claim for such invoices.

The maximum aggregate amount outstanding during the year was Rs. 9,321 million (2025: Rs. 11,484 million). The trade debts and other receivables are Pakistani rupee denominated. These are in the normal course of business and are interest free, however, a late payment surcharge of three month Kibor plus 1 percent per annum is charged in case the amounts are not paid within due dates (30 days from invoice date) as prescribed in the TPPA i.e. default by CPPA-G in timely payment.

Aging analysis of trade debts is given in note 42.1(b).

		Note	2026	2025
			(Rupees in thousand)	
19.3	Provision for doubtful debts			
	Opening balance as at July 1		617,677	617,677
	Provision for the year		–	–
	Trade debts written off		–	–
	Closing balance as at June 30		617,677	617,677
20	Contract Asset			
	Receivable from CPPA-G	20.1 & 20.2	2,509,441	1,563,320
	Provision for doubtful contract assets		–	–
			2,509,441	1,563,320

20.1 This represents revenue recognized in respect of fuel cost, start-up cost, energy purchase price and other tariff adjustments relating to electricity supplied to CPPA-G up to the reporting date, based on management's best estimate in accordance with the terms of the Tripartite Power Purchase Agreement (TPPA) and applicable tariff determinations.

The amount has been recognized as a contract asset because the Company's right to consideration for the related revenue is subject to NEPRA's tariff determination and is therefore dependent on factors other than the mere passage of time. Consequently, the Company's right to consideration is not unconditional as at the reporting date. The Company expects the amount to be invoiced and recovered upon tariff determination. Upon the Company's right to consideration becoming unconditional, the contract asset will be reclassified to trade debts and other receivables.

		2026	2025
		(Rupees in thousand)	
20.2	Contract Asset		
	Opening balance as at July 1	1,563,320	–
	Revenue recognized during the year	2,509,441	1,563,320
	Transferred to trade debts and other receivables	(1,563,320)	–
	Closing balance as at June 30	2,509,441	1,563,320

21 Investments at fair value

	Note	2026 Cost	2026 Carrying Value	2025 Cost	2025 Carrying Value
		(Rupees in thousand)			
Fair value through profit or loss					
Mutual Funds	21.1	11,082,678	11,121,861	40,618,989	41,071,844
	21.2	11,082,678	11,121,861	40,618,989	41,071,844

21.1 The details of investment in mutual funds are as follows:

Investments	Note	2026 Number of Units (In thousand)	2026 Fair Value (Rupees in thousand)	2025 Number of Units (In thousand)	2025 Fair Value (Rupees in thousand)
Fixed Rate / Return Funds		309,628	11,121,861	2,115,784	39,970,805
Money Market Funds		-	-	20,445	1,101,039
	21.1.1 & 21.1.2	309,628	11,121,861	2,136,229	41,071,844

21.1.1 Included in these is investments amounting to Rs. 10,023 million (2025: Rs. 13,453 million) in Shariah-compliant Fixed Rate / Return funds.

21.1.2 These investments are made in various mutual funds, as disclosed in note 42.1 (b).

21.2 Movement in Investments at fair value

	Debt Securities 2026	Debt Securities 2025	Mutual Funds 2026	Mutual Funds 2025
	(Rupees in thousand)			
Opening fair value as at 1 July	-	-	41,071,844	47,425,903
Purchases during the year	7,366,970	-	12,693,014	14,658,158
Disposal of investments	(7,549,100)	-	(45,349,103)	(27,853,088)
Fair value gain / (loss) during the year	-	-	2,706,106	6,775,057
Interest received during the year	182,130	-	-	-
Dividend Income reinvested	-	-	-	65,814
Closing fair value as at June 30	-	-	11,121,861	41,071,844

		Note	2026 (Rupees in thousand)	2025 (Rupees in thousand)
22	Loans, advances, deposits, prepayments and other receivables			
	Advances to suppliers - considered good	22.1	1,288,780	108,050
	Sales tax claims recoverable from Government		3,606,620	3,745,050
	Current portion of long term deposit	14	4,754,333	-
	Prepayments		171,043	5,179
	Profit / interest receivable on deposits and saving accounts		26,141	-
	Security deposits	22.2	4,735	1,815
	Other receivables	22.3	18,372	5,423
			9,870,024	3,865,517

22.1 This includes cash margins deducted by the Bank against guarantee issued in favor of SNGPL for the supply of gas to the Company's residential colony and K-Electric Limited for the Solar power projects.

22.2 All the security deposits are non-interest bearing.

22.3 This includes an amount of Rs. 1.78 million (2025: Rs. 1.05 million) receivable from Fauji Cement Company Limited - a related party. The maximum aggregate amount due at the end of any month during the year was Rs. 3.62 million (2025: Rs. 1.05 million).

		Note	2026	2025
			(Rupees in thousand)	
23	Cash and bank balances			
	At banks on:			
	- Current accounts - conventional		180,183	181,201
	- Current accounts - Islamic		41	1,282
	- Savings accounts - conventional	23.1	12,206,204	1,184,848
		23.2	12,386,428	1,367,331
	In hand			
	- Cash		159	79
			12,386,587	1,367,410

23.1 The balances in savings accounts are placed under markup arrangements and bear average mark up of 9.82 percent (2025: 11 percent) per annum.

23.2 This includes cash in unclaimed dividend accounts amounting to Rs. 1,261 million (2025: Rs. 1,241 million).

		Note	2026	2025
			(Rupees in thousand)	
24	Assets classified as held for sale			
	Gass Turbines (GT - 3 & GT - 4)	24.1	–	164,198
			–	164,198

24.1 During the year 2025, the Board of Directors of the Company, in its meeting held on May 14, 2025, approved the sale of Lot-1 assets, comprising Gas Turbines GT-III and GT-IV together with related auxiliaries. These assets were classified as 'held for sale' as they were available for immediate sale in their existing condition, and management considered the sale to be highly probable, having regard to the initiation of a formal disposal process and the issuance of the Extraordinary General Meeting (EGM) notice prior to the year-end. Shareholder approval for the transaction was subsequently obtained in an Extraordinary General Meeting held on July 15, 2025 for a total consideration of Rs. 800 million, subject to regulatory approvals.

During the current year, the regulatory approvals were obtained and the disposal of the Gas Turbines was consummated. Consequent to completion, the carrying amount has been derecognized from the statement of financial position, and the resulting gain on disposals amounting to Rs. 635.85 million has been recognized in the statement of profit or loss, as disclosed in note 30. No impairment loss had been recognized at the time of reclassification to held for sale in the preceding year, as the fair value less costs to sell, determined with reference to the price accepted under the competitive bidding process, exceeded the then carrying amount of the assets.

		Note	2026	2025
			(Rupees in thousand)	
25	Revenue			
	Revenue from contract with customer	25.1	17,262,459	1,563,320
	Operating lease rentals - capacity purchase price under TPPA	25.2	1,900,039	–
		25.3	19,162,498	1,563,320
25.1	Revenue from contract with customer			
	Energy Purchase Price		19,997,026	1,563,320
	Sales tax		(2,936,482)	–
	Net Energy Purchase Price		17,060,544	1,563,320
	Cost of Working Capital Component		201,915	–
		25.1.1	17,262,459	1,563,320
25.1.1	Revenue from contract with customer disaggregated by pattern of revenue recognition is as follows:			
	Revenue recognized at a point in time - Energy Purchase Price		17,060,544	1,563,320
	Revenue recognized over time - Cost of Working Capital Component		201,915	–
			17,262,459	1,563,320

25.1.2 Revenue from contract with customer represents the amount recoverable from CPPA-G in respect of reimbursement of Fuel Cost and Cost of Working Capital Components for this generation.

25.2 Operating lease rentals - Capacity Purchase Price under TPPA

As disclosed in note 12.1, lease income relating to the operating lease is recognized in profit or loss on a systematic basis over the lease term in accordance with IFRS 16. For the purposes of the TPPA, lease income comprises the fixed or in-substance fixed components of the capacity payment that represent consideration for making the contracted capacity available, including fixed O&M, insurance and the fixed return on equity component, as applicable. Variable consideration linked to actual dispatch, fuel charges and other variable operating components is excluded from lease income and is recognized as revenue in the period in which the related generation or dispatch occurs.

		Note	(Rupees in thousand)
25.2.1	Maturity analysis of future lease receipts		
	2027		2,766,509
	2028		2,766,509
	2029		553,302
		25.2.2	6,086,320

25.2.2 These are estimated figures based on management's judgement considering the expected utilization pattern and indexations.

25.3 These figures represent management's best estimates, determined with reference to the projected indexation factors. The key indexation factors include the fuel cost, heat rate, variable and fixed operation and maintenance (O&M) components, calorific value, and start-up costs.

		Note	2026	2025
			(Rupees in thousand)	
26	Cost of sales			
	Fuel cost		18,922,425	1,743,835
	Salaries, wages and benefits	26.1	1,045,791	121,972
	Electricity import for self consumption	26.2	594,450	59,838
	Plant maintenance		125,529	12,468
	Gas turbines overhauls		3,811	-
	Repair and renewals		1,325	23,600
	Plant insurance		339,615	39,764
	Depreciation on property, plant and equipment	12.2	1,953	–
	Reversal of provision for net realizable value (NRV) against fuel stock		(1,833,950)	–
		26.3	19,200,949	2,001,477
26.1	Salaries, wages and benefits			
	Salaries, wages and benefits include following in respect of retirement benefits;			
	Pension			
	Service cost		18,567	1,674
	Net interest income for the year		(44,671)	(3,219)
			(26,104)	(1,545)
	Medical			
	Service cost		2,694	236
	Net interest cost for the year		10,160	1,226
			12,854	1,462
	Free electricity			
	Service cost		3,880	391
	Net interest cost for the year		14,994	2,096
			18,874	2,487
	Other long term benefits			
	provision for leave encashment		4,965	287
	Provision for lump sum payment		(672)	1,026
			4,293	1,313

In addition to above, salaries, wages and benefits also include an amount of Rs. 19 million (2025: Rs. 2 million) in respect of provident fund contribution by the Company.

26.2 This includes amounts recovered from residents of the Company's facility in respect of electricity charges amounting to Rs. 16 million (2025: Rs. 2 million).

26.3 Cost of sales include an amount of Rs. 97 million (2025: Rs. 9 million) for stores and spares consumed.

		Note	2026	2025
			(Rupees in thousand)	
27	Plant maintenance and preservation costs			
	Salaries, wages and benefits	27.1	–	856,621
	Electricity import for self consumption	27.2	–	474,269
	Plant maintenance		–	40,423
	Repair and renewals		–	727
	Plant insurance		–	499,044
	Depreciation on property, plant and equipment	12.1	–	3,296
	Provision for net realizable value (NRV) against fuel stock		–	400,000
		27.3 & 27.4	–	2,274,380
27.1	Salaries, wages and benefits			
	Salaries, wages and benefits include following in respect of retirement benefits;			
	Pension			
	Service (income) / cost		–	18,416
	Net interest income for the year		–	(35,413)
			–	(16,997)
	Medical			
	Service cost / (income)		–	2,597
	Net interest cost for the year		–	13,486
			–	16,083
	Free electricity			
	Service cost / (income)		–	4,302
	Net interest cost for the year		–	23,051
			–	27,353
	Other long term benefits			
	Provision for leave encashment		–	3,152
	Provision for lump sum payment		–	11,280
			–	14,432

In addition to above, salaries, wages and benefits also include Nil (2025: Rs. 20 million) in respect of provident fund contribution by the Company.

27.2 This includes amounts recovered from residents of the Company's facility in respect of electricity charges amounting to Nil (2025: Rs. 14 million).

27.3 Plant preservation costs include Nil (2025: Rs. 14 million) for stores and spares consumed.

27.4 These costs were incurred to maintain the plant in preservation mode, ensuring that it remained readily available in the event electricity offtake was required by the Power Purchaser. During the year ended June 30, 2025, for the eleven months prior to the signing of TPPA there was no offtake of electricity as no agreement was in place with the Power Purchaser; accordingly, these costs were recognized under Plant maintenance and Preservation Costs. The cost also include expenses relating to the operation of the switchyard and grid facilities, which were operated at the special request of the Ministry of Energy without any consideration.

During the year ended June 30, 2026, the plant became operational and no such costs were incurred to keep the plant in preservation mode.

		Note	2026	2025
			(Rupees in thousand)	
28	Administrative expenses			
	Legal and professional charges		239,952	92,738
	Motor vehicles running		75,923	66,292
	Repairs and maintenance		69,233	58,316
	Colony running cost		56,982	49,945
	Regulatory fee		53,773	34,912
	Computer charges		36,366	31,471
	Education fee		33,413	30,439
	Travelling		33,079	71,217
	Printing, stationery and periodicals		19,317	19,841
	Postage, telephone and telex		14,928	13,900
	Depreciation on property, plant and equipment	12.2	2,517	–
	Training expenses		466	622
	Rent, rates and taxes		7,856	73,021
	Auditors' remuneration	28.1	21,723	13,092
	Advance written off		–	23
	Other expenses		92,859	100,638
			758,387	656,467
28.1	Auditors' remuneration			
	The charges for auditors' remuneration include the following:			
	Statutory audit		7,548	6,672
	Half yearly review		2,656	2,414
	Workers' Profit Participation Fund audit, Employees Provident and			
	Pension Fund audit, special reports and certificates		1,758	2,420
	Other audit related work		7,337	–
	Out of pocket expenses		2,424	1,586
			21,723	13,092
29	Other operating expenses			
	Workers' Welfare Fund		42,661	223,956
	Workers' Profit Participation Fund		185,126	169,425
	Project cost	29.1	4,632	55,022
	Exchange loss		–	12,539
			232,419	460,942

29.1 As explained in note 2.2, the Company is exploring opportunities for diversification of its operations in brownfield/ greenfield projects especially in renewable energy sector, this represents costs incurred in respect of these projects.

		Note	2026	2025
			(Rupees in thousand)	
30	Other income			
	Income from financial assets			
	Income on bank deposits - conventional		605,449	177,667
	Income on long term deposits - conventional		55,072	–
	Profit on long term deposits - shariah compliant		224,884	–
	Income from mutual funds	30.1	2,706,106	6,840,871
	Interest on T-bills - conventional		182,130	–
	Exchange gain on loans translation		33,061	–
	Exchange gain - others		5,636	–
	Interest on late payment - CPPA-G	30.2	142,707	12,954
			3,955,045	7,031,492
	Income from non-financial assets			
	Unclaimed balances written back		173,776	419
	Gain on disposal of property, plant and equipment		782	–
	Gain on disposal of non - current assets held for sale		635,850	2,431
	Scrap sales		6,555	3,617
	House rent recovery		4,906	5,154
	Others		93,980	30,322
			915,849	41,943
			4,870,894	7,073,435

30.1	Income from mutual funds			
	Dividend income		-	65,814
	Unrealized loss on fair valuation		(5,294)	(106,433)
	Capital gain on redemption		2,711,400	6,881,490
		30.1.1	2,706,106	6,840,871

30.1.1 Included in this is income from shariah-compliant mutual funds amounting to Rs. 821 million (2025: Rs. 4,713 million).

30.2 This represents a late payment surcharge of three month Kibor plus 1 percent per annum charged in case the amounts due by the Power Purchaser are not paid within due dates (30 days from invoice date) as prescribed in the TPPA i.e. default by CPPA-G in timely payment. This income is as per terms of the TPPA and not Shariah-compliant.

		2026	2025
		(Rupees in thousand)	
31	Finance cost		
	Interest and mark up including commitment charges on		
	- finances under markup arrangements (Islamic finances) - secured	34,318	3,434
	- finances under markup arrangements (conventional finances) - secured	119,446	208,248
	- long term finances (Islamic finances) - secured	140,724	–
	- long term finances (conventional finances) - secured	47,871	–
	- car ijarah	19,382	34,011
	Bank and other charges	5,165	2,671
		366,906	248,364

		Note	2026	2025
			(Rupees in thousand)	
32	Levy - minimum and final taxes			
	Levy - minimum tax		108,865	–
	Levy - final tax		684	17,818
	Super tax on levy - final tax		–	4,309
		32.1	109,549	22,127

32.1 This represents minimum and final tax applicable to the company under sections 113, section 5 and 5AA of Income Tax Ordinance, 2001, representing levy in terms of requirements of IFRIC 21 and IAS 37.

		Note	2026	2025
			(Rupees in thousand)	
33	Income tax			
	Current tax			
	- Current year		808,516	2,999,280
	- Prior year		32,529	–
		33.3	841,045	2,999,280
	Deferred tax		359,835	(2,562,347)
			1,200,880	436,933

		2026	2025
		% age	% age
33.1	Tax charge reconciliation		
	Numerical reconciliation between the applicable tax rate and the average effective tax rate		
	Tax at applicable rate	29.00	29.00
	Super tax	10.00	10.00
	Impact of income subject to different tax rate	(11.10)	(30.98)
	Impact of change in tax rates	1.20	7.48
	Prior year charge	0.87	–
	Adjustment of Brought Forward Tax loss	–	(0.78)
	Impact of tax differential	2.14	–
	Others	0.17	(0.02)
	Average effective tax rate	32.28	14.70

		2026	2025
		(Rupees in thousand)	
33.2	Tax recognized directly in other comprehensive income		
	Defined benefit obligation	62,942	52,901
	Share of Profit from Associate	(5,034)	–
		57,908	52,901

33.3 This represents tax liability of the Company calculated under the relevant provisions of the Income Tax Ordinance, 2001.

33.4 Reconciliation between current tax and levy

Reconciliation of current tax charged as per tax laws for the year, with current tax recognized in profit or loss as follows:

	2026	2025
	(Rupees in thousand)	
Current tax liability for the year as per applicable laws	950,594	3,021,407
Less:		
Portion of current tax as per tax laws, representing income tax under IAS 12	841,045	2,999,280
Portion of current tax computed as per current tax laws representing levy in term of requirements of IAS 37/IFRIC21	109,549	22,127
	–	–

34 Remuneration of Chief Executive, Directors and Executives

34.1 The aggregate amount charged in the financial statements for the year for remuneration including certain benefits to the chief executive and executives of the Company is as follows:

	Note	Chief Executive		Executives	
		2026	2025	2026	2025
		(Rupees in thousand)			
Managerial remuneration		49,487	29,675	212,287	279,123
Bonus		7,500	–	20,186	-
Reimbursable expenses		1,899	2,275	34,866	35,060
Contribution to provident & pension funds and other retirement benefit plans		–	572	12,059	20,466
Leave passage		–	–	10,276	11,981
Other perquisites	34.1.1	2,114	1,788	16,229	16,725
		61,000	34,310	305,903	363,355
Number of persons (during the year)		1	*2	35	37

*The aggregate amount charged in the financial statements for the year includes remuneration and certain benefits paid to two individuals who held the office of Chief Executive during the prior year: Mr. Aftab Mahmood Butt (until July 31, 2024) and Mr. Shahab Qader Khan (appointed on January 22, 2025).

34.1.1 This includes Company transport, education of children, club charges, house loan subsidy, security and utilities provided to the employees as per Company policy.

34.2 Remuneration to other directors

Aggregate amount charged in the financial statements for fee to 8 directors (2025: 8 directors) is Rs. 79 million (2025: Rs. 90 million) and Rs. 3.574 million (2025: Rs. 1.349 million) against club memberships.

A company maintained vehicle is provided to the Chairman of the Board of Directors.

No other perquisite is provided to the directors.

35 Transactions with related parties

The related parties comprise associated undertakings, key management personnel, directors and post retirement benefit plans. The Company in the normal course of business carries out transactions with various related parties. Amounts due to / from related parties are shown under payables and receivables and remuneration of the key management personnel, including directors, is disclosed in note 34. Other significant transactions with related parties are as follows:

Relationship with the Company	Percentage of shareholding	Nature of transaction	2026	2025
			(Rupees in thousand)	
i. Associated undertakings				
CPPA-G	–	Sale of electricity	19,162,498	1,563,320
CPPA-G	–	Purchase of electricity	610,026	550,081
CPPA-G	–	Interest income on late payment	142,707	12,954
WAPDA	40.25%	Purchase of services	–	4,900
WAPDA	40.25%	Dividend paid	1,417,245	3,011,645
Attock Cement Pakistan Limited	46.02%	Share of total comprehensive income for the year	266,214	–
KAPCO Employees Empowerment Trust	5.48%	Dividend paid	193,010	410,146
Central Depositary Company	–	Purchase of services	2,600	2,547
Fauji Cement Company Limited	–	House Rent Income	3,013	–
ii. Post retirement benefit plans				
KAPCO Employees provident fund Trust	–	Contributions paid	19,011	22,207

Sale and purchase transactions with related parties are carried out on mutually agreed terms.

35.1 Following are the associated undertakings / companies and post retirement benefits plans along with basis of their relationship with the Company with whom the Company had entered into transactions during the current year;

Name of related parties	Direct shareholding	Relationship
WAPDA	40.25%	Associated undertaking
KAPCO Employees Empowerment Trust	5.48%	Common management
Attock Cement Pakistan Limited	46.02%	Associated undertaking
CPPA-G	–	Associated undertaking
Central Depositary Company	–	Common directorship
Fauji Cement Company Limited	–	Joint Investor
Post retirement benefit plans:		
– KAPCO Employees provident fund trust	–	Post employment benefits plan

		Note	2026 MWh	2025 MWh
36	Capacity and production			
	Annual generation capacity for blocks included in TPPA			
	[based on 8,760 hours (2025: 8,760 hours)]	36.1	4,380,000	4,336,200
	Annual generation capacity for blocks not included in TPPA			
	[based on 8,760 hours (2025: 8,760 hours)]	36.2	5,229,864	5,229,864
	Actual energy delivered from blocks included in TPPA		479,153	52,705

36.1 During the year, electricity generation was carried out in accordance with the terms of the renewed Tripartite Power Purchase Agreement (TPPA), with energy uptake and delivery to the Power Purchaser based on the agreed dispatch requirements. The level of energy delivered by the plant depends on the load demanded by Power Purchaser and the plant's availability.

36.2 As disclosed in Note 24, the assets related to GT III and GT IV were classified by the Company as held for sale in the previous year and were disposed of during the current year. Accordingly, the associated generation capacity has been excluded from operational reporting.

37 Rates of exchange

Liabilities in foreign currencies as on June 30, 2026 have been translated into Rupees at USD 0.3590 (2025: USD 0.3520), EURO 0.3149 (2025: EURO 0.3005) and GBP 0.2713 (2025: GBP 0.2566) equal to Rs. 100.

		Note	2026	2025
			(Rupees in thousand)	
38	Cash (used in) / generated from operations			
	Profit before tax		3,720,474	2,972,998
	Adjustments for:			
	- Depreciation on property, plant and equipment	26, 27 & 28	4,470	3,296
	- Reversal of provision for net realizable value (NRV) against fuel stock	26	(1,833,950)	–
	- Gain on disposal of property, plant and equipment	30	(782)	(2,431)
	- Gain on disposal of non - current assets held for sale	30	(635,850)	–
	- Share of net profit of investment accounted for under equity method	13	(355,292)	–
	- Income from mutual funds	30	(2,706,106)	(6,840,871)
	- Income on bank deposits	30	(605,449)	(177,667)
	- Income on long term deposits	30	(279,956)	–
	- Income on T- bills	30	(182,130)	–
	- Exchange gain on loans translation	30	(33,061)	
	- Exchange (gain) / loss	30	(5,636)	12,539
	- Provision for net realizable value (NRV) against fuel stock	27	-	400,000
	- Staff retirement benefits accrued	26 & 27	9,917	44,587
	- Finance cost	31	366,906	248,364
	- Provision for Workers' Profit Participation Fund	29	185,126	169,425
	- Provision for Workers' Welfare Fund	29	42,661	223,956
	- Final tax - levy	32	109,549	22,127
	Profit before working capital changes		(2,199,109)	(2,923,677)
	Effect on cash flow due to working capital changes:			
	- Decrease in stores and spares		125,358	11,432
	- Decrease in stock-in-trade		4,313,356	1,726,979
	- (Increase) / decrease in trade debts		(2,644,448)	8,984,488
	- Increase in contract asset		(946,121)	(1,563,320)
	- (Increase) / decrease in loans, advances, deposits, prepayments and other receivables		(1,224,033)	33,378
	- Increase in trade and other payables		177,594	61,304
			(198,294)	9,254,261
			(2,397,403)	6,330,584
39	Cash and cash equivalents			
	Cash and bank balances	23	12,386,587	1,367,410
	Finances under mark up arrangements - secured		(7,770,238)	–
			4,616,349	1,367,410

40 Reconciliation of movements of liabilities to cashflows arising from financing activities

	2026		
	Long term borrowings - secured	Unclaimed dividend	Total
	(Rupees in thousand)		
Balance as at July 1, 2025	–	1,241,158	1,241,158
Cash flows			
Proceeds from long term borrowings	13,148,559	–	13,148,559
Dividend paid	–	(3,500,986)	(3,500,986)
Total changes from financing cash flows	13,148,559	(3,500,986)	9,647,573
Other changes including non-cash			
Finance cost accrued on long term borrowings	188,595	–	188,595
Exchange gain on loan translation	(33,061)	–	(33,061)
Dividend declared	–	3,521,013	3,521,013
Total liability-related other changes	155,534	3,521,013	3,676,547
Closing as at June 30, 2026	13,304,093	1,261,185	14,565,278

	2025		
	Long term borrowings - secured	Unclaimed dividend	Total
	(Rupees in thousand)		
Balance as at July 1, 2024	–	1,160,934	1,160,934
Cash flows			
Dividend paid	–	(7,401,929)	(7,401,929)
Total changes from financing cash flows	–	(7,401,929)	(7,401,929)
Other changes including non-cash			
Dividend declared	–	7,482,153	7,482,153
Total liability-related other changes	–	7,482,153	7,482,153
Closing as at June 30, 2025	–	1,241,158	1,241,158

41 Earnings per share

41.1 Basic earnings per share

		2026	2025
Profit for the year	Rupees in thousand	2,519,594	2,536,065
Weighted average number of ordinary shares	Numbers	880,253,228	880,253,228
Earnings per share	Rupees	2.86	2.88

41.2 Diluted earnings per share

Diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at June 30, 2026 and June 30, 2025 which would have any effect on the basic earnings per share.

42 Financial risk management

42.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance.

Risk management is carried out by the Management in accordance with the Financial Risk Management Policy approved by the Board of Directors. This policy covers specific areas such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity. All treasury related transactions are carried out within the parameters of this policy.

(a) Market risk

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

The Company is exposed to currency risk arising from various currency exposures, primarily with respect to the United States Dollar (USD), Great Britain Pound (GBP) and Euro. Currently, the Company's foreign exchange risk exposure is restricted to the amounts receivable/payable from/to the foreign entities. The Company's exposure to currency risk is as follows:

	2026	2025
Trade and other payables - USD	45,000	–
Trade and other payables - GBP	23,800	8,000
Trade and other payables - Euro	162,944	360,000
Long term borrowings - USD	47,134,141	–

The following exchange rates were applied during the year:

	Average rate		Year-end spot rate	
	2026	2025	2026	2025
	(Rupees)			
USD 1	280.70	278.42	278.55	284.10
GBP 1	376.40	367.61	368.64	389.65
EUR 1	327.18	311.34	317.52	332.83

If the functional currency, at reporting date, had fluctuated by 5% against the USD, GBP and Euro with all other variables held constant, the impact on profit after taxation for the year would have been Rs. 416 million (2025: Rs. 3.7 million) respectively lower/higher, mainly as a result of exchange gains/losses on translation of foreign exchange denominated financial instruments. Currency risk sensitivity to foreign exchange movements has been calculated on a symmetric basis.

(ii) Interest rate risk

Interest rate risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's interest rate risk arises from short term financing. Borrowings obtained at variable rates expose the Company to cash flow interest rate risk.

At the reporting date, the interest rate profile of the Company's interest bearing financial instruments is:

	2026	2025
	(Rupees in thousand)	
Financial assets		
Floating rate instruments		
Bank balances - savings accounts	12,206,204	1,184,848
Deposits under lien arrangement	13,826,913	–
Investments at fair value	11,121,861	41,071,844
Trade debts and other receivables		
- overdue other than late payment invoices	5,001,002	2,268,172
Financial liabilities		
Floating rate instruments		
Finances under mark-up arrangements - secured	7,912,069	–
Long term borrowings	13,304,093	–

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the balance sheet date would not affect profit or loss of the Company.

Cash flow sensitivity analysis for variable rate instruments

If interest rates on long term borrowings and finances under mark-up arrangement, at the year end date, fluctuate by 1% higher/lower with all other variables held constant, profit after taxation for the year would have been Rs. 23 million (2025: Rs. 14 million) higher/lower, mainly as a result of higher/lower interest expense on floating rate borrowings.

If interest rates on investments, deposit under lien arrangement and late payments on trade debts and other receivables, at the year end date, fluctuate by 1% higher / lower with all other variables held constant, profit after tax would have been Rs. 203 million (2025: Rs. 255 million) higher / lower, mainly as a result of higher / lower interest rate expense on floating rate.

(iii) Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company has short term investments in mutual fund that are carried at fair value through profit or loss ('FVPL'). Therefore, the Company is exposed to other price risk due to macroeconomic factors. As at June 30, 2026, if the market value of Company's investment in units held in mutual fund had been 1% higher/lower, with all other variables held constant, the impact would have been Rs. 74.5 million (2025: Rs. 273 million).

(b) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Company's credit risk is primarily attributable to its trade debts and its balances at banks. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows:

	2026	2025
	(Rupees in thousand)	
Long term deposits	9,074,584	5,904
Trade debts and other receivables	4,526,032	1,881,584
Investments at fair value	11,121,861	41,071,844
Loans, advances, deposits, prepayments and other receivables		
Profit / interest receivable on deposits and saving accounts	26,141	–
Security deposits	4,735	1,815
Other receivables	18,372	5,361
Current portion of long term deposits	4,754,333	–
Balances with banks	12,386,428	1,367,331
	41,912,486	44,333,839

The credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings. The Company believes that it is not exposed to major concentration of credit risk and the risk attributable to trade debts, Workers' Welfare Fund and Workers' Profit Participation Fund receivable from CPPAG is mitigated by guarantee from the Government of Pakistan under the Facilitation Agreement. Age analysis of trade receivable balances is as follows:

	2026	2025
	(Rupees in thousand)	
Not yet due	1,629,288	–
Due up to 90 days	1,015,160	–
Due past 90 to 180 days	–	–
Due past 181 to 365 days	–	195,577
Due past 365 days	2,499,261	2,303,684
	5,143,709	2,499,261
Provision for doubtful debts	(617,677)	(617,677)
	4,526,032	1,881,584

The credit quality of bank balances that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rate:

	Rating		Rating	2026	2025
	Short term	Long term	Agency	(Rupees in thousand)	
Trade Debts					
CPPA-G	Not Available	Not Available	Not Available	4,526,032	1,881,584
Investments at fair value *					
-NBP Fixed Term Munafa Plan XVA	Not available	AM1	VIS	-	8,372,822
-NBP Fixed Term Munafa Plan - VB	Not available	AM1	VIS	1,098,847	-
-ABL Fixed Rate Plan XIX	Not available	AM1	PACRA	-	10,018,909
-AL Habib Cash Fund	Not available	AM1	VIS	-	100,101
-UBL Fixed Return Plan-II-AB - Class 'A'	Not available	AM1	VIS	-	9,126,243
-Meezan Paidar Munafa Plan - XIV	Not available	AM1	VIS	-	21,551
-Meezan Cash Fund	Not available	AM1	VIS	-	1,000,599
-Meezan Fixed Term Fund - MPM XXI	Not available	AM1	VIS	-	6,500,000
-Meezan Fixed Term Fund - MPM 45	Not available	AM1	VIS	10,023,014	-
-Alfalah Stable Return Plan XXI	Not available	AM1	PACRA	-	2,960,085
-Faysal Islamic Mehdood Muddat Plan I	Not available	AM1	VIS	-	2,971,195
-JS Cash Fund	Not available	AM1	VIS	-	339
				11,121,861	41,071,844

*In case where, ratings for mutual funds were not available, asset manager ratings for the Asset Management Companies have been presented.

	Rating		Rating	2026	2025
	Short term	Long term	Agency	(Rupees in thousand)	
Cash and bank balances					
-National Bank of Pakistan	A-1+	AAA	PACRA	27	27
-Habib Bank Limited	A-1+	AAA	VIS	1,295,167	1,280,993
-MCB Bank Limited	A-1+	AAA	PACRA	22	20
-Habib Metropolitan Bank Limited	A-1+	AA+	PACRA	503	517
-Meezan Bank Limited	A-1+	AAA	VIS	-	150
-Bank Al Habib	A-1+	AAA	PACRA	2	2
-Standard Chartered Bank (Pakistan) Limited	A-1+	AAA	PACRA	432	1,610
-Faysal Islamic Bank	A-1+	AA	PACRA	19	2
-Bank Alfalah Limited	A-1+	AAA	PACRA	1,203	1,109
-United Bank Limited	A-1+	AAA	VIS	11,089,053	82,901
				12,386,428	1,367,331

Due to the Company's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counter parties on their obligations to the Company. Accordingly, the credit risk is minimal.

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Company manages its liquidity risk by maintaining sufficient cash and cash equivalents and ensuring the availability of funding through adequate committed credit facilities. As at June 30, 2026, the Company had total borrowing facilities of Rs. 9,214 million (2025: Rs. 3,000 million) available from financial institutions, of which Rs. 1,444 million remained unutilized (2025: Rs. 3,000 million). In addition, the Company held cash and bank balances amounting to Rs. 12,386 million (2025: Rs. 1,367 million). The Company follows prudent cash management and financial planning practices to ensure the availability of funds to meet its operational and strategic requirements as they fall due.

The following are the contractual maturities of financial liabilities as at June 30, 2026:

	Carrying amount	Contractual Cashflows	Less than one year	One to five years	More than five years
	(Rupees in thousand)				
Finances under mark-up arrangements - secured	7,912,069	7,912,069	7,912,069	-	-
Trade and other payables	4,349,237	4,349,237	4,349,237	-	-
Unclaimed dividend	1,261,185	1,261,185	1,261,185	-	-
Long term borrowings	13,304,093	14,740,770	5,222,495	9,518,275	-
	26,826,584	28,263,261	18,744,986	9,518,275	-

The following are the contractual maturities of financial liabilities as at June 30, 2025:

	Carrying amount	Contractual Cashflows	Less than one year	One to five years	More than five years
	(Rupees in thousand)				
Trade and other payables	5,652,642	5,652,642	5,652,642	-	-
Unclaimed dividend	1,241,158	1,241,158	1,241,158	-	-
	6,893,800	6,893,800	6,893,800	-	-

42.2 Fair values of financial assets and liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at measurement date. Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms. The carrying values of all financial assets and liabilities reflected in these financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

Specific valuation techniques used to value financial instruments include:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).

- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).

- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following is categorization of assets which are disclosed at fair value as at June 30, 2026:

	Level 1	Level 2	Level 3	Total
		(Rupees in thousand)		
Assets:				
Investments at fair value	–	11,121,861	–	11,121,861

The following is categorization of assets which are disclosed at fair value as at June 30, 2025:

	Level 1	Level 2	Level 3	Total
		(Rupees in thousand)		
Assets:				
Investments at fair value	–	41,071,844	–	41,071,844

	2026	2025
	(Rupees in thousand)	
42.3 Financial instruments by categories		
At amortized cost include:		
Financial assets		
Long term deposits	9,074,584	5,904
Trade debts and other receivables	4,526,032	1,881,584
Loans, advances, deposits, prepayments and other receivables		
- Current portion of long term deposits	4,754,333	–
- Profit / interest receivable on deposits and saving accounts	26,141	–
- Security deposits	4,735	1,815
- Other receivables	18,372	5,361
Cash and bank balances	12,386,428	1,367,331
	30,790,625	3,261,995
At fair value through profit and loss include:		
Investments at fair value	11,121,861	41,071,844
Financial liabilities		
Finances under mark-up arrangements - secured	7,912,069	–
Trade and other payables	4,349,237	5,652,642
Unclaimed dividend	1,261,185	1,241,158
Long term borrowings	13,304,093	–
	26,826,584	6,893,800

42.4 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders through repurchase of shares, issue new shares or sell assets to reduce debt. Consistent with others in the industry and the requirements of the lenders, the Company monitors the capital structure on the basis of gearing ratio.

This ratio is calculated as long term debt divided by total capital. Debt is calculated as total borrowings including current and non-current portion of long term borrowings, if any. Total capital is calculated as 'equity' shown in the balance sheet plus long term debt. The gearing ratios as at year ended June 30, 2026 and June 30, 2025 are as follows:

	2026	2025
	(Rupees in thousand)	
Total equity	56,233,913	57,098,085
Total debt	13,304,093	-
Total capital	69,538,006	57,098,085
	Percentage	
Gearing ratio		
Percentage	19%	0%

43 Disclosure requirement for companies not engaged in Shariah Non-permissible business activities

Securities Exchange Commission of Pakistan (SECP) vide its S.R.O. 1278(1)12024 dated August 15, 2024 has notified an amendment in the Fourth Schedule of Companies Act, 2017 requiring listed companies and their subsidiaries to disclose certain information if they are not engaged in Shariah non-permissible business activities as their core business activities. Following information is disclosed pursuant to the amendment:

	Note number	2026	2025
		(Rupees in thousand)	
Statement of financial position			
Financing obtained as per Islamic mode			
Short term financing	10	1,805,471	-
Long term financing	7	10,643,683	-
Mark-up accrued on conventional loan			
Short term financing		107,511	-
Long term financing	31	47,871	-
Long-term and short-term Shariah compliant Investments			
Investment in Mutual Funds	21	10,023,014	13,453,430
Long term investment accounted for under equity method	13	21,247,346	-
Long term deposits	14	11,126,626	-
Shariah-compliant bank deposits and bank balances			
Cash and bank balances - current account	23	41	1,282
Statement of profit or loss			
Revenue earned from shariah compliant business segment			
Revenue from contracts with customer - net	25	19,162,498	1,563,320
Late payments or liquidated damages	30	142,707	12,954
Gain or loss or dividend earned on Shariah compliant investments or share of profit from Shariah-compliant associates		-	-
Income from mutual funds	30.1	821,449	4,713,414
Share of total comprehensive income for the year	13	266,214	
Profit earned from Shariah-compliant bank deposits, bank balances, or TDRs		-	-
Profit on long term deposits	30	224,884	-
Exchange gain earned from actual currency		-	-
Exchange gains earned using conventional derivative financial instruments		-	-

	Note number	2026	2025
		(Rupees in thousand)	
Profit paid on Islamic mode of financing			
Short term and long term Islamic financing		–	3,434
Total Interest earned on any conventional loan or advance			
Long term deposits	30	55,072	–
Cash and bank balances – savings account	30	605,449	177,667
Interest on T-bills – conventional	30	182,130	–
Source and detailed breakup of other income			
Shariah-compliant income			
Gain on disposal of property, plant and equipment	30	782	–
Gain on disposal of non – current assets held for sale	30	635,850	2,431
Profit on long term deposits – shariah compliant	30	224,884	–
Income from mutual funds	30	821,449	4,713,414
Exchange gain on loans translation	30	26,449	–
Exchange gain – others	30	5,636	–
Scrap Sales	30	6,555	3,617
House Rent Recovery	30	4,906	5,154
Unclaimed balances written back	30	173,776	419
Shariah non-compliant income			
Income on bank deposits – conventional	30	605,449	177,667
Income on long term deposits – conventional	30	55,072	–
Interest on T-bills – conventional	30	182,130	–
Exchange gain on loans translation	30	6,612	–
Interest on late payment – CPPA-G	30	142,707	12,954
Income from mutual funds	30	1,884,657	2,127,457
Other Income	30	93,980	30,322

Relationship with Shariah-compliant financial institutions with balances outstanding at year end

Name of the Financial Institution	Relationship
Banking Companies	
National Bank of Pakistan's Islamic Banking Division	Bank Balance
Al Baraka Bank (Pakistan) Limited	Bank Balance
Dubai Islamic Bank Pakistan Limited	Funded Facility & Bank Balance
Meezan Bank Limited	Funded Facility & Bank Balance
Faysal Bank Limited Islamic Banking Division	Bank Balance
Askari Bank Limited – Islamic Banking Division	Funded Facility & Bank Balance
Bank of Punjab – Taqwa Islamic Banking	Bank Balance
Mutual Funds	
Al Meezan Investment Management Limited	Investment in Mutual Fund
Faysal Asset Management Limited	Investment in Mutual Fund

		2026	2025
44	Number of employees		
	Total number of employees at the end of the year are as follows:		
	Regular	163	176
	Contractual	6	5
		169	181
	Average number of employees during the year are as follows:		
	Regular	173	179
	Contractual	5	6
		178	185

45 Corresponding figures

Corresponding figures have been re-arranged, wherever necessary, for the purposes of comparison and improved presentation. However, no material reclassification made during the year.

46 General

These financial statements are presented in Pakistan Rupee (Rs/Rupees) which is the Company's functional currency. Amounts presented in these financial statements have been rounded off to the nearest of thousand of Pakistan Rs/ Rupees, unless otherwise stated.

47 Non-adjusting events after the balance sheet date

47.1 The Board of Directors of the Company have proposed a final dividend for the year ended June 30, 2026 of Rs. 1.50 (2025: Rs. 2.50) per share amounting to Rs. 1,320 million (2025: Rs. 2,201 million) at their meeting held on September 11, 2026 for approval of members at the Annual General Meeting to be held on October 26, 2026. These financial statements do not reflect this dividend payable.

47.2 There are no other significant events that have occurred subsequent to the reporting date, other than those mentioned elsewhere in these financial statements.

48 Date of authorization for issue

These financial statements were authorized for issue on September 11, 2026 by the Board of Directors of the Company.

Waqar Ahmad Khan
Chief Executive Officer

Muhammad Masood
Chief Financial Officer

Naveed Asghar Chaudhry
Director

PROXY FORM

30th Annual General Meeting

I/We _____ of _____

being a Member of Kot Addu Power Company Limited (the "Company") holding _____ shares hereby

appoint _____ of _____ and in case of his / her absence _____

of _____who is also a Member of the Company, as my/our proxy to vote for me/us, and on my/our behalf at the

30th Annual General Meeting of the Company to be held on Monday, October 26, 2026 at 10:30 am at the Movenpick

Hotel Centaurus, Islamabad, Pakistan and any adjournment thereof.

Signed this _____ day of _____ 2026

Folio No.	CDC Account No.
	Participant I.D. Account No.

Witnesses:

1. Signature _____
   Name: _____
   CNIC: _____
   Address: _____

2. Signature _____
   Name: _____
   CNIC: _____
   Address: _____

Revenue Stamp
Rs 5/-

_____
The Signature should agree with the Specimen signature registered with the Company

Note:

1. This Proxy, duly completed, signed and witnessed, must be deposited at the offices of the Company's Registrar, THK Associates (Private) Limited, Plot No. 32-C, Jami Commercial Street 2, Phase-VII, DHA, Karachi 75400, Pakistan not later than forty-eight (48) hours before the time appointed for the Meeting.
2. No person shall act as proxy, if he is not a Member of the Company (except that a corporation may appoint a person who is not a Member).
3. If a member appoints more than one proxy and more than one instruments of proxy are deposited by a Member with Company's Registrar, all such instruments or proxies shall be regarded invalid.
4. The Proxy shall produce his/her original CNIC or original passport at the time of Meeting.
5. Attested copy of CNIC or passport of the beneficial owners and the proxy shell be provided with the proxy form.
6. In case of a corporate entity, the Board of Directors Resolution/Power of Attorney with specimen signature of the nominee shall be submitted alongwith the Proxy (unless it has been provided earlier).

AFFIX
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THK Associates (Private) Limited
Plot No. 32-C, Jami Commercial
Street 2, Phase-VII, DHA
Karachi 75500, Pakistan
Tel: +92 (0)21 111 000 322
Fax: +92 (0)21 35310190

پراکسی فارم

30واں سالانہ اجلاس عام

میں/ہم: _____ ساکن _____

کوٹ ادو پاور کمپنی لمیٹڈ (فولیو نمبر/ سی ڈی سی/ اکاؤنٹ نمبر/ شیئرز کا شمار) _____ بذریعہ ہذا تقرر کرتا ہوں _____

ساکن _____ فولیو نمبر/ سی ڈی سی اکاؤنٹ نمبر: _____ یا اس کی

ناکامی میں _____ ساکن _____

فولیو نمبر/ سی ڈی سی اکاؤنٹ نمبر: _____ جو کہ میری / ہماری غیر موجودگی میں میرے / ہمارے پراکسی (نمائندے) کے طور پر کمپنی کی 30ویں سالانہ اجلاس عام منعقدہ 26 اکتوبر 2026ء بروز پیر دن 10:30 بجے بمقام **موونپک ہوٹل سینٹورس، اسلام آباد پاکستان والی میٹنگ میں شرکت کرے گا اور میری ہماری جگہ ووٹ استعمال کرے گا۔**

میں بطور گواہ اس _____ دن _____ 2026

ریونیو
مہر

دستخط منظور کنندہ: _____

دستخط کمپنی کے پاس موجود نمونہ
کے دستخط کے مطابق ہونا چاہئے

گواہان:

1۔ دستخط _____ 2۔ دستخط _____

نام _____ نام _____

پتہ _____ پتہ _____

_____ _____

شناختی کارڈ / پاسپورٹ نمبر _____ شناختی کارڈ / پاسپورٹ نمبر _____

ہدایت:

1۔ پراکسی کی تقرری کی یہ دستاویز مکمل کر کے اپنے اور گواہان کے دستخط کے ساتھ اجلاس کے انعقاد سے کم از کم 48 گھنٹے پہلے کمپنی کے رجسٹرار کے دفتر ٹی ایچ کے ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، پلاٹ نمبر C 32 جامی کمرشل سٹریٹ 2، فیز 7، ڈی ایچ اے، کراچی پہنچ جانی چاہیے۔

2۔ کوئی بھی پراکسی کے طور پر کام/عمل نہیں کر سکتا اگر وہ کمپنی کا ممبر نہیں ہے۔ (ماسوائے اس کے کہ کارپوریشن کسی شخص کو مقرر کر سکتی ہے جو ممبر نہیں ہے)۔

3۔ اگر ایک ممبر کمپنی کے رجسٹرار کے پاس ایک سے زائد پراکسی مقرر کرتا ہے اور پراکسی کی ایک سے زائد دستاویز جمع کراتا ہے تو ایسی دستاویزات یا پراکسی کو غیر موثر تصور کیا جائے گا۔

4۔ پراکسی کو اجلاس کے وقت اپنا اصل قومی شناختی کارڈ یا اصل پاسپورٹ دکھانا ہوگا۔

5۔ سی ڈی سی شیئر ہولڈرز اور ان کے نمائندگان سے التماس ہے کہ وہ اپنے کمپیوٹرائزڈ شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ کاپی پراکسی فارم کے ساتھ جمع کروائیں۔

6۔ کارپوریٹ ادارہ کی صورت میں، بورڈ کی قرارداد/مختار نامہ یا دیگر اتھارٹی نمائندے (پراکسی) کے دستخط کے ساتھ کمپنی کو جمع کرانا ہوگا۔

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Fax: +92 (0)21 35310190

KAPCO

Power Plant:
Kot Addu Power Complex
Kot Addu, Punjab, Pakistan

Corporate Office:
5 B/3, Gulberg III
Lahore 54660, Pakistan

Registered Office:
Office No. 309, 3rd Floor, Evacuate Trust Complex
Agha Khan Road, F 5/1, Islamabad, Pakistan

VANTAGE