

ENERGY
ON THE HORIZON

ANNUAL REPORT 2025

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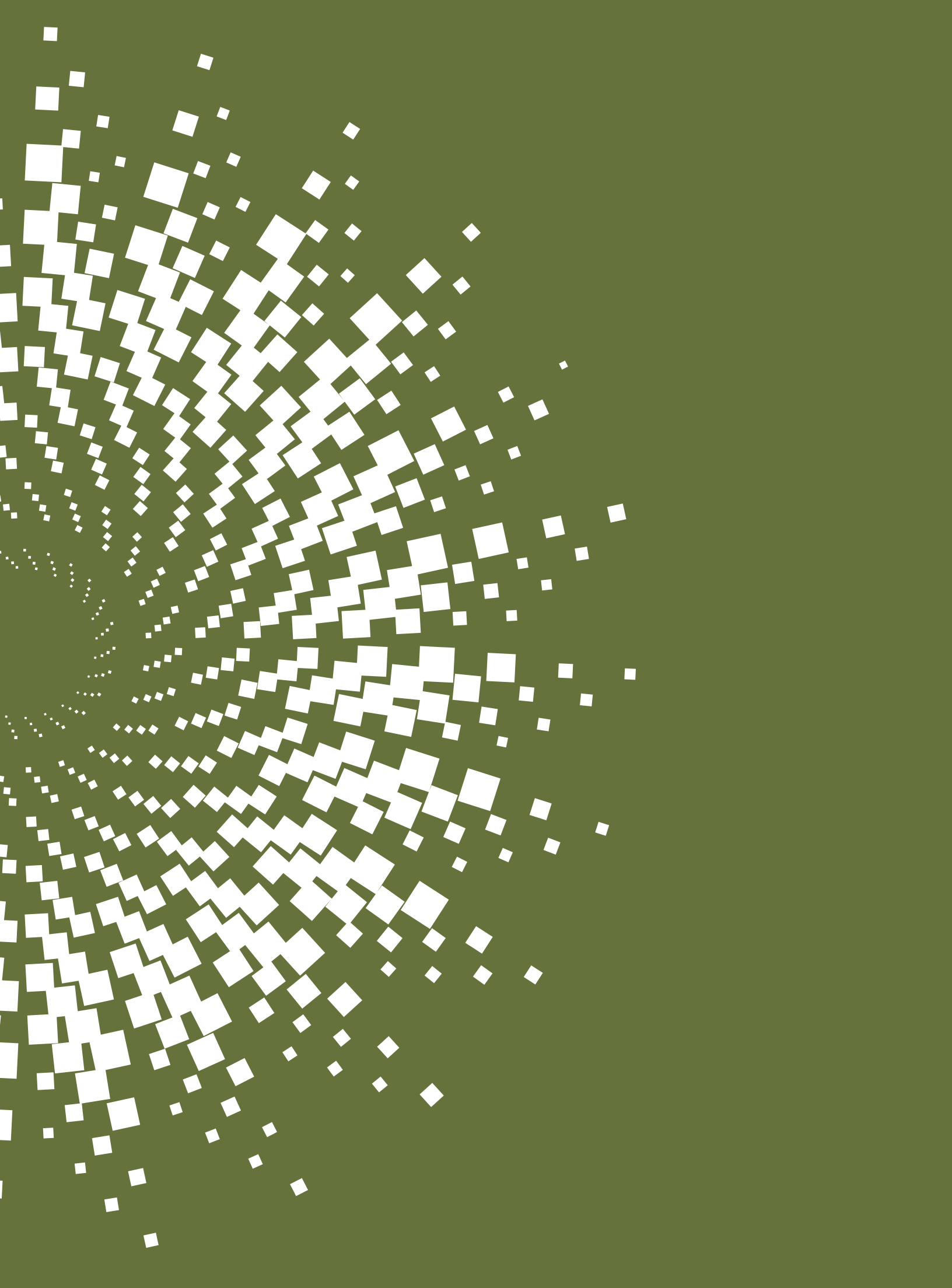
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01

Organizational Overview

- Vision, Mission & Corporate Strategy
- Code of Conduct, Culture, Values & Ethical Principles
- Company Profile
- Company Information

VISION, MISSION & CORPORATE STRATEGY

VISION STATEMENT

We envision to drive innovation and excellence in the energy sector while contributing to a cleaner environment and a prosperous community.

MISSION STATEMENT

Through innovation, efficiency, and a commitment to reducing emissions, we strive to make a positive impact on the environment and the communities we serve, fostering growth and development while ensuring energy security for the future.

CORPORATE STRATEGY

Develop and maintain a balanced energy portfolio that includes highly efficient, low-emission power plants to ensure a stable and sustainable supply of electricity by implementing best practices and advanced technologies to optimize the efficiency and reliability of our power generation processes, minimizing downtime and maximizing output.

Pursue strategic opportunities for expansion and diversification within the energy sector, focusing on scalable and sustainable projects that align with our long-term vision and mission.

Attract, retain, and develop top talent within the industry by providing a supportive and dynamic work environment that encourages innovation, professional growth, and a commitment to excellence.

Uphold the highest standards of corporate governance, ethics, and integrity in all our dealings, ensuring accountability and transparency across the organization.

Actively contribute to the well-being and development of the communities we operate in through social responsibility initiatives, educational programs, and sustainable practices.



CODE OF CONDUCT, CULTURE, VALUES & ETHICAL PRINCIPLES

Our Code of Conduct consists of the following principles which all Directors and employees are required to apply in their daily work and observe in the conduct of Company's business.

Compliance with Laws, Rules and Regulations

Every Director and employee must comply with all applicable laws, rules and regulations, including those related to insider trading, financial reporting, money laundering, fraud, bribery and corruption.

Personal Conflicts of Interest

Every Director and employee is prohibited from indulging in actions or relationships that create personal conflicts of interest unless approved by the Company.

Fair and Ethical Competition

Every Director and employee must deal fairly with customers, suppliers, competitors and each other.

Protecting Confidential Information

Every Director and employee must maintain the confidentiality of the information with which they are entrusted, including complying with information barrier procedures applicable to our business. The only exception is when disclosure is authorized or legally mandated.

Equal Employment Opportunities and Commitment to Diversity

We do not tolerate any type of discrimination prohibited by law, including harassment.

Political Contributions and Activities

Directors and employees are prohibited from making or soliciting political contributions or engaging in political activities.

Protecting and Properly Using Company's Assets

Everyone should protect the Company's assets and ensure their efficient use. All Company's assets should be used for legitimate business purposes only.

Public Relations

All employees share a responsibility for the Company's good public relations particularly at the community level.

Health & Safety

The Company has strong commitment to the health and safety of its employees and preservation of environment.

Non-Retaliation Policy

The Company strictly prohibits retaliation against anyone who reports in good faith a possible violation of the Code, no matter whom the report involves.

We pledge to comply and enforce the basic principles of Code of Conduct and prevent its violation. Any employee observing any violation or abuse of this Code of Conduct may bring the same to the notice of the Management in writing.

CULTURE

Our culture demonstrates the manifestation of shared values and beliefs, which we practice every day to move towards a better and more successful organization. Our values provide the foundation of our culture and bind us into a successful team yearning to outperform the competition.

VALUES

We tend to conduct our business in a socially responsible and ethical manner.



Integrity

We are dedicated to maintaining the highest ethical standards and ensuring openness and honesty in all our dealings by maintaining utmost integrity at all times.



Fairness

We are devoted to implement such policies and procedures, which translate into fair and equitable treatment of all stakeholders, including selection, hiring, rewarding and compensating all employees.



Trust

We trust, respect and support each other, and we strive to earn the trust of our customers and shareholders.



Teamwork

We are committed to fostering a culture where employees work as a team, listen to and respect each other, provide support to one another, work co-operatively and highly regard one another's views, making our work environment fun and enjoyable.



Diversity

We provide equal opportunities to all our employees without any bias against gender, race, ethnicity and religion.



Ingenuity

We seek new opportunities and out-of-the-ordinary solutions.



Customer satisfaction

Our experience shows that if we satisfy our customers well, our own success will follow.



Excellence

We make sure that we always do what we say we will and strive for excellence and quality in everything that we do.



Laws & regulations

We are dedicated to complying fully with the letter and spirit of the laws, rules and ethical principles that govern us. Our continued success depends upon unswerving adherence to this standard.



Personnel Development

We are endeavored to foster a culture where people come first and we hire, develop, train and retain our people to work as synergized teams in line with our mission and vision.



Innovation

While recognizing that the old way may still be the best way, we constantly strive to find a better way of doing things.

COMPANY PROFILE

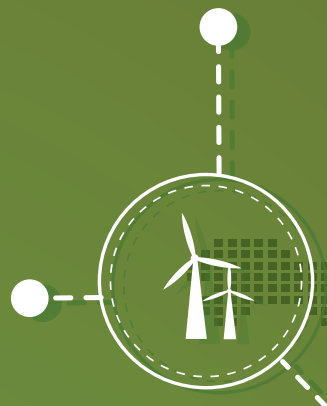
Mughal Energy Limited was incorporated in Pakistan as a public limited company on August 19, 2012 under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). The Company's registered office is located at 31-A, Shadman I, Lahore. It is listed on the Growth Enterprise Market (GEM) Board of the Pakistan Stock Exchange Limited and operates as a subsidiary of Mughal Iron & Steel Industries Limited.

The principal business of the Company is the generation, purchase, import, transformation, conversion, distribution, supply, export, and trading of electricity and all other forms of energy, along with related products and services.

At present, the Company is primarily engaged in the installation of a 36.50 MW captive hybrid power plant, which will enhance its capacity to provide reliable and sustainable energy solutions.



36.50 MW
Hybrid Captive Power Plant





COMPANY INFORMATION

Board of directors

Mr. Mirza Javed Iqbal
Mr. Jamshed Iqbal
Mr. Khurram Javaid
Mr. Fahad Javaid
Mr. Muhammad Mateen Jamshed
Mrs. Jahanara Sajjad Ahmad
Mr. Muhammad Aslam Bhatti

Audit committee

Mr. Muhammad Aslam Bhatti
Mr. Mirza Javed Iqbal
Mr. Muhammad Mateen Jamshed

Human resource and remuneration committee

Mr. Muhammad Aslam Bhatti
Mr. Mirza Javed Iqbal
Mr. Jamshed Iqbal

Chief operating officer

Mr. Shakeel Ahmad Mughal
Tel: +92-42-35960841 Ext: 154
E-mail: shakeel.ahmad@mughalsteel.com

Chief financial officer

Mr. Muhammad Zafar Iqbal
Tel: +92-42-35960841 Ext: 138
E-mail: zafariqbal@mughalsteel.com

Company secretary

Mr. Muhammad Fahad Hafeez
Tel: +92-42-35960841 Ext: 155
E-mail: fahadhafeez@mughalsteel.com

Share registrar & Transfer agent

Digital Custodian Company Limited
Paradesi House 4th Floor, Old Queen Road
Karachi, Pakistan
Tel: +92-21-32419770
Email: info@digitalcustodian.com

Statutory Auditors

Muniff Ziauddin & Company
Chartered Accountants
(A member of BKR International)

Legal advisor

Muhammad Atif Butt

Shareholder complaint handling cell

In case of shareholder complaint/queries,
Please Contact:

Mr. Zeeshan Ejaz

Tel: +92-42-35960841 Ext:136

Email: fahadhafiez@mughalsteel.com

Bankers / Institutions

The Bank of Punjab (Taqwa Islamic Banking)

MCB Islamic Bank Limited

PAIR Investment Company Limited

Parwaaz Financial Services Limited

Entity Credit Rating

Long-term: A

Short-term: A2

Outlook: stable

Agency: PACRA

Geographical presence

Registered office

31 –A Shadman I

Lahore, Pakistan

Tel: +92-42-35960841-3

Fax: +92-42-35960846

Plant site

17-Km Sheikhpura Road

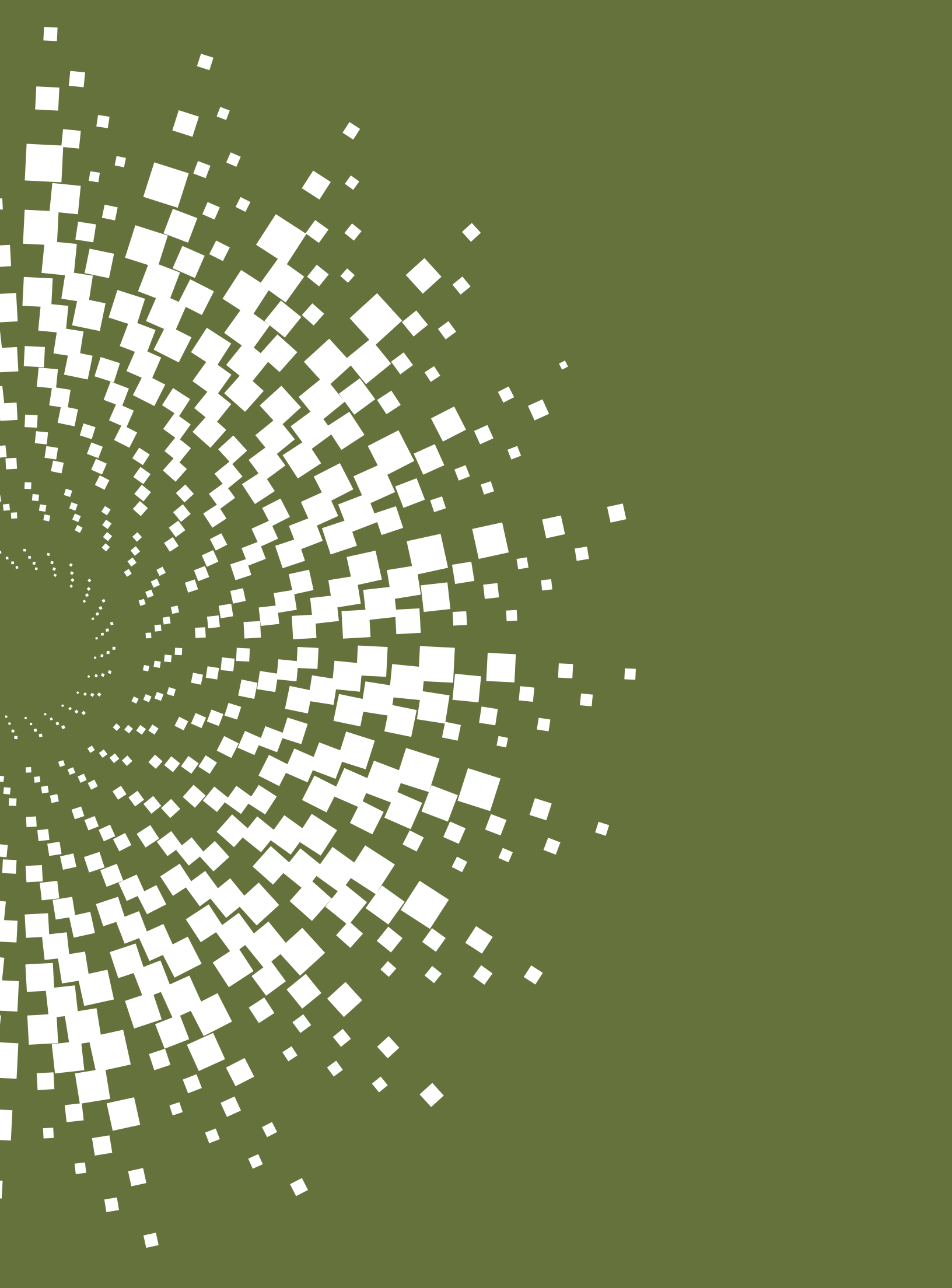
Lahore, Pakistan

Company website:

The Company is operating website
www.mughalenergy.com.pk containing
updated information regarding the Company.

**Note: MEL's Annual & Interim
Financial Statements are also available
at the above website.**





02

Directors' Report

- Chairman's Review Report
- Directors' Report to the Shareholders
- شئیر ہولڈرز کے لئے ڈائریکٹرز کی رپورٹ
- چیئرمین کی جائزہ رپورٹ

CHAIRMAN'S REVIEW REPORT

I am pleased to present to you the Chairman's Review Report for the year ended June 30, 2025.

The Company has a diverse and competent Board of Directors which holds to the Company's vision and mission with the ultimate goal of serving the interests of stakeholders. The objective of the Board has been to ensure that the organization is being managed effectively, in a way that helps it to achieve its objectives whilst also safeguarding the integrity of the organization and the interests of its stakeholders.

The Board demonstrated satisfactory performance throughout the year. The Board committees as well continued to work efficiently as designated by the Board. The position of the Chairman of the Board of Directors and the office of the Chief Executive Officer are held separately, with clear division of roles and responsibilities. The Chairman is entrusted with the leadership of the Board's proceedings, whereas, the CEO is an Executive Director who also acts as the head of the Company's Management. Management is primarily responsible for implementing the strategies as approved by the Board of Directors. It is the responsibility of management to conduct the routine business operations of the Company in accordance with the strategies and goals as approved by the Board.

The Board's role in diversifying the energy generation mix and remaining eco-friendly has been effective. The Board regularly reviewed the principal risks and mitigating factors against them. The Board

reviews the quality and appropriateness of financial statements of the Company, reporting and transparency of disclosures, Company's accounting policies, corporate objective plans, and other reports. The Board has also framed the Code of Conduct which defines requisite behavior and has been disseminated throughout the Company. Adequate controls and robust systems are in place to ensure effective control environment so compliance of best policies of Corporate Governance are achieved.

Lastly, I would also like to recognize the efforts of our executive management team for their dedication and commitment. I would also like to express my gratitude for the efforts of all our employees for their dedication and stakeholders for their trust in us.



Mirza Javed Iqbal

Chairman of the Board

Lahore: September 04, 2025



DIRECTORS' REPORT TO THE SHAREHOLDERS

The Board of Directors of Mughal Energy Limited are pleased to present their Annual Report along with Audited Financial Statements for the year ended June 30, 2025.

PRINCIPAL ACTIVITY AND STRUCTURE

The principal activity of the Company is to carry on the business of generating, purchasing, importing, transforming, converting, distributing, supplying, exporting and dealing in electricity and all other forms of energy and products or services associated therewith.

The Company is a subsidiary of Mughal Iron & Steel Industries Limited (the holding company).

PAKISTAN ECONOMY

During FY-2025, Pakistan's economy exhibited signs of cautious optimism. Agriculture continued to lead the recovery. The industrial sector showed gradual revival, while services remained stable amid evolving demand dynamics. The current account recorded a surplus during the first nine months, aided by controlled imports and improved remittances. Foreign exchange reserves strengthened further, supported by inflows under the IMF Extended Fund Facility. Fiscal indicators showed relative improvement, with continued focus on revenue mobilization and expenditure control, resulting in a sustained primary surplus. The exchange rate remained broadly stable, and inflationary pressures slightly eased. However, despite this progress, structural challenges persisted, including elevated energy costs, high interest rates, subdued private investment, and administrative controls on key sectors, which continued to weigh on the pace of broad-based recovery.

BUSINESS, FINANCIAL & OPERATIONAL REVIEW

The financial highlights of the Company for the year ended June 30, 2025 are as follows:

	Year ended June 30,	
	2025	2024
	(Rs. in Millions)	
Loss for the year	21.280	19.170
Loss per share – Basic and Diluted (Rs.)	(0.12)	(0.11)

The Company is yet to commence its commercial operations and therefore posted loss for the year ended June 30, 2025, which was mainly on account of salaries, fee & subscription and various routine expenses. However, the Company expects profitable results post achieving commercial operations.

On the operational front, key milestone in the development of its 36.50 MW Hybrid Captive Power Plant was successfully achieved with the completion of the hydro testing phase which is a critical step in such projects, serving to verify the mechanical integrity and pressure endurance of pipelines, boilers, and related systems before commencing electrical works. The project is now in its final stages.

In addition, the Company completed installation of its 1.8 MW solar power project. However, since, the CoD of hybrid power plant is currently pending, therefore, the said solar plant has been leased out to the holding company on short-term basis.

During the year, the holding company issued unsecured long-term loan of Rs. 2,500 billion to the Company for the purpose of financing the captive hybrid plant project. The Company has an effective cash management system. The Company constantly monitors cash flows to ensure overall liquidity. All contingencies and commitments have been disclosed in detail in relevant notes to the financial statements.

The Company's net worth as at June 30, 2025 stood at Rs. 3,435.206 million as compared to Rs. 3,456.486 million as at June 30, 2025 with a breakup value of Rs. 15.85 per share as at June 30, 2025 as compared to Rs. 15.95 as at June 30, 2024.

SEGMENTAL REVIEW OF BUSINESS PERFORMANCE

The results are reported as a single reportable segment. Information about segmental review has been given the relevant notes to the financial statements.

SUBSEQUENT EVENTS / MATERIAL CHANGES

Except as otherwise disclosed, there were no other material changes or commitments which have occurred between the end of financial year of the Company to which the financial statements relate and the date of this report.

DIVIDENDS AND APPROPRIATIONS

Since, the Company is in pre-commencement stage,

therefore no dividend has been declared nor any other appropriations were made.

PRINCIPAL ACTIVITIES OF THE COMPANY AND DEVELOPMENT AND PERFORMANCE OF THE COMPANY'S BUSINESS DURING THE YEAR

The details related to development and performance of the Company's business has been provided in relevant areas of the Directors' report.

CHANGES IN NATURE OF BUSINESS

There has been no change in nature of the business of the Company during the year, nor were there any companies in which the Company had any interest therein, except as disclosed elsewhere.

FUTURE OUTLOOK AND THE MAIN TRENDS AND FACTORS LIKELY TO AFFECT THE FUTURE DEVELOPMENT, PERFORMANCE AND POSITION OF THE COMPANY'S BUSINESS

Going forward, the Company remains committed to successful and timely achievement of commencement of operations of its captive hybrid power plant.

COMPOSITION OF THE BOARD

The Board comprises of seven members. The composition as at the close of the financial year was as follows:

Total Number of Directors:	
(a) Male	6
(b) Female	1

Composition:

Independent Directors	2*
Non-Executive Directors	4
Executive Director	1
Female Director	1

*In respect of independent directors, the Company has not rounded up the fraction as one, as the Board has determined the current composition adequate.

NAMES OF PERSONS WHO AT ANY TIME DURING THE FINANCIAL YEAR WERE DIRECTORS OF THE COMPANY

During the financial year, six meetings of the Board were conducted. No meetings were held outside Pakistan during the year. Leave of absence (if any) was duly taken. Following are the names of the persons who, at any time during the financial year, were Directors of the Company:

S. No.	Name of Directors	Designation
1.	Mr. Mirza Javed Iqbal	Chairman / Non-Executive Director
2.	Mr. Jamshed Iqbal	Non-Executive Director
3.	Mrs. Jahanara Sajjad Ahmad	Independent / Non-Executive Director
4.	Mr. Muhammad Aslam Bhatti	Independent / Non-Executive Director
5.	Mr. Khurram Javaid	CEO / Executive Director
6.	Mr. Fahad Javaid	Non-Executive Director
7.	Mr. Muhammad Mateen Jamshed	Non-Executive Director
8.	Mr. Muhammad Sayyam	Non-Executive Director
9.	Mr. Waleed Bin Tariq Mughal	Non-Executive Director

During the year after election of directors, Mr. Muhammad Aslam Bhatti and Mrs. Jahanara Sajjad Ahmad were elected as Independent, Non-Executive Directors, whereas, Mr. Waleed Bin Tariq Mughal and Mr. Muhammad Sayyam ceased to be the Directors w.e.f January 01, 2025.

NAMES OF MEMBERS OF THE BOARD COMMITTEES

Audit committee

During the financial year, four meetings of the Committee were conducted. Following are the names of the members of the Committee:

S. No.	Name of Members	Designation
1.	Mr. Muhammad Aslam Bhatti	Chairman / Independent Director
2.	Mr. Mirza Javed Iqbal	Member / Non-Executive Director
3.	Mr. Muhammad Mateen Jamshed	Member / Non-Executive Director

During the year after election of directors, the Committee was reconstituted, whereby, Mr. Muhammad Aslam Bhatti and Mr. Muhammad Mateen Jamshed were appointed as members in place of Mr. Jamshed Iqbal and Mr. Muhammad Sayyam w.e.f January 07, 2025.

Human resource and remuneration (HR&R) committee

During the financial year, one meeting of the Committee was conducted. Following are the names of the members of the Committee:

S. No.	Name of Members	Designation
1.	Mr. Muhammad Aslam Bhatti	Chairman / Independent Director
2.	Mr. Mirza Javed Iqbal	Member / Non-Executive Director
3.	Mr. Jamshed Iqbal	Member / Non-Executive Director

During the year after election of directors, the Committee was reconstituted, whereby, Mr. Muhammad Aslam Bhatti was appointed as members in place of Mr. Muhammad Sayyam w.e.f January 07, 2025.

DIRECTORS' REMUNERATION

The remuneration of Board Members is approved by the Board. However, it is ensured that no Director takes part in deciding his own remuneration. Non-Executive Directors and Independent Directors are only paid meeting fee. For information on remuneration packages of Directors and CEO aggregate amount charged in these financial

statements, please refer relevant notes to the financial statements.

DIRECTORS' EVALUATION

Effective mechanism has been put in place to review the Board's performance on self-assessment basis. Board of Directors continued to provide valuable guidance to ensure effective governance.

DIRECTORS' ORIENTATION AND TRAINING PROGRAM

Six of the Directors have completed the Director's Training Program certification from authorized institutions, whereas, remaining will also obtain in future.

Furthermore, appropriate arrangements are made for detailed orientation of new Directors to familiarize them with their duties and responsibilities. A formal familiarization program primarily includes amongst other things giving briefings relating to the Company's visions and strategies, the Company's core competencies, organizational structure, role and responsibility of the director as per the Companies' Act, including the Code of Corporate Governance and any other regulatory laws applicable in Pakistan.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Boards has established efficient and effective systems on internal financial controls. Implementation of these controls is regularly monitored by an Independent Internal Audit Function which reports directly to the Audit Committee. The Audit Committee reviews on a periodic basis the effectiveness and adequacy of internal controls frameworks and financial statements of the Company.

PATTERN OF SHAREHOLDING

Information about the pattern of holding of the shares is annexed.

TRANSACTION / TRADE IN COMPANY'S SHARES

All the trades in shares of the Company carried out by the Directors, Executives and their spouses and minor children (if any) during the financial year 2025 are disclosed in pattern of shareholding annexed to the Annual Report. Executives include Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Head of Internal Audit

and Company Secretary and certain other employees for whom the Board of Directors will set a threshold. In accordance with the threshold set by the Board of Directors, employees who are drawing annual basic salary of Rs. 4.000 million or more are regarded as Executives.

RELATED PARTY TRANSACTIONS

In compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 and applicable laws & regulations, details of all related party transactions are placed before the Audit Committee and upon recommendations of the Audit Committee, the same are placed before the Board for review and approval. In addition to the above, as required under Companies Act, 2017, details of contracts or arrangements entered into along with the justifications for entering into such contracts or arrangements have been disclosed in relevant notes to the financial statements.

POLICY FOR RELATED PARTY TRANSACTIONS

The Board of Directors has approved a policy for related party transactions, which require that the Company shall carry out transactions with its related parties on an arm's length basis in the normal course of business. The term 'arm's length' requires conducting business on the same terms and conditions as the business between two unrelated / unconcerned persons. The policy specifies that all transactions entered into with related parties shall require Board's approval, however, where majority of the Directors are interested, such transactions shall be approved / ratified by the members at the general meeting.

CONTRIBUTION TO NATIONAL EXCHEQUER

During the year, the Company has contributed an amount of Rs. 310.530 million approx. towards national exchequer in shape of taxes, duties, cess, levies etc.

FINANCIAL & CORPORATE REPORTING FRAMEWORK

The Company is determined to meet and wherever possible, exceed in all legal and ethical requirements and to conduct all businesses according to the highest professional and ethical standards and practices. The Company is fully cognizant of its responsibility as recognized by the Companies Act, 2017 and Code of

Corporate Governance issued by the Securities and Exchange Commission of Pakistan (SECP). The following comments are acknowledgement of Company's commitment to high standards of Corporate Governance and continuous improvement:

- a. The financial statements, prepared by the management of the Company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- b. The Company has maintained proper books of accounts.
- c. Appropriate accounting policies have been consistently applied (except as disclosed in annexed financial statements) in preparation of the financial statements and accounting estimates are based on reasonable and prudent judgement.
- d. International Financial Reporting Standards (IFRS), as applicable in Pakistan, have been followed in preparation of the financial statements and, any departures therefrom (if any) have been adequately disclosed and explained.
- e. The system of internal control including financial controls is sound in design and has been effectively implemented and monitored.
- f. There are no doubts upon the Company's ability to continue as a going concern.
- g. The Company does not operate any gratuity scheme.
- h. The Company has not defaulted in repayment of any debt nor is it likely to default in future.
- i. Company places priority to safety and health of its employees. Provides proper medical cover and carry out periodical medical screening of employees.
- j. There is no material departure from the best practices of corporate governances detailed in the listing regulations.
- k. Appropriate whistleblower protection mechanism is in place.

We have included the following information separately, either in this report or in the financial statements as appropriate;

- a. Detail of material changes or commitments which have occurred between the end of financial year of the Company to which the financial statements relate and the date of this report.
- b. Significant deviations from last year in operating results of the Company and reasons for such deviations.
- c. Key operational and financial data for the last six years.
- d. Details of significant plans, decisions along with future prospects, risks and uncertainties surrounding the Company.

AUDITORS

The present auditors of the Company M/s. Muniff Ziauddin & Company have completed their audit for the year ended June 30, 2025 and have issued an unmodified audit report. The auditors will retire at the conclusion of the forthcoming Annual General Meeting of the Company, and being eligible; have given their consent for re-appointment as auditors for the year ended June 30, 2026. The Board has recommended the appointment of M/s. Muniff Ziauddin & Company as auditors for the ensuing year, as recommended by the Audit Committee, subject to approval of the members in the forthcoming Annual General Meeting.

RISK MANAGEMENT FRAMEWORK

The Board has overall responsibility for the establishment and oversight of the risk management framework and for developing and monitoring the risk management policies. While the risks can be numerous, the combined principal risks faced by the Company, are described below along with the corresponding response actions.

Political risk

Political uncertainty and instability impact the business and its profitability. Political situation of the country including changes in Government, regulations and business policies are monitored closely and appropriately to take timely decision.

Project delay / performance risk

Since, the power plant is under construction / installation stage, there can be a risk of delay in commercial operations. There is also risk that plant may not perform according to the planned efficiencies. However, the installation phase is being rigorously monitored and being handled by professional and technical internal and external teams.

Economic risk

Economic conditions of a country generally affect all businesses that exist in that country. Increase in commodity prices, high interest costs, high inflation, high exchange rates, taxation and low economic growth impact organizations. Economic conditions are monitored appropriately to take timely decisions to avoid any unfavorable impact on the Company's business.

Liquidity risk

Insufficient cash available to pay liabilities resulting in a liquidity problem. Monthly payments against purchase of electricity will be made by Mughal Iron & Steel Industries Limited (MISIL). With respects to capacity payments, MISIL has already issued corporate guarantee on behalf of the Company to lenders with respect to their payments.

Laws & Environmental regulations

The Company is regulated by a number of Government regulations which are required to be strictly followed. Default in this regard can have serious consequences. The Company has employed various professionals of respective fields so that the Company would strongly and strictly follow all the laws that are applicable to the Company.

Sustainability related risk

The Company faces sustainability related risks including regulatory changes, environmental compliance costs, evolving stakeholder expectations, and reputational risks from social or governance lapses. Failure to adapt may impact operational continuity and investor confidence. We remain steadfast in our commitment to responsible growth by elevating safety standards, accelerating decarbonization efforts, and empowering our workforce. Through continuous innovation and strong collaboration with communities and suppliers, we aim to operate sustainably and in alignment with the natural environment.

Uncertainties Facing The Company

The Company is mainly exposed to following uncertainties:

- Political uncertainty
- Economic and operational uncertainties
- Fluctuations in interest rates

SUSTAINABILITY

We are committed to a comprehensive sustainability approach built on environmental stewardship, social responsibility, and strong governance. We remain committed to enhancing workplace safety and employee well-being. Environmentally, we are adopting technologies which minimize emissions and waste. Governance practices are reinforced through ethical conduct policies, compliance frameworks, and ESG oversight—ensuring responsible operations that create long-term value for all stakeholders.

Diversity, Equity, & Inclusion (DE&I)

Promoting DE&I is a key priority for the Company and is integral to its sustainable and ethical business practices. A comprehensive DE&I strategy with clear and measurable goals, targeting increased gender and ethnic diversity and inclusion at all levels, is in process. The Company implements inclusive recruitment practices, such as using diverse job boards, blind recruitment processes, and diverse interview panels.

Gender Diversity

The Company is committed to promoting gender diversity and fostering an inclusive workplace. As the Company is in its initial stages, gender diversity data is not yet available for disclosure.

Corporate Social Responsibility (CSR)

We remain committed to being a responsible corporate citizen by integrating social, ethical, and environmental considerations across its operations. The Company has undertaken environment friendly technology. Community welfare will remain a key focus. We remain committed to high standards in consumer protection, industrial relations, occupational health, safety and inclusive employment practices including quota compliance for special persons.

IMPACT OF THE COMPANY'S BUSINESS ON ENVIRONMENT AND CORPORATE SOCIAL RESPONSIBILITY

The Company is keen on preserving the environment and nature.

The captive hybrid power plant being installed is highly eco-friendly with Nitrogen oxides (NOx) and Sulfur oxides (SOx) emissions of 300mg/nm³ for SOx and 200mg/nm³ for NOx, being considerably less than the regulatory standards prevailing in Pakistan. Further, it is a multi-fuel fired European origin power plant which has been designed to run on a mix of coal and bio-fuel. With respect to handling of various types of ash residues, the Company is separately procuring and installing equipment comprising of electrostatic

precipitators and back filter house to counter their environmental impact. In addition, state of the art water treatment plant is being installed to process, treat and recycle water. The Company will be taking initiative towards plantation inside the power plant premises and the surrounding vicinity.

We are firmly committed to maintaining a safe and healthy working environment for our employees.

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

The statement of compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 as per prescribed format is published in the Annual Report which is reviewed and certified by the statutory auditors of the Company. The statement of compliance is approved by the Board of Directors of the Company.

CHAIRMAN'S REVIEW REPORT

The Directors endorse the contents of the Chairman's Review Report.

ACKNOWLEDGEMENTS

The Board expresses its gratitude for the efforts of all its employees, executives, workers and stakeholders which enabled the management to run the Company smoothly throughout the year. It is expected that the same co-operation would be forthcoming in future years. Lastly, we would like to thank all stakeholders for their patronage and look forward to their continued support.

On behalf of the Board,



Mirza Javed Iqbal

Chairman / Director



Khurram Javaid

Chief Executive Officer / Director

Lahore: September 04, 2025

ماحول پر کمپنی کے کاروبار کے اثرات اور کارپوریٹ سماجی ذمہ داری
کمپنی ماحول اور فطرت کے تحفظ کے لیے پرعزم ہے۔

چیئر مین کی جائزہ رپورٹ
ڈائریکٹرز چیئر مین کی جائزہ رپورٹ کے بیان کی تصدیق کرتے ہیں۔

اظہار تشکر

بورڈ اپنے تمام ملازمین، ایگزیکٹوز، اور اسٹیک ہولڈرز کی کوششوں پر ان کا شکریہ ادا کرتا ہے، کہ جن کی بدولت
منجنت سارا سال کمپنی کو روانی اور آسانی سے چلا سکی۔ امید ہے کہ مستقبل میں آنے والے سالوں میں اسی تعاون
کو برقرار رکھا جائے گا۔ آخر میں، ہم تمام اسٹیک ہولڈرز کا ان کی سرپرستی کیلئے شکریہ ادا کرنا چاہتے ہیں اور ان کی
مسلح حمایت کے منتظر ہیں۔

بورڈ کی جانب سے

نصب کیا جانے والا کیپیٹو بائیرڈ پاور پلانٹ انتہائی ماحول دوست ہے۔ یہ پلانٹ 300mg/Nm3 سے زائد
سلفر آکسائیڈز اور 200mg/Nm3 سے زائد نائٹروجن آکسائیڈز کا اخراج نہیں کرے گا، جو کہ پاکستان
میں رائج ریگولیٹری معیارات سے کافی کم ہے اور مزید برآں، یہ متعدد ایندھنوں (Multi-Fuel) سے چلنے
والا پورپی ساختہ پاور پلانٹ ہے جسے کونسل اور بائیو فیول کے میکسچر پر چلانے کیلئے ڈائزائن کیا گیا ہے۔ مختلف
اقسام کی راکھ کی باقیات کو سنبھالنے کے سلسلے میں، کمپنی الگ سے آلات کی خریداری اور تنصیب کر رہی ہے۔ جس
میں الیکٹروسٹیٹک پرسپیٹرز (Electro-Static Perspirators) اور بیک فلٹر ہاؤس
(Filter House Back) شامل ہیں، تاکہ اس کے ماحولیاتی اثرات میں کمی لائی جائے۔ اس کے علاوہ،
جدید ترین واٹر فلٹر پلانٹ، پانی کو پروسس، ٹریٹ اور ری سائیکل کرنے کیلئے تیار کیا جا رہا ہے۔ کمپنی پاور پلانٹ
کے احاطے اور اس پاس کے علاقوں میں شجر کاری کا بھی آغاز کرے گی۔

ہم اپنے ملازمین کے لیے ایک محفوظ اور صحت مند کام کرنے کے ماحول کو برقرار رکھنے کیلئے پرعزم ہیں۔

کوڈ آف کارپوریٹ گورننس کی تعمیل کا بیان

فہرست شدہ کمپنیوں (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کے مطابق تعمیل کا بیان سالانہ رپورٹ
میں شائع کیا جاتا ہے، جسے کمپنی کے مستند آڈیٹرز جائزہ لے کر تصدیق کرتے ہیں۔ تعمیل کا بیان کمپنی کے بورڈ آف
ڈائریکٹرز کے ذریعے منظور کیا جاتا ہے۔



خرم جاوید

چیف ایگزیکٹو آفیسر / ڈائریکٹر



مرزا جاوید اقبال

چیئر مین / ڈائریکٹر

لاہور: 04 ستمبر، 2025

آڈیٹرز

کمپنی کے موجودہ آڈیٹرز، ایم/ایس منیف ضیاء الدین اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس نے 30 جون 2025 کو ختم ہونے والے سال کے لیے اپنا آڈٹ مکمل کر لیا ہے اور غیر ترمیم شدہ رپورٹ جاری کی ہے۔ آڈیٹرز آئندہ ہونے والے سالانہ اجلاس میں ریٹائر ہو جائیں گے، اور اہلیت کی بنیاد پر انہوں نے خود کو 30 جون 2026 کو ختم ہونے والے سال کے لیے دوبارہ تقرری کیلئے پیش کیا ہے۔ بورڈ نے آڈٹ کمیٹی کی تجویز پر ایم/ایس منیف ضیاء الدین اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کی آنے والے سال کیلئے بطور آڈیٹر تعیناتی کی سفارش کی ہے جو کہ آنے والے سالانہ اجلاس عام میں ممبران کی منظوری سے مشروط ہے۔

سسٹیمز سے متعلق خطرات

کمپنی کو سسٹیمز سے متعلق خطرات درپیش ہیں جن میں ریگولیٹری تبدیلیاں، ماحولیاتی تعیل کے اخراجات، اسٹیک ہولڈرز کی توقعات میں تبدیلیاں، اور سماجی یا گورننس کی کمزوری سے پیدا ہونے والے شہرت کے خطرات شامل ہیں۔ ناکامی سے آپریشنل تسلسل اور سرمایہ کاروں کے اعتماد پر اثر پڑ سکتا ہے۔ ہم حفاظت کے معیار بلند کرنے، کاربن کمی کے اقدامات تیز کرنے، اور ورک فورس کو باختیار بنانے کے لیے پرعزم ہیں۔ کمیونٹی اور سپلائرز کے ساتھ مسلسل تعاون اور جدت کے ذریعے ہم ماحول کے ساتھ ہم آہنگ اور پائیدار طریقے سے کام کرنے کی کوشش کر رہے ہیں۔

رиск منجمنت کا فریم ورک

بورڈ کمپنی کو لاحق خطرات کی منجمنت کا فریم ورک کے قیام اور نگرانی کیلئے مجموعی طور پر ذمہ دار ہے۔ بورڈ ریسک منجمنت پالیسیز کی تخلیق اور نگرانی کا بھی ذمہ دار ہے۔ اگرچہ خطرات متعدد ہو سکتے ہیں، لیکن کمپنی کو درپیش اہم خطرات اور ان کے جوابی اقدامات درج ذیل ہیں:

کمپنی کو درپیش غیر یقینی صورتحال

کمپنی بنیادی طور پر درج ذیل غیر یقینی صورتحال سے متاثر ہے:

- سیاسی غیر یقینی صورتحال
- معاشی اور عملیاتی غیر یقینی صورتحال
- سود کی شرح میں اتار چڑھاؤ

سیاسی خدشہ

سیاسی عدم یقینی اور عدم استحکام کا روبرو اور اس کے منافع کو متاثر کرتے ہیں۔ ملک کی سیاسی صورتحال، بشمول حکومت، ضوابط اور کاروباری حکمت عملیوں کی گہری اور زبردست نگرانی کی جاتی ہے تاکہ بروقت فیصلے کیے جائیں۔

منصوبے میں تاخیر/کارکردگی کا خدشہ

چونکہ پاور پلانٹ تعمیر/تنصیب کے مراحل میں ہے، کمرشل آپریشن میں تاخیر کا خدشہ ہو سکتا ہے۔ یہ خدشہ بھی ہے کہ پلانٹ مجوزہ افادیت کے مطابق کارکردگی کا مظاہرہ نہ کرے۔ تاہم، تنصیب کے مرحلے کی سخت نگرانی کی جا رہی ہے اور ایسے پیشہ ورانہ اور تکنیکی اندرونی اور بیرونی ٹیموں کے ذریعے سنبھالا جا رہا ہے۔

معاشی خدشہ

ملک کی معاشی صورتحال عام طور پر تمام کاروباروں کو متاثر کرتی ہے۔ اجناس کی قیمتوں میں اضافہ، بلند شرح سود، مہنگائی میں اضافہ، بلند شرح تبادلہ، ٹیکسیشن اور کم اقتصادی ترقی کمپنی کے کاروبار پر اثر ڈال سکتی ہیں۔ معاشی حالات کی مناسب نگرانی کی جاتی ہے تاکہ بروقت فیصلے کیے جاسکیں۔

تنوع، مساوات اور شمولیت (DE&I)

DE&I کو فروغ دینا کمپنی کی پائیداری اور اخلاقی کاروباری طریقوں کا اہم حصہ ہے۔ ایک جامع DE&I حکمت عملی تیار کی جارہی ہے جس میں واضح اور قابل پیمائش اہداف شامل ہیں، جیسے کہ ہر سطح پر جنس اور نسلی تنوع میں اضافہ۔ کمپنی متنوع بھرتی کے عمل کو نافذ کرتی ہے، جیسے متنوع جاب بورڈز، بلائسڈ ریکروٹمنٹ، اور متنوع انٹرویو پینلز۔

جنس کی تنوع (Gender Diversity)

کمپنی جنس کی تنوع کو فروغ دینے اور ایک شمولیتی کام کی جگہ قائم کرنے کے لیے پرعزم ہے۔ چونکہ کمپنی ابھی ابتدائی مراحل میں ہے، اس لیے جنس کے لحاظ سے اعداد و شمار ابھی فراہم نہیں کیے جاسکتے۔

کارپوریٹ سماجی ذمہ داری (CSR)

ہم ایک ذمہ دار کارپوریٹ شہری بننے کے لیے پرعزم ہیں اور اپنے آپریشنز میں سماجی، اخلاقی اور ماحولیاتی پہلوؤں کو شامل کر رہے ہیں۔ کمپنی نے ماحول دوست ٹیکنالوجی اپنائی ہے۔ کمیونٹی کی فلاح و بہبود پر توجہ برقرار رکھی جائے گی۔ ہم صارفین کے تحفظ، صنعتی تعلقات، صحت و حفاظت، اور روزگار کے معیارات کو برقرار رکھنے کے لیے پرعزم ہیں، بشمول خصوصی افراد کے لیے کوئی تعیل۔

لیکویڈٹی کا خدشہ

واجبات کی ادائیگی کے لیے نقدی ناکافی ہونے کی وجہ سے لیکویڈٹی کا مسئلہ پیش آ سکتا ہے۔ مغل آئزن اینڈ اسٹیل انڈسٹریز لمیٹڈ (MISIL) جو بھی بجلی خریدے گا اس کی ادائیگی ماہانہ بنیادوں پر کی جائے گی۔ کمیونٹی مینٹنس کے لیے MISIL نے پہلے ہی کمپنی کی جانب سے قرض دہندگان کے لیے کارپوریٹ گارنٹی جاری کر دی ہے۔

قوانین اور ماحولیاتی ضوابط

کمپنی کو متعدد سرکاری ضابطوں کے ذریعے منظم کیا جاتا ہے جن سختی سے عمل کرنا ضروری ہے۔ اس سلسلے میں کو تائید سنگین نتائج کا باعث بن سکتی ہے۔ کمپنی نے متعلقہ شعبوں کے مختلف پیشہ ورانہ افراد کی خدمات حاصل کر رکھی ہیں تاکہ کمپنی ان تمام قوانین کی ٹھیک سے اور سختی سے پیروی کرے جو کہ کمپنی پر لاگو ہوتے ہیں۔

مزید برآں، نئے ڈائریکٹر کو ان کے فرائض اور ذمہ داریوں سے آگاہ کرنے کے لیے مناسب انتظامات کیے جاتے ہیں۔ ایک باقاعدہ تعارفی پروگرام میں بنیادی طور پر درج ذیل امور شامل ہوتے ہیں: کمپنی کے وژن اور حکمت عملی سے متعلق بریفنگ دینا، کمپنی کی بنیادی صلاحیتیں، تنظیمی ڈھانچہ، کمپنی کے قوانین کے مطابق ڈائریکٹر کے کردار اور ذمہ داریاں، بشمول کمپنیز ایکٹ، کارپوریٹ گورننس کا ضابطہ اور پاکستان میں لاگو دیگر ریگولیٹری قوانین۔

مناسب انٹرنل فنانشل کنٹرولز

بورڈ نے اندرونی مالیاتی کنٹرولز کے موثر اور کارگر نظام قائم کیے ہیں۔ ان کنٹرولز کے نفاذ کی باقاعدگی سے نگرانی ایک آزاد اندرونی آڈٹ فنکشن کے ذریعے کی جاتی ہے جو براہ راست آڈٹ کمیٹی کو رپورٹ دیتا ہے۔ آڈٹ کمیٹی وقتاً فوقتاً کمپنی کے اندرونی کنٹرولز کے فریم ورک اور مالی بیانات کی موثریت اور کفایت کا جائزہ لیتی ہے۔

شیئر ہولڈنگ کی ترتیب

شیئر ہولڈنگ کی ترتیب ساتھ منسلک ہیں۔

کمپنی کے شیئرز کا لین دین/تجارت

مالی سال 2025 کے دوران ڈائریکٹرز، ایگزیکٹوز اور ان کی شریک حیات اور نابالغ بچوں کے ذریعے کمپنی کے شیئرز کی تمام تجارتوں کا بیان سالانہ رپورٹ کے ساتھ منسلک شیئر ہولڈنگ کی ترتیب میں موجود ہے۔ ایگزیکٹوز میں چیف ایگزیکٹو آفیسر، چیف آپریٹنگ آفیسر، چیف فنانشل آفیسر، ہیڈ آف انٹرنل آڈٹ، کمپنی سیکریٹری اور کچھ دیگر ملازمین شامل ہیں جن کے لیے بورڈ آف ڈائریکٹرز ایک حد مقرر کرے گا۔ بورڈ آف ڈائریکٹرز کی طرف سے مقرر کردہ حد کے مطابق، وہ ملازمین جو سالانہ بنیادی تنخواہ (Basic Salary) 4,000 ملین روپے یا اس سے زیادہ لے رہے ہیں انہیں ایگزیکٹوز شمار کیا جاتا ہے۔

متعلقہ پارٹی سے لین دین

لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 اور دیگر قابل اطلاق قوانین اور ضوابط کی تعمیل میں متعلقہ پارٹی کے لین دین کی تفصیل آڈٹ کمیٹی کے سامنے پیش کی جاتی ہیں اور آڈٹ کمیٹی کی خواہشات پر ان تفصیلات کو بورڈ کے سامنے جائزہ لینے اور منظوری کیلئے پیش کیا جاتا ہے۔ مذکورہ بالا کے علاوہ کمپنیز ایکٹ، 2017 کے تحت تمام انتظامات اور معاہدہ جات کی تفصیلات بمعہ ان انتظامات اور معاہدہ جات میں شامل ہونے کی وجہ اور تفصیلات مالیاتی گوشوارہ جات کے نوٹس میں بیان کردی گئی ہے۔

متعلقہ پارٹی کے ساتھ لین دین کی پالیسی

بورڈ آف ڈائریکٹرز نے متعلقہ پارٹیز سے لین دین کی منظوری دی ہوئی ہے، جس کے تحت کمپنی عام کاروبار کے دوران متعلقہ پارٹیز سے لین دین آرم لینکج کی بنیاد پر کرے گی۔ اصطلاح "آرم لینکج" کے مطابق کاروبار کی شرائط بالکل ویسی ہی ہوں گی جو دیگر غیر متعلقہ کاروباری افراد کے درمیان عام کاروبار میں ہوتی ہے اس پالیسی کے تحت تمام متعلقہ پارٹیز کو لین دین کیلئے بورڈ کی منظوری درکار ہوگی، تاہم جہاں ڈائریکٹرز کی اکثریت دیکھتی رہتی ہوں، اسے شیئر ہولڈرز کے ذریعے اجلاس عام میں منظور کیا جائے گا۔

قومی خزانے میں ادائیگیاں

سال کے دوران، کمپنی نے تقریباً 310.530 ملین روپے کی رقم قومی خزانے میں مختلف ٹیکسز، محصولات، سیس، فیس وغیرہ کی شکل میں جمع کروائی۔

فنانشل اور کارپوریٹ رپورٹنگ فریم ورک

کمپنی یہ عزم رکھتی ہے کہ وہ تمام قانونی اور اخلاقی تقاضوں کو پورا کرے گی اور جہاں ممکن ہو، ان سے آگے بڑھنے کی کوشش کرے گی اور تمام کاروبار کو اعلیٰ ترین پیشہ ورانہ اور اخلاقی معیارات اور طریقوں کے مطابق انجام دے۔ کمپنی اپنے فرائض سے مکمل آگاہ ہے جیسا کہ کمپنیز ایکٹ، 2017 اور سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کی طرف سے جاری کردہ کارپوریٹ گورننس کے کوڈ میں متعین ہے۔ مندرجہ ذیل تبصرے کمپنی کے کارپوریٹ گورننس کے اعلیٰ معیار اور مسلسل بہتری کے عزم کا اعتراف کرتے ہیں:

- کمپنی کی انتظامیہ کی طرف سے تیار کردہ مالیاتی گوشوارہ جات، اس کے معاملات، اس کی کاروباری سرگرمیوں کے نتائج، کیش فلو اور ایکویٹی میں تبدیلی کی منصفانہ عکاسی کرتے ہیں۔
- کمپنی نے اپنے اکاؤنٹس کے کھاتے درست انداز میں رکھے ہوئے ہیں۔
- ماسوائے مالیاتی گوشوارہ جات میں منسلک بیانات کے، مالیاتی گوشوارہ جات کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کے متواتر پیروی کی گئی ہے اور اکاؤنٹنگ کے تخمینے معقول اور دانشمندانہ رائے پر مبنی ہیں۔
- ان مالیاتی گوشوارہ جات کی تیاری میں انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈز (IFRS) کی، جہاں تک وہ پاکستان میں قابل اطلاق ہیں، پیروی کی گئی ہے اور ان سے کسی بھی قسم کے انحراف (اگر کوئی ہو) کو مناسب طریقے سے بیان کیا گیا ہے اور اس کی وضاحت کی گئی ہے۔
- انٹرنل کنٹرول کا نظام بشمول مالیاتی کنٹرولز اپنے ڈیزائن کے اعتبار سے مستحکم ہے اور اس کا موثر اطلاق اور نگرانی کی جاتی ہے۔
- کمپنی کے کاروبار کو رواں دواں رکھنے کی اہلیت پر کوئی شک نہیں ہے۔
- کمپنی کوئی گریجویٹ اسکیم نہیں چلاتی۔
- کمپنی نے کسی بھی قرض کی ادائیگی میں ڈیفالٹ نہیں کیا اور مستقبل میں بھی ڈیفالٹ ہونے کا امکان نہیں ہے۔
- کمپنی اپنے ملازمین کی حفاظت اور صحت کو ترجیح دیتی ہے۔ مناسب طبی کوریج فراہم کرتی ہے اور ملازمین کی باقاعدہ طبی جانچ کرواتا ہے۔
- لسٹڈ ریگولیشنز میں بیان کردہ بہترین کارپوریٹ گورننس کے عملی اصولوں سے کوئی اہم انحراف نہیں کیا گیا ہے۔
- مناسب ڈسبل بلور (Whistleblower) تحفظ کا نظام موجود ہے۔
- ہم نے درج مندرجہ ذیل معلومات علیحدہ سے اس رپورٹ یا مالیاتی گوشوارہ جات میں، جہاں موزوں ہوں، شامل کر دی ہیں:
- مالی سال اور اس کے اختتام اور ان مالیاتی گوشوارہ جات کی تاریخ کے دوران اہم تبدیلیاں اور معاہدہ جات کی تفصیلات۔
- کمپنی کے گزشتہ سال کے نتائج سے اہم انحراف اور انحرافات کی وجوہات۔
- گزشتہ چھ سالوں کا مالیاتی ڈیٹا۔
- اہم منصوبے، فیصلے، مستقبل کے امکانات، کمپنی کے گرد خطرات اور غیر یقینی صورتحال کی تفصیلات۔

بورڈ کی تشکیل

بورڈ میں سات ارکان شامل ہیں۔ مالی سال کے اختتام تک بورڈ کی تشکیل درج ذیل تھی:

ڈائریکٹرز کی کل تعداد	
a- مرد	6
b- خاتون	1

تشکیل:

خود مختار ڈائریکٹرز	2*
نان ایگزیکٹو ڈائریکٹرز	4
ایگزیکٹو ڈائریکٹرز	1
خاتون ڈائریکٹر	1

"خود مختار ڈائریکٹرز کے سلسلے میں، کمپنی نے فزیشن کو اوپر کی طرف راؤنڈ نہیں کیا، کیونکہ بورڈ موجودہ تشکیل کو مناسب سمجھتا ہے۔"

ان افراد کے نام جو مالی سال کے دوران کسی بھی وقت کمپنی کے ڈائریکٹرز تھے

مالی سال کے دوران بورڈ آف ڈائریکٹرز کے چھ اجلاس منعقد کیے گئے۔ سال کے دوران پاکستان سے باہر کوئی اجلاس منعقد نہیں ہوا۔ غیر حاضری (اگر کوئی تھی) تو باقاعدہ طور پر رخصت لی گئی۔ ذیل میں ان افراد کے نام دیے جا رہے ہیں جو مالی سال کے دوران کسی بھی وقت کمپنی کے ڈائریکٹرز رہے:

نمبر شمار	ڈائریکٹرز کا نام	عہدہ
1	جناب مرزا جاوید اقبال	چیئر مین / نان ایگزیکٹو ڈائریکٹر
2	جناب جمشید اقبال	نان ایگزیکٹو ڈائریکٹر
3	محترمہ جہاں آرا سجاد احمد	خود مختار / نان ایگزیکٹو ڈائریکٹر
4	جناب محمد اسلم بھٹی	خود مختار / نان ایگزیکٹو ڈائریکٹر
5	جناب خرم جاوید	سی ای او / ایگزیکٹو ڈائریکٹر
6	جناب فہد جاوید	نان ایگزیکٹو ڈائریکٹر
7	جناب محمد متین جمشید	نان ایگزیکٹو ڈائریکٹر
8	جناب محمد صیام	نان ایگزیکٹو ڈائریکٹر
9	جناب محمد ولید بن طارق مغل	نان ایگزیکٹو ڈائریکٹر

سال کے دوران، ڈائریکٹرز کے انتخابات کے بعد، جناب محمد اسلم بھٹی اور محترمہ جہاں آرا سجاد احمد کو بطور خود مختار / نان ایگزیکٹو ڈائریکٹر مقرر کیا گیا۔ یہ تقرری جناب محمد ولید بن طارق مغل اور جناب محمد صیام کی جگہ کی گئی، جو یکم جنوری 2025ء سے ڈائریکٹرز کے عہدے سے سبکدوش ہو گئے۔

بورڈ کمیٹیز کے اراکین کے نام

آڈٹ کمیٹی

مالی سال کے دوران کمیٹی کے چار اجلاس منعقد ہوئے۔ کمیٹی کے اراکین کے نام درج ذیل ہیں:

نمبر شمار	ڈائریکٹرز کا نام	عہدہ
1	جناب اسلم بھٹی	چیئر مین / خود مختار ڈائریکٹر
2	جناب مرزا جاوید اقبال	ممبر / نان ایگزیکٹو ڈائریکٹر
3	جناب محمد متین جمشید	ممبر / نان ایگزیکٹو ڈائریکٹر

سال کے دوران، ڈائریکٹرز کے انتخابات کے بعد، کمیٹی کو از سر نو تشکیل دیا گیا، جس کے تحت جناب محمد اسلم بھٹی اور جناب محمد متین جمشید کو اور جناب جمشید اقبال اور جناب محمد صیام کی جگہ 07 جنوری 2025 سے بطور رکن مقرر کیا گیا۔

ہیومن ریسورس اینڈ ریمونریشن کمیٹی

مالی سال کے دوران کمیٹی کے ایک اجلاس منعقد ہوئے۔ کمیٹی کے اراکین کے نام درج ذیل ہیں:

نمبر شمار	ڈائریکٹرز کا نام	عہدہ
1	جناب اسلم بھٹی	چیئر مین / خود مختار ڈائریکٹر
2	جناب مرزا جاوید اقبال	ممبر / نان ایگزیکٹو ڈائریکٹر
3	جناب جمشید اقبال	ممبر / نان ایگزیکٹو ڈائریکٹر

سال کے دوران، ڈائریکٹرز کے انتخابات کے بعد، کمیٹی کو از سر نو تشکیل دیا گیا، جس کے تحت جناب محمد اسلم بھٹی اور جناب محمد صیام کی جگہ 07 جنوری 2025 سے بطور رکن مقرر کیا گیا۔

ڈائریکٹرز کا معاوضہ

بورڈ ممبران کا معاوضہ بورڈ کے ذریعے منظور کیا جاتا ہے۔ تاہم، یہ یقینی بنایا جاتا ہے کہ کوئی بھی ڈائریکٹر اپنے معاوضے کے فیصلے میں شامل نہ ہوں۔ نان ایگزیکٹو ڈائریکٹرز اور خود مختار ڈائریکٹرز کو صرف اجلاس میں شرکت کی فیس دی جاتی ہے۔ ان مالیاتی گوشورہ جات میں ڈائریکٹرز اور سی ای او کو ادا ہونے والے معاوضے کے پیکیجیز کی مجموعی رقم کے بارے میں معلومات کیلئے، براہ مہربانی مالیاتی گوشورہ جات کا متعلقہ نوٹس ملا ہرہ کریں۔

ڈائریکٹرز کی ویلوشن

بورڈ کی کارکردگی کا جائزہ لینے کے لیے خود اقسائی کی بنیاد پر ایک مؤثر نظام وضع کیا گیا ہے۔ بورڈ آف ڈائریکٹرز نے مؤثر نوٹس کو یقینی بنانے کے لیے قیمتی رہنمائی فراہم کرنا جاری رکھا۔

ڈائریکٹرز کی آرٹینیشن اور تربیتی پروگرام

چھ ڈائریکٹرز نے مجاز اداروں سے ڈائریکٹرز ٹریننگ پروگرام کی سند تکمیل کر لی ہے، جبکہ باقی ڈائریکٹرز بھی مستقبل میں یہ سند حاصل کریں گے۔

شیئر ہولڈرز کیلئے ڈائریکٹرز کی رپورٹ

مغل انرجی لمیٹڈ کا بورڈ آف ڈائریکٹرز 30 جون 2025 کو اختتام پذیر ہونے والے مالی سال کیلئے اپنی سالانہ رپورٹ بمعہ کمپنی کے آڈٹ شدہ مالیاتی گوشوارہ جات پیش کرتے ہوئے خوش محسوس کرتا ہے۔

بنیادی سرگرمی اور ڈھانچہ

کمپنی کی بنیادی سرگرمی بجلی کی پیداوار، خریداری، درآمد، تغیر، تبدیلی، تقسیم، سپلائی، برآمد اور بجلی اور توانائی کی تمام اقسام اور اس سے وابستہ مصنوعات یا خدمات کا کاروبار ہے۔

کمپنی مغل آئرن اینڈ اسٹیل انڈسٹریز لمیٹڈ (ہولڈنگ کمپنی) کی ذیلی کمپنی ہے۔

پاکستان کی معیشت

مالی سال 2025 کے دوران، پاکستان کی معیشت میں محتاط optimism کے آثار دیکھنے میں آئے۔ معاشی بحالی میں زرعی شعبے کا حصہ نمایاں رہا۔ صنعتی شعبے نے بدترجیح بحالی کا مظاہرہ کیا، جبکہ خدمات کا شعبہ بدلتی ہوئی طلب کی ہرکیات کے دوران استحکام کا حامل رہا۔ کرنٹ اکاؤنٹ میں درآمدات پر قابو اور بہتر ترسیلات زر کی بنا پر پہلے نو ماہ کے دوران سرپلس رہا۔ غیر ملکی زرمبادلہ کے ذخائر مزید مستحکم ہوئے، جس کی بنیادی وجہ آئی ایم ایف کی جانب سے فراہم کردہ توسیعی فنڈسہولت (Extended Fund Facility IMF) کی مددیں زر مبادلہ کی آمد تھیں۔ ریونیو کی وصولی اور اخراجات پر کنٹرول کے تسلسل کی بناء پر مالیاتی اشاریے نسبتاً بہتر ہوئے، جس کا نتیجہ مستقل پرائمری سرپلس کی صورت میں نکلا۔ شرح تبادلہ عمومی طور پر مستحکم رہا اور مہنگائی کے دباؤ میں معمولی کمی دیکھنے میں آئی۔

تاہم، اس پیش رفت کے باوجود، بنیادی ساختی چیلنجز برقرار رہے، جن میں توانائی کی بلند لاگت، بلند شرح سود، نجی سرمایہ کاری میں سیسٹم روی اور اہم شعبوں پر انتظامی پابندیاں شامل ہیں، جو منتج پیمانے پر بحالی کی رفتار پر اثر ڈالتے رہے۔

کاروباری، مالیاتی اور آپریشنل جائزہ

کمپنی کے 30 جون 2025 کو ختم ہونے والے سال کی مالیاتی جھلکیاں مندرجہ ذیل ہیں۔

30 جون کو ختم ہونے والا سال		سالانہ خسارہ
2024	2025	
روپے (ملین میں)		
19.170	21.280	
(0.11)	(0.12)	فی شیئر خسارہ - بیک اینڈ ائی لیوڈ (روپے میں)

کمپنی نے ابھی تک اپنے کاروباری سرگرمیوں کا آغاز نہیں کیا ہے اور اسی وجہ سے 30 جون 2025 کو ختم ہونے والے مالی سال میں خسارہ رپورٹ کیا، جو بنیادی طور پر تنخواہوں، فیس و سبسکریپشن اور مختلف معمول کے اخراجات کی وجہ سے ہوا۔ تاہم، کمپنی توقع کرتی ہے کہ کاروباری سرگرمیوں کے آغاز کے بعد منافع بخش نتائج سامنے آئیں گے۔

عملی محاذ پر، 36.50 میگا واٹ ہائڈرو پاور پلانٹ کی تعمیر میں ایک اہم سنگ میل کامیابی حاصل کر لی گئی، جس میں ہائیڈرو ٹبرسٹنک کے مرحلے کی تکمیل شامل تھی۔ یہ مرحلہ ایسے منصوبوں میں انتہائی اہم ہے کیونکہ یہ پائپ لائنوں، بوائمرز، اور متعلقہ نظام کی میکینیکل مضبوطی اور پریشر برداشت کی صلاحیت کو جانچنے کے لیے کیا جاتا ہے، تاکہ بجلی کے کاموں کے آغاز سے پہلے سب کچھ محفوظ ہو۔ منصوبہ اب اپنے آخری مراحل میں ہے۔

اس کے علاوہ، کمپنی نے اپنے 1.8 میگا واٹ سولر پاور پروجیکٹ کی تنصیب مکمل کر لی ہے۔ تاہم، چونکہ ہائڈرو پاور پلانٹ کی کمرشل آپریشن کی تاریخ (CoD) ابھی زیر التوا ہے، اس لیے مذکورہ سولر پلانٹ عارضی طور پر ہولڈنگ کمپنی کو کرایے پر دے دیا گیا ہے۔

سال کے دوران، ہولڈنگ کمپنی نے کمپنی کو غیر محفوظ طویل مدتی قرضہ جات کی صورت میں 2,500 ملین روپے فراہم کیے تاکہ کمپنی ہائڈرو پاور پلانٹ منصوبے کی مالی معاونت کی جاسکے۔ کمپنی کابینہ سسٹم مؤثر ہے اور کیش فلو کی مستقل نگرانی کی جاتی ہے تاکہ مجموعی لیویڈٹی کو یقینی بنایا جاسکے۔ تمام (contingencies) اور ذمہ داریوں کو مالی بیانات کے متعلقہ نوٹس میں تفصیل سے ظاہر کیا گیا ہے۔

30 جون 2025 کو کمپنی کی نیٹ ورٹھ 3,435.206 ملین روپے تھی، جو 30 جون 2024 کو 3,456.486 ملین روپے تھی۔ فی شیئر بریک اپ ویلیو 30 جون 2025 کو 15.85 روپے تھی، جبکہ 30 جون 2024 کو یہ 15.95 روپے تھی۔

کاروباری کارکردگی کا شعبہ وار جائزہ

نتائج ایک واحد رپورٹ ہونے والے شعبے کے طور پر رپورٹ کیے گئے ہیں۔ شعبہ وار جائزے کے بارے میں معلومات مالی بیانات کے متعلقہ نوٹس میں دی گئی ہیں۔

بعد ازاں واقعات / اہم تبدیلیاں

سوائے اس کے جو بیان شدہ ہیں، کمپنی کے مالی سال کے اختتام سے لیکر اس رپورٹ کی تاریخ تک سال کے دوران کوئی اہم تبدیلیاں اور معاہدہ جات نہیں ہوئے۔

ڈیویڈنڈز اور تصرفات

چونکہ کمپنی فلحال اپنے کاروباری آغاز سے پہلے کے مرحلے میں ہیں، لہذا کسی ڈیویڈنڈ کا اعلان نہیں کیا گیا اور نہ ہی کوئی اور تصرفات کیے گئے ہیں۔

سال کے دوران کمپنی کی بنیادی سرگرمیاں اور کاروباری ترقی اور کارکردگی

کمپنی کے کاروباری ترقی اور کارکردگی سے متعلق تفصیلات ڈائریکٹرز رپورٹ کے متعلقہ شعبوں میں فراہم کی گئی ہیں۔

کاروباری نوعیت میں تبدیلیاں

سال کے دوران کمپنی کے کاروباری نوعیت میں کوئی تبدیلی نہیں ہوئی، اور نہ ہی ایسی کوئی کمپنیاں تھیں جن میں کمپنی کی دلچسپی ہو، سوائے جہاں اور جگہوں پر انکشاف کیا گیا ہو۔

مستقبل کا منظر نامہ، اہم رجحانات اور عوامل جو کہ مستقبل کی ترقی، کارکردگی اور کمپنی کے کاروبار

کی پوزیشن کو متاثر کر سکتے ہیں

آگے بڑھتے ہوئے، کمپنی اپنی کمپنی ہائڈرو پاور پلانٹ کے آغاز کی کامیاب اور بروقت تکمیل کے لیے پرعزم ہے۔

چیئر مین کی جائزہ رپورٹ

میں 30 جون 2025 کو ختم ہونے والے مالی سال کے لیے چیئر مین کی جانب سے جائزہ رپورٹ پیش کرتے ہوئے خوشی محسوس کرتا ہوں۔

بورڈ کا توانائی کی پیداوار کے مختلف ذرائع کو متنوع بنانے اور ماحولیاتی طور پر دوستانہ رکھنے میں کردار مؤثر رہا ہے۔ بورڈ باقاعدگی سے بنیادی خطرات اور ان کے تدارک کے عوامل کا جائزہ لیتا ہے۔ بورڈ کمپنی کے مالی بیانات کی معیاری اور مناسبت، رپورٹنگ اور شفافیت، کمپنی کی اکاؤنٹنگ پالیسیوں، کارپوریٹ منصوبہ بندی، اور دیگر رپورٹس کا جائزہ لیتا ہے۔ بورڈ نے کوڈ آف کنڈکٹ بھی مرتب کیا ہے جو مطلوبہ رویے کی وضاحت کرتا ہے اور اسے کمپنی کے تمام حصوں میں نافذ کیا گیا ہے۔ مؤثر کنٹرول کے ماحول کو یقینی بنانے کے لیے مناسب کنٹرولز اور مضبوط نظام موجود ہیں تاکہ بہترین کارپوریٹ گورننس کے اصولوں پر عمل درآمد ہو سکے۔

آخر میں، میں اپنے ایگزیکٹو مینجمنٹ ٹیم کی لگن اور عزم کو سراہنا چاہوں گا۔ میں اپنے تمام ملازمین کی لگن اور اسٹیک ہولڈرز کے اعتماد کے لیے بھی شکریہ ادا کرنا چاہوں گا۔

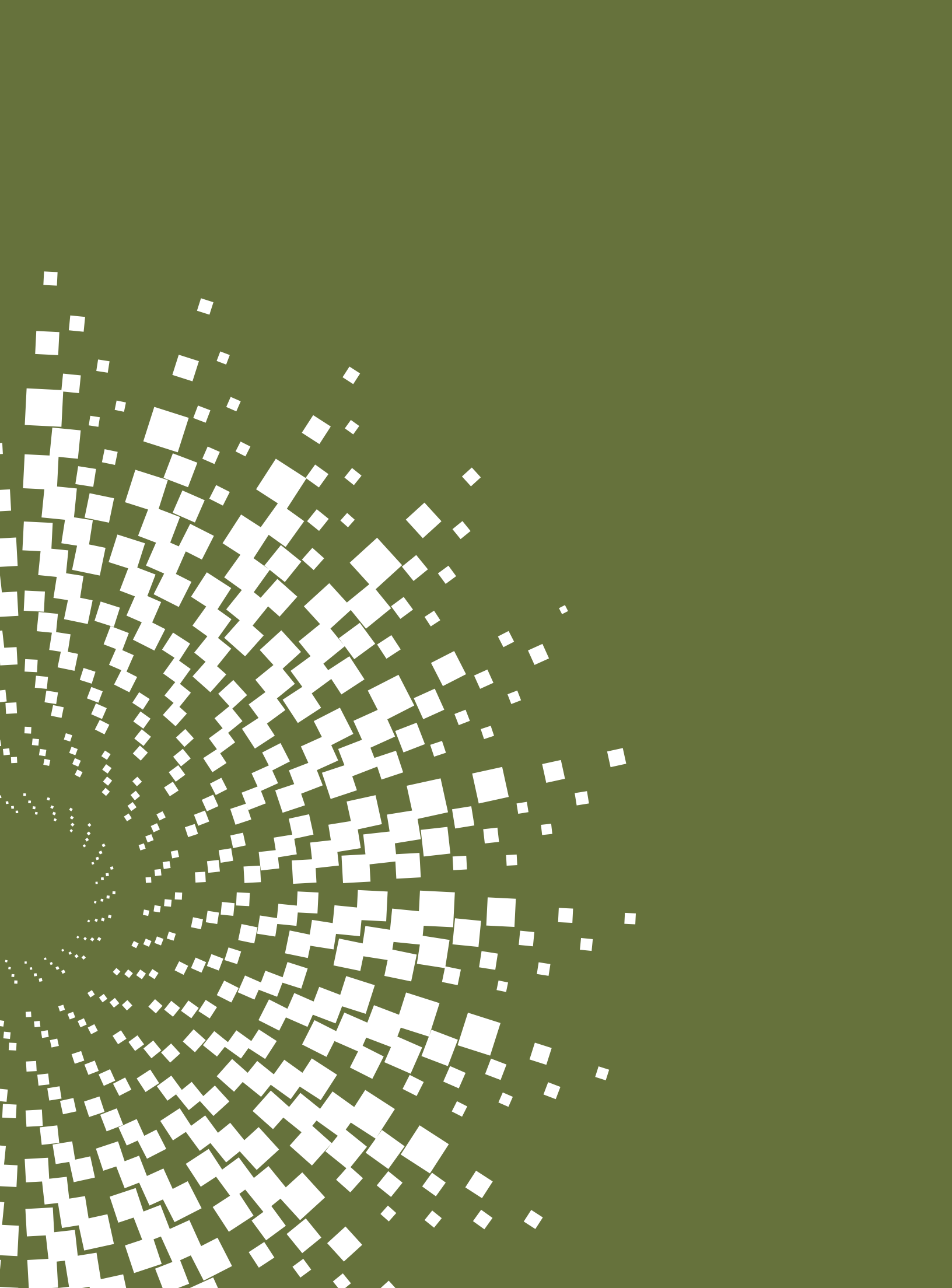
بورڈ نے پورے سال کے دوران اطمینان بخش کارکردگی کا مظاہرہ کیا۔ بورڈ کی کمیٹیاں بھی بورڈ کی ہدایات کے مطابق مؤثر طریقے سے کام کرتی رہیں۔ بورڈ آف ڈائریکٹرز کے چیئر مین اور چیف ایگزیکٹو آفیسر کے عہدے علیحدہ ہیں، اور ان کے کردار اور ذمہ داریوں کی واضح تقسیم ہے۔ چیئر مین بورڈ کے اجلاس کی قیادت کے ذمہ دار ہیں، جبکہ سی ای او ایک ایگزیکٹو ڈائریکٹر ہیں جو کمپنی کی انتظامیہ کی سربراہی بھی کرتے ہیں۔ انتظامیہ بنیادی طور پر بورڈ آف ڈائریکٹرز کی منظور شدہ حکمت عملیوں پر عمل درآمد کی ذمہ دار ہے اور کمپنی کے روزمرہ کاروباری امور کو بورڈ کے منظور شدہ اہداف اور حکمت عملیوں کے مطابق چلانے کی ذمہ دار ہے۔



مرزا جاوید اقبال

چیئر مین بورڈ

لاہور: 04 ستمبر 2025



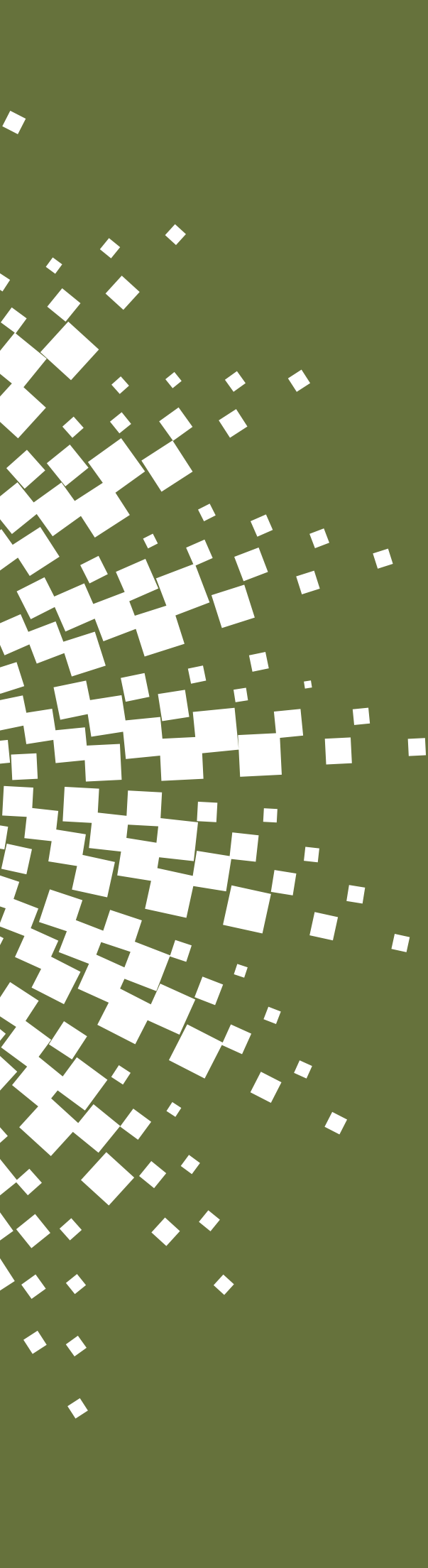
03

Financial Highlights

- Key Financial Data For Last Six Years

KEY FINANCIAL DATA FOR LAST SIX YEARS

Rupees	2024	2023	2022	2021	2020	2019
Statement of Financial Position						
Assets						
Non-Current Assets						
Property, plant and equipment	4,464,549,751	3,051,497,833	1,672,238,889	799,261,558	467,915,375	375,882,875
Long-term security deposit	87,500	87,500	–	–	–	–
	4,464,637,251	3,051,585,333	1,672,238,889	799,261,558	467,915,375	375,882,875
Current Assets						
Advances	13,047,000	33,258,971	–	11,872,440	–	1,611
Due from the government	459,095,089	244,621,855	133,524,683	1,510,594	895,111	–
Cash & Bank balances	205,656,677	60,941,033	20,617,557	149,003,962	34,707,376	41,664,429
	677,798,766	338,821,859	154,142,240	162,386,996	35,602,487	41,666,040
Total assets	5,142,436,017	3,390,407,192	1,826,381,129	961,648,554	503,517,862	417,548,915
Equity						
Authorized Share capital	2,500,000,000	2,500,000,000	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
Issued, subscribed and paid up capital	2,166,732,420	1,972,622,420	451,401,000	451,401,000	451,401,000	451,401,000
Share premium	116,365,179	–	–	–	–	–
Revaluation surplus on property, plant and equipment	1,064,174,125	1,064,174,125	–	–	–	–
Accumulated Loss	(105,452,774)	(86,282,493)	(48,216,340)	(38,859,476)	(36,608,962)	(35,186,889)
Equity contribution / loan from Directors	214,666,792	130,860,574	1,412,787,203	535,281,007	88,614,019	–
Total Equity	3,456,485,742	3,081,374,626	1,815,971,863	947,822,531	503,406,057	416,214,111
Non-Current Liabilities						
Long-term financing – secured	388,182,140	300,000,000	–	–	–	–
CURRENT LIABILITIES						
Trade and other payables	83,140,623	2,494,033	10,409,266	13,826,023	111,805	98,304
Short-term borrowings – unsecured	33,054,027	–	–	–	–	–
Short-term loans from Directors – unsecured	770,772,162	–	–	–	–	1,236,500
Accrued markup	376,983,463	6,538,533	–	–	–	–
Current portion of long-term financing	33,817,860	–	–	–	–	–
	1,297,768,135	9,032,566	10,409,266	13,826,023	111,805	1,334,804
Total liabilities	1,685,950,275	309,032,566	10,409,266	13,826,023	111,805	1,334,804
Total equity and liabilities	5,142,436,017	3,390,407,192	1,826,381,129	961,648,554	503,517,862	417,548,915
Statement of Profit or Loss						
Administrative expenses	(21,607,807)	(33,077,305)	(14,966,006)	(2,161,453)	(1,346,915)	(2,356,046)
Other charges	(1,071,460)	(105,000)	(75,000)	(75,000)	(75,000)	–
Finance Cost	(6,387)	(6,045)	(33,711)	(14,061)	(158)	(301)
Other Income	3,515,373	5,623,232	5,717,853	–	–	–
Loss before taxation	(19,170,281)	(27,565,118)	(9,356,864)	(2,250,514)	(1,422,073)	(2,356,347)
Taxation	–	–	–	–	–	–
Loss for the year	(19,170,281)	(27,565,118)	(9,356,864)	(2,250,514)	(1,422,073)	(2,356,347)
Statement of comprehensive Income						
Other comprehensive Income						
Items that will not be reclassified subsequently to profit and loss:						
Revaluation surplus on property, plant and equipment	–	1,064,174,125	–	–	–	–
Total comprehensive (loss)	(19,170,281)	1,036,609,007	(9,356,864)	(2,250,514)	(1,422,073)	(2,356,347)



04

FINANCIAL STATEMENTS

- Independent Auditor's review Report to the Members
- Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019
- Independent Auditor's Report to the Members
- Statement of Financial Position
- Statement of Profit or Loss
- Statement of Comprehensive Income
- Statement of Changes in Equity
- Statement of Cash Flows
- Notes to the Financial Statements



INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF MUGHAL ENERGY LIMITED

REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN THE 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 Mughal Energy Limited (the Company) for the year ended June 30, 2025 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 Directors' 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, 2025.

Muniff Ziauddin & Co

Muniff Ziauddin & Company

Chartered Accountants

(A member of BKR International)

Date: September 04, 2025

Lahore

UDIN: CR202510123yosXcW3AK

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019 (THE REGULATIONS)

Name of company: Mughal Energy Limited
Year ended: June 30, 2025

The Company has complied with the requirements of the Regulations in the following manner:

1. The total number of Directors are 7 as per the following;

a. Male	06
b. Female	01
2. The composition of Board is as follows:

a. Independent Directors	02	Mrs. Jahanara Sajjad Ahmad Mr. Muhammad Aslam Bhatti
b. Non-Executive Directors	04	Mr. Mirza Javed Iqbal Mr. Jamshed Iqbal Mr. Fahad Javaid Mr. Muhammad Mateen Jamshed
c. Executive Directors	01	Mr. Khurram Javaid
d. Female Director	01	Mrs. Jahanara Sajjad Ahmad
3. The Directors have confirmed that none of them is serving as a Director on 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 Act and these 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 procedures for remuneration of Directors in accordance with the Act and these Regulations;
9. Six Directors of the Company have completed the Director's Training Program certification from authorized institutions;
10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;
12. The Board has formed committees comprising of members given below;

Audit Committee	Mr. Muhammad Aslam Bhatti – Chairman Mr. Mirza Javed Iqbal – Member Mr. Muhammad Mateen Jamshed – Member
HR and Remuneration Committee	Mr. Muhammad Aslam Bhatti – Chairman Mr. Mirza Javed Iqbal – Member Mr. Jamshed Iqbal – Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance;
14. The frequency of meetings of the committees were as per following;

a. Audit Committee	Four meetings
b. HR and Remuneration Committee	One meeting
15. The Board has set up an effective in-house internal audit function which is considered suitably qualified and experienced for the purpose and is 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 program 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 a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director 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, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with; and
19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:
 - a) In respect of independent directors, the Company has not rounded up the fraction as one, as the Board has determined the current composition adequate;
 - b) In respect of DTP, the remaining directors and executives / head of departments will also complete Director's Training Program in near future;
 - c) Currently, the Board has not constituted separate Nomination Committee, Risk Management Committee and Sustainability Committee, as their issues are deliberated in Board meetings;
 - d) The management is assessing the requirements of Regulations 10-A and their compliance thereof; and
 - e) The requirement to disclose significant policies on the website is non-mandatory in regulation no. 35(1), and thus the Company has not yet uploaded information in this respect on its website. The Company is however, considering placing these policies on its website in near future.



Mirza Javed Iqbal
Chairman / Director

Lahore: September 04, 2025



Khurram Javaid
Chief Executive Officer / Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MUGHAL ENERGY LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the annexed financial statements of Mughal Energy Limited (the Company), which comprise the statement of financial position as at June 30, 2025, 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 ended, 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, 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 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, 2025 and of the loss, other comprehensive loss, 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.

Following is the Key audit matter:

S. No.	Key audit matter	How the matter was addressed in our audit
1	Capital work-in-progress The Company is in the process of installing a 36.50 MW captive hybrid power plant, with significant costs recognized under capital work-in-progress (CWIP) as at the reporting date. The recognition, measurement, and classification of these expenditures involve judgment in determining whether costs meet the capitalization criteria under the applicable financial reporting framework. There is also a risk of incorrect allocation between CWIP and operating expenses, as well as the need to ensure appropriate disclosure in the financial statements.	Our audit procedures included, among others: - Obtaining a detailed schedule of capital work-in-progress (CWIP) and reconciling it with the general ledger. - Testing sample of expenditures to supporting documentation (invoices, contracts, payment records) to assess whether they met the capitalization criteria. - Evaluating management's basis for classification and assessing whether costs were appropriately allocated between CWIP and other asset categories. - Reviewing the adequacy and completeness of related disclosures in the financial statements.

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

Management is responsible for other information. The other information comprises the information included in the Company's 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 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.

Boards of Directors are responsible for overseeing the Company's financial reporting process.

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.

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) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Arqum Naveed.

Muniff Ziauddin & Co

Muniff Ziauddin & Company

Chartered Accountants

(A member of BKR International)

Date: September 04, 2025

Lahore

UDIN: AR202510123gcSjBfPW

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2025

Rupees	Note	2025	2024
ASSETS			
NON – CURRENT ASSETS			
Property, plant and equipment	6	6,466,457,989	4,464,549,751
Long-term security deposit		87,500	87,500
		6,466,545,489	4,464,637,251
CURRENT ASSETS			
Advances	7	–	13,047,000
Due from the government	8	758,585,265	459,095,089
Cash and bank balances	9	14,760,779	205,656,677
		773,346,044	677,798,766
Total assets		7,239,891,533	5,142,436,017
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital	10	2,500,000,000	2,500,000,000
Issued, subscribed and paid-up capital	11	2,166,732,420	2,166,732,420
Share premium	12	116,365,179	116,365,179
Revaluation surplus on property, plant and equipment	13	1,064,174,125	1,064,174,125
Accumulated loss		(126,732,797)	(105,452,774)
Equity contribution / loan from Directors	14	214,666,792	214,666,792
		3,435,205,719	3,456,485,742
LIABILITIES			
NON-CURRENT LIABILITIES			
Long-term financing	15	3,270,934,316	388,182,140
CURRENT LIABILITIES			
Trade and other payables	16	163,943,132	83,140,623
Accrued profit / markup	17	24,881,794	33,054,027
Short-term borrowings – unsecured	18	–	770,772,162
Short-term loans from Directors – unsecured	19	264,508,448	376,983,463
Current portion of long-term financing	15	80,418,124	33,817,860
		533,751,498	1,297,768,135
Total liabilities		3,804,685,814	1,685,950,275
Total equity and liabilities		7,239,891,533	5,142,436,017

CONTINGENCIES AND COMMITMENTS

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The annexed notes, from 1 to 37 form an integral part of these financial statements.



Khurram Javaid
Chief Executive Officer / Director



Muhammad Zafar Iqbal
Chief Financial Officer



Fahad Javaid
Director

STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED JUNE 30, 2025

Rupees	Note	2025	2024
Revenue		—	—
Cost of revenue		—	—
Gross profit / (loss)		—	—
Administrative expenses	21	(25,823,187)	(21,607,807)
Other charges	22	(790,250)	(1,071,460)
Other income	23	8,107,954	3,515,373
Finance cost	24	(2,774,540)	(6,387)
		(21,280,023)	(19,170,281)
Loss before taxation		(21,280,023)	(19,170,281)
Taxation	25	—	—
Loss for the year		(21,280,023)	(19,170,281)
Loss per share – basic and diluted	26	(0.12)	(0.11)

The annexed notes, from 1 to 37 form an integral part of these financial statements.



Khurram Javaid
Chief Executive Officer / Director



Muhammad Zafar Iqbal
Chief Financial Officer



Fahad Javaid
Director

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2025

Rupees	2025	2024
Loss for the year	(21,280,023)	(19,170,281)
Other comprehensive income		
Items that may be subsequently reclassified to profit or loss:	—	—
Items that will not be subsequently reclassified to profit or loss:	—	—
Total comprehensive loss for the year	(21,280,023)	(19,170,281)

The annexed notes, from 1 to 37 form an integral part of these financial statements.



Khurram Javaid
Chief Executive Officer / Director



Muhammad Zafar Iqbal
Chief Financial Officer



Fahad Javaid
Director

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2025

Rupees	Capital reserves			Revenue reserve	Equity contribution / loan from Directors	Total Equity
	Issued, subscribed and paid-up capital	Share premium	Revaluation surplus on property, plant and equipment	Accumulated Loss		
BALANCE AS AT JUNE 30, 2023	1,972,622,420	–	1,064,174,125	(86,282,493)	130,860,574	3,081,374,626
Loss for the year ended June 30, 2024	–	–	–	(19,170,281)	–	(19,170,281)
Other comprehensive income	–	–	–	–	–	–
Total comprehensive Loss	–	–	–	(19,170,281)	–	(19,170,281)
Contribution during the year	–	–	–	–	83,806,218	83,806,218
Transaction with owners recognized directly in equity:						
Issuance of 19,411,000 ordinary shares of Rs. 10/- each	194,110,000	–	–	–	–	194,110,000
Share premium on issuance of ordinary shares						
@ Rs. 6.74/- per share	–	130,830,140	–	–	–	130,830,140
Transaction costs	–	(14,464,961)	–	–	–	(14,464,961)
BALANCE AS AT JUNE 30, 2024	2,166,732,420	116,365,179	1,064,174,125	(105,452,774)	214,666,792	3,456,485,742
Loss for the year ended June 30, 2025	–	–	–	(21,280,023)	–	(21,280,023)
Other comprehensive income	–	–	–	–	–	–
Total comprehensive Loss	–	–	–	(21,280,023)	–	(21,280,023)
BALANCE AS AT JUNE 30, 2025	2,166,732,420	116,365,179	1,064,174,125	(126,732,797)	214,666,792	3,435,205,719

The annexed notes, from 1 to 37 form an integral part of these financial statements.



Khurram Javaid
Chief Executive Officer / Director



Muhammad Zafar Iqbal
Chief Financial Officer



Fahad Javaid
Director

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2025

Rupees	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(21,280,023)	(19,170,281)
Adjustments:		
Profit on saving accounts	(24,021)	(30,573)
Finance cost	2,774,540	6,387
	2,750,519	(24,186)
Loss before working capital changes	(18,529,504)	(19,194,467)
Working capital changes:		
Decrease / (Increase) In current assets		
Advances	13,047,000	(3,888,397)
Deposits, prepayments and other receivables	–	24,100,368
Due from the government	(293,780,119)	(213,340,814)
	(280,733,119)	(193,128,843)
Increase / (Decrease) in current liabilities		
Trade and other payables	80,802,509	80,646,590
Cash used in operations	(218,460,115)	(131,676,720)
Payment of income tax	(5,710,057)	(1,132,420)
Net cash used in operating activities	(224,170,172)	(132,809,140)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for acquisition of property, plant and equipment	(1,793,164,740)	(1,315,770,903)
Profit received on saving accounts	24,021	30,573
Net cash used in investing activities	(1,793,140,719)	(1,315,740,330)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds from long-term financing	2,929,352,440	122,000,000
Net payments of / proceeds from short-term borrowings	(770,772,162)	770,772,162
Net payments of / proceeds from short-term loans from Directors	(112,475,015)	376,983,463
Proceeds from equity contribution / loan from Directors	–	83,806,218
Proceeds from issuance of shares	–	324,940,140
Payment of transaction cost for issuance of shares	–	(14,464,961)
Payment of finance cost	(219,690,270)	(70,771,908)
Net cash generated from financing activities	1,826,414,993	1,593,265,114
NET DECREASE / INCREASE IN CASH AND CASH EQUIVALENTS	(190,895,898)	144,715,644
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	205,656,677	60,941,033
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	14,760,779	205,656,677

The annexed notes, from 1 to 37 form an integral part of these financial statements.



Khurram Javaid
Chief Executive Officer / Director



Muhammad Zafar Iqbal
Chief Financial Officer



Fahad Javaid
Director

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

1 THE COMPANY AND ITS OPERATIONS

The Company was incorporated as Public Limited Company in Pakistan on August 19, 2012 and is domiciled in Lahore. The ordinary shares of the Company are listed on the Growth Enterprise Market (GEM) Board of Pakistan Stock Exchange Limited (PSX). The principal purpose of the Company is to carry on business of generating, purchasing, importing, transforming, converting, distributing, supplying, exporting and dealing in electricity and all other forms of energy and products or services associated therewith. The Company is a subsidiary of Mughal Iron & Steel Industries Limited, which holds 90% of the ordinary shares and 100% of the Class-B shares of the Company and based upon voting rights associated, controls 99.21% of the Company.

The Company is currently in process of installation of a 36.50 MW captive hybrid power plant project, therefore, capacity and actual production disclosures have not been provided.

The geographical locations and addresses of the Company's business units including plant are as follows:

Business unit:	Geographical Location / Address:
- Registered office	31-A Shadman-I, Lahore.
- Plant site	17-KM, Sheikhpura Road, Lahore.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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:

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

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

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except as otherwise stated in relevant notes.

2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupee (Rs. / Rupees) which is the Company's functional currency.

3 KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with accounting and reporting standards, requires management to use certain accounting estimates and exercise judgments in the process of applying the Company's accounting policies. Estimates and judgments are regularly evaluated and are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of revision and future periods, if the revision affects both current and future periods. The areas involving significant estimates or judgments are:

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

- i) Useful lives, residual values, depreciation method, revaluation and impairment of property, plant and equipment (note 4.1 and 6)
- ii) Estimation of contingencies (note 4.8 and 20)
- iii) Leases (note 4.14)
- iv) Borrowings and Borrowing costs (note 4.9)

4 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated. Accounting policies related to material class of accounts does not necessarily means it is material.

4.1 Property, plant and equipment

Tangible operating assets:

Items of property, plant and equipment are initially measured at cost. Cost comprises of historical cost, borrowing cost pertaining to the qualifying assets and other directly attributable costs of bringing the assets to their working condition. Subsequently, these are measured at cost less accumulated depreciation and accumulated impairment loss, if any, except for freehold land which is stated at revalued amount less accumulated impairment. Subsequent costs are included in the carrying amount of the items of property, plant and equipment or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably. Cost incurred to replace a component of an item of property, plant and equipment is capitalized and the asset so replaced is derecognized. The cost of the day to day servicing is charged to profit or loss.

Any revaluation increase arising on revaluation of items of property, plant and equipment is recognized in other comprehensive income and presented as a separate component of equity as "Revaluation surplus on property, plant and equipment" net of related deferred taxation (if any), except to the extent that it reverses a revaluation decrease for the same asset previously recognized in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. Accumulated depreciation outstanding as at the revaluation date is eliminated against the gross carrying amount of the items of property, plant and equipment revalued and the net amount is restated to the revalued amount of the items of property, plant and equipment revalued. Any decrease as a result of revaluation of items of property, plant and equipment is recognized in profit or loss, however, a decrease is recorded in other comprehensive income to the extent of any credit balance entry in revaluation surplus in respect of same assets. An annual transfer from the revaluation surplus on property, plant and equipment to un-appropriated profit / accumulated loss is made for the difference between depreciation based on the revalued carrying amount of the asset and the depreciation based on assets original cost (net of deferred tax).

Depreciation (if any) is charged to profit or loss applying the straight line method at the rates given in note 6.1 to the financial statements to write off the depreciable amount of each asset over its estimated useful life. Depreciation (if any) is charged from the date when the asset becomes available for use up to the date of its disposal.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefit is expected from its use or disposal. Any gain or loss on disposal or de-recognition (calculated as the difference between the net disposal proceeds and carrying amount of the asset) is taken to profit or loss. In case of disposal of revalued item of property, plant and equipment, any revaluation surplus relating to the particular asset being sold is transferred to un-appropriated profits / accumulated loss.

The useful lives, residual values and depreciation method are reviewed on a regular basis. The effect of any changes in estimate is accounted for on a prospective basis. Further, the key assumptions used to determine the fair value of property, plant and equipment are provided in note 6.

Assets held on operating lease:

Land and equipment subject to operating leases are presented as part of property, plant and equipment. Land is carried at revalued amounts, based on periodic valuations by independent valuers, less any subsequent impairment losses, and is not depreciated. The land has not been classified as investment property because it is intended for the Company's future use in the production or supply of goods, and therefore falls within the scope of IAS - 16 'Property, Plant and Equipment' rather than IAS - 40 'Investment Property'. Solar equipment is carried at cost less accumulated depreciation and accumulated impairment losses, and is depreciated over its estimated useful life on straight-line basis. Lease income from operating leases is recognized on a straight-line basis over the lease term. Initial direct costs incurred in negotiating and arranging an operating lease are capitalized and amortized over the lease term on the same basis as the lease income.

Capital work-in-progress:

Capital work in progress is stated at cost less accumulated impairment loss and represents expenditure incurred on property, plant and equipment during the construction and installation. Cost also includes applicable borrowing costs. It also includes cost incurred on assets constructed on land held under operating lease or similar usage rights. These costs are recognised when they are directly attributable to the construction and are capitalized until the asset is ready for intended use. Transfers are made to relevant property, plant and equipment category as and when assets are available for use as intended.

Impairment:

Impairment test for property, plant and equipment is performed when there is an indication of impairment. At each period end, an assessment is made to determine whether there is any indication of impairment. If any indications exist, an estimate of the recoverable amount is calculated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. If the carrying amount of the asset exceeds its recoverable amount, the asset is impaired and an impairment loss is charged to profit or loss so as to reduce the carrying amount of the asset to its recoverable amount.

Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. Value in use is determined as the present value of the estimated future cash flows expected to arise from the continued use of the tangible fixed asset in its present form and its eventual disposal.

An impairment loss is recovered if there has been a change in the estimate used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if any, if no impairment loss had been recognized.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit, or CGU").

4.2 Foreign currency transactions and translation

Transactions in foreign currencies are translated to Pakistani Rupees at the foreign exchange rates prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies are re-translated into Pakistani Rupees at the foreign exchange rates approximating those prevailing at the statement of financial position date. Exchange differences, if any, are charged to the profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

4.3 Income tax

Current:

The Company designates the amount calculated on taxable income using the notified tax rate, after taking into account tax credits, rebates and exemptions, if any, as current income tax within the scope of IAS – 12 ‘Income Taxes’ and recognizes it as current income tax expense. Any excess of minimum tax, over the amount designated as current income tax expense, is then recognized as a levy falling under the scope of IAS – 37” Provisions, Contingent Liabilities and Contingent Assets”.

Deferred:

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is not recognized on temporary differences arising from the 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; and differences arising on the initial recognition of goodwill and temporary differences related to investments in subsidiaries, associates and joint arrangements 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.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted at reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different taxable entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

The carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to reflect the current assessment of future taxable profits. If required, carrying amount of deferred tax asset is reduced to the extent that it is no longer probable that sufficient taxable profits to allow the benefit of part or all of that recognized deferred tax asset to be utilized. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.

4.4 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Recognition and initial measurement:

Trade debts and debt securities issued, (if any), are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade debt without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or

loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade debt (if any) without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement:

Financial assets

On initial recognition, a financial asset is classified as measured at: amortized cost, fair value through other comprehensive income (FVOCI) – debt investment; fair value through other comprehensive income – equity investment or fair value through profit or loss (FVTPL), as appropriate. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The Company classifies all its financial assets as measured at amortized cost. The classification is made in accordance with the Company's business model for managing the financial assets and contractual cash flow characteristics of the financial assets. This classification is only made when the Company's financial assets are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and when the contractual cash flows of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company does not hold any debt investments or equity investments.

Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL, as appropriate. A financial liability is classified as at FVTPL, if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss. The Company classifies all of its financial liabilities as 'Other financial liabilities'.

Derecognition:

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

Off setting of financial assets and financial liabilities:

Financial assets and financial liabilities are offset and the net amount is presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

Effective interest method:

The effective interest method is a method of calculating the amortized cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

Equity instruments:

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Impairment policy:

The Company recognizes loss allowances for expected credit losses (ECLs) on:

- financial assets measured at amortized cost;
- debt investments measured at FVOCI (if any); and
- contract assets (if any).

However, the Company does not have any debt investments measured at FVOCI or contract assets or trade debts.

For financial assets (other than trade debts if any) whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognized. Loss allowance equal to the lifetime expected credit losses is recognized if the credit risk on these financial asset has significantly increased since initial recognition. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort.

At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt securities, if any, at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. The Company considers a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower / customer;
- a breach of contract such as a default or being more than 365 days past due; or
- the restructuring of a loan or advance by the Company on terms that the Company would not consider – otherwise;
- it is probable that the borrower / customer will enter bankruptcy.

Presentation of allowance for ECL in the statement of financial position:

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written-off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Company makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery.

4.5 Trade and other payables

Trade and other payables are recognized initially at fair value plus directly attributable cost, if any, and subsequently measured at amortized cost. These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid.

4.6 Cash and cash equivalents

Cash and bank balances are carried in the statement of financial position at amortized cost. For the purpose of the statement of cash flow statement, cash and cash equivalents comprises of cash in hand, cash at banks and short-term highly liquid investments, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

4.7 Provisions

A provision is recognized in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense. As the actual outflows can differ from estimates made for provisions due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are reviewed at each reporting date and adjusted to take account of such changes. Any adjustments to the amount of previously recognized provision is recognized in profit or loss unless the provision was originally recognized as part of cost of an asset.

4.8 Contingent liabilities / assets

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. Contingent assets are disclosed when the Company has a possible asset that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of the one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognized until their realization becomes certain.

4.9 Borrowings and borrowing costs

Borrowings are recognized initially at fair value, net of 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 profit or loss over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

statement of financial position date. Borrowing costs are recognized as an expense in the period in which these are incurred except in cases where such costs are directly attributable to the acquisition, construction or production of a qualifying asset (one that takes substantial period of time to get ready for use or sale) in which case such costs are capitalized as part of the cost of that asset.

4.10 Share capital

Ordinary shares and Class-B shares are classified as equity instruments and recognized at their face value. Transaction costs of an equity transaction are accounted for as a deduction from equity to the extent that they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

4.11 Interest Income and finance costs

Interest Income comprises interest income on funds invested in term deposit receipts and saving accounts. Interest Income is recognized as it accrues in profit or loss, using effective interest method.

Finance costs comprise of bank charges, interest expense on borrowings and impairment losses recognized on financial assets, if any. The Company's policy relating to borrowing costs is mentioned in note 4.9.

4.12 Loans, deposits, interest accrued and other receivables

These are classified at amortized cost and are initially recognized when they are originated and measured at fair value of consideration receivable. These assets are written off when there is no reasonable expectation of recovery. Actual credit loss experience over past years is used to base the calculation of expected credit loss.

4.13 Earning per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares only. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares. Class-B shares are not considered for the purpose of calculating EPS since they are not entitled to any dividend / profit participation.

4.14 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessor:

Leases for which the Company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Assets subject to operating lease are initially stated at cost and subsequently at cost / revalued amounts less accumulated depreciation and accumulated impairment, if any, as the case may be. The revaluation, impairment and depreciation policy for assets subject to operating leases is consistent with the normal policy in respect of tangible fixed assets as mentioned in note 4.1.

Company as a lessee:

The Company has elected not to recognize right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. The lease payments associated with these leases are recognized as an expense on straight-line basis over the lease term.

4.15 Levies

As per IAS - 12 'Application Guidance on Accounting for Minimum Taxes and Final Taxes' issued by the Institute of Chartered Accountants of Pakistan (ICAP), the Company designates any excess of minimum tax over the amount designated as current income tax expense, and final taxes as a 'Levies'.

4.16 Employee benefits

Post-employment benefit:

Based upon number of employees the Company is currently not required to provide any post employment benefits, therefore, no provision has been provided.

Short-term employee benefits:

A liability is recognized for benefits accruing to employees in respect of wages and salaries and other short-term employee benefits in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

4.17 Dividend and reserve appropriations

Final dividend distributions to the Company's shareholders are recognized as a liability in the financial statements in the period in which the dividends are approved by the Company's shareholders at the Annual General Meeting, while interim dividend distributions are recognized in the period in which the dividends are approved by the Board of Directors. Any other movements in reserves are recognized in the year in which the appropriations are approved.

4.18 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief executive officer (CEO) has been identified as the 'chief operating decision-maker', who is responsible for allocating resources and assessing performance of the operating segments. Segment results that are reported to the CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Currently, the results are reported as a single reportable segment.

5 NEW AND AMENDED STANDARDS AND INTERPRETATIONS

5.1 Standards, amendments to published standards and interpretations that are effective in the current year

Except as mentioned elsewhere, certain standards, amendments and interpretations to IFRS - Standards are effective for accounting periods beginning on July 1, 2024 but are considered not to be relevant or to have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these financial statements.

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

Following are the standards and amendments to the IFRS - Standards that are mandatory for companies having accounting periods beginning on or after July 1, 2025 and have not been early

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

adopted by the Company. These are considered either not to be relevant or to have any significant effect on the Company's operations upon their initial application and are therefore not detailed in these financial statements.

		Effective date (annual periods beginning on or after)
IAS - 21	The Effects of Changes in Foreign Exchange Rates	1 January 2025
IFRS - 7	Financial Instruments: Disclosures	1 January 2026
IFRS - 9	Financial Instruments	1 January 2026
IFRS - 17	Insurance contracts	1 January 2026
	Annual improvements to IFRS - 7, IFRS - 9, IFRS - 10 'Consolidated Financial Statements' and IAS - 7 'Statement of Cash Flows'	1 January 2026

5.3 Standards, amendments and interpretations to existing standards that are not yet locally notified

Following are the standards, interpretations and amendments, which have been issued by the International Accounting Standards Board (IASB) but have not been notified locally by the Securities and Exchange Commission of Pakistan (SECP) as at June 30, 2025. These are considered either not to be relevant or to have any significant effect on the Company's operations upon their initial application and are therefore not detailed in these financial statements.

IFRS - 1	First Time Adoption of International Financial Reporting Standards
IFRIC - 12	Service Concession Arrangement
IFRS - 18	Presentation and Disclosures in Financial Statements
IFRS - 19	Subsidiaries without Public Accountability: Disclosures

5.4 As per directive dated December 31, 2024 issued by the Securities and Exchange Commission of Pakistan (SECP), IFRS - S1 'General Requirements for Disclosure of Sustainability-related Financial Information' and IFRS - S2 'Climate-related Disclosures' shall be applicable from annual period beginning from July 1, 2025. The management anticipates that the adoption of these standards in future periods will have no material impact on these financial statements other than in presentation / disclosures.

Rupees	Note	2025	2024
6	PROPERTY, PLANT AND EQUIPMENT		
Tangible fixed assets	6.1	1,816,361,275	1,573,275,000
Capital work-in-progress	6.2	4,650,096,714	2,891,274,751
		6,466,457,989	4,464,549,751

6.1 Tangible fixed assets:

Rupees	Freehold land – (operating)	Assets subject to operating lease Freehold land	Solar plant	Subtotal	Total
Gross carrying value basis					
As at June 30, 2023					
Cost / revalued amount	1,451,584,602	121,690,398	–	121,690,398	1,573,275,000
Net book value	1,451,584,602	121,690,398	–	121,690,398	1,573,275,000
Net carrying value basis					
Year ended June 30, 2024					
Opening net book value	1,451,584,602	121,690,398	–	121,690,398	1,573,275,000
Balance as at June 30, 2024	1,451,584,602	121,690,398	–	121,690,398	1,573,275,000
Gross carrying value basis					
As at June 30, 2024					
Cost / revalued amount	1,451,584,602	121,690,398	–	121,690,398	1,573,275,000
Net book value	1,451,584,602	121,690,398	–	121,690,398	1,573,275,000
Net carrying value basis					
Year ended June 30, 2025					
Opening net book value	1,451,584,602	121,690,398	–	121,690,398	1,573,275,000
Transfers from capital work-in-progress	–	–	243,893,547	243,893,547	243,893,547
Depreciation charge for the year	–	–	(807,272)	(807,272)	(807,272)
Balance as at June 30, 2025	1,451,584,602	121,690,398	243,086,275	364,776,673	1,816,361,275
Depreciation Rate (%)	–	–	4	–	–
Gross carrying value basis					
Balance as at June 30, 2025					
Cost / revalued amount	1,451,584,602	121,690,398	243,893,547	365,583,945	1,817,168,547
Accumulated depreciation	–	–	(807,272)	(807,272)	(807,272)
Net book value	1,451,584,602	121,690,398	243,086,275	364,776,673	1,816,361,275

6.1.1 The depreciation charge for the year has been allocated as follows:

Rupees	2025	2024
Administrative expenses	807,272	–

6.1.2 Freehold land (operating) and freehold land subject to operating lease, have been measured using the revaluation model. Latest revaluation was conducted on June 30, 2023 and performed by an independent valuer – M/s Tristar International Consultant (Private) Limited, having appropriate qualifications and recent experience in the fair value measurement of properties in the relevant locations. Revaluation was carried out on the basis of information from various real estate agents of present market values of similar property in the vicinity. If the cost model had been used, the carrying amount of the freehold land (operating) and freehold land subject to operating lease would have been Rs. 467.915 million (2024: Rs. 467.915 million) and Rs. 41.185 million (2024: Rs. 41.185 million) respectively. The forced sale value as per latest revaluation report of freehold land (operating) and freehold subject to operating lease is Rs. 1,197.034 million and Rs. 140.250 million, respectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

6.1.3 The Company holds freehold land measuring 48 kanal costing Rs. 41.185 million (2024: Rs. 41.185 million), acquired with the funds of the Company, which is not in the possession and control of the Company as it has been leased out. The freehold land is presently in the possession and control of Mughal Iron & Steel Industries Limited – holding company (2024: Indus Steel Mills Corporation (Private) Limited – related party). The arrangement is made to enable the holding company/related party to utilize the freehold land for operational purposes.

6.1.4 The Company has acquired solar plant which is not in the possession and control of the Company as it has been temporarily leased out to Mughal Iron & Steel Industries Limited – holding company, amounting to Rs. 243.893 million.

6.1.5 Information about the fair value hierarchy of freehold land (operating) and freehold land subject to operating lease as at the end of the reporting period are as follows:

Rupees	Level 2	Total
Freehold land (operating)	1,451,584,602	1,451,584,602
Land subject to operating lease	121,690,398	121,690,398
June 30, 2025	1,573,275,000	1,573,275,000
Freehold land (operating)	1,451,584,602	1,451,584,602
Land subject to operating lease	121,690,398	121,690,398
June 30, 2024	1,573,275,000	1,573,275,000

- Level 1: quoted prices in active markets for identical assets or liabilities;
- Level 2: those involving Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3: Inputs for the asset or liability that are not based on observable market data.

The fair value of the freehold land – (operating) and freehold land subject to operating lease, was estimated based on appraisals performed by independent, professionally qualified property valuer. The appraisal was carried out using a market approach that reflects observed prices for recent market transactions for similar properties and incorporates adjustments for factors specific to the land in question such as its location, size, shape, development of the surrounding locality, etc. The significant unobservable input is the adjustment for factors specific to the land in question. The extent and direction of this adjustment depends on the number and characteristics of the observable market transactions in similar properties that are used as the starting point for valuation. Although this input is a subjective judgement, management considers that the overall valuation would not be materially affected by reasonably possible alternative assumptions.

6.1.6 Particulars of immovable fixed assets are as follows:

Description:	Location:	Approx. area of land:
– Freehold land subject to operating lease (Note: 6.1.3)	17 KM, Sheikhpura Road, Lahore.	48 Kanal
– Plant site	17 KM, Sheikhpura Road, Lahore.	409.68 Kanal

6.2 Following is the movement in capital work-in-progress:

Rupees	Note	Opening balance	Additions	Transfers	Closing balance
Hybrid power plant		2,693,329,161	1,954,100,260	–	4,647,429,421
Solar plant		197,945,590	45,947,957	(243,893,547)	–
Building	6.2.1	–	2,667,293	–	2,667,293
June 30, 2025		2,891,274,751	2,002,715,510	(243,893,547)	4,650,096,714
June 30, 2024		1,478,222,833	1,413,051,958	–	2,891,274,751

6.2.1 During the year, the Company leased out freehold land to Mughal Iron & Steel Industries Limited (holding company), for a period of 15 years, whereby, the holding company will develop the freehold land for use as godown, and at the end of the term the said development will become property of the Company. Accordingly, this represents the development cost been recognized over a period of 15 years by the Company.

6.3 Detail of charge created on certain items of property, plant and equipment is given in note 15. The Company is not allowed to offer the assets under charge as security for additional borrowings or to sell them without prior approval of the existing lenders.

6.4 Contractual commitments for the acquisition of property, plant and equipment amounted to Rs. 881.911 million as at June 30, 2025 (2024: Rs. 1,807.048 million).

6.5 Property, plant and equipment includes certain assets held under common ownership under diminishing musharaka arrangement.

Rupees	Note	2025	2024
7 ADVANCES			
(Unsecured & considered good)			
Advances to suppliers		–	13,047,000
8 DUE FROM THE GOVERNMENT			
Sales tax - net		732,738,726	438,958,607
Advance income tax		25,846,539	20,136,482
		758,585,265	459,095,089
9 CASH AND BANK BALANCES			
<i>Balances with Islamic banks:</i>			
- Current accounts		14,350,008	200,551,330
- Saving accounts	9.1	23,436	372,804
		14,373,444	200,924,134
<i>Balances with conventional banks:</i>			
- Current accounts		300,075	4,303,708
		14,673,519	205,227,842
Cash in hand		87,261	428,835
		14,760,779	205,656,677

9.1 Saving accounts carried profit rate ranging between 4% to 5% (2024: 7% to 10%).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

10 AUTHORIZED SHARE CAPITAL

The Authorized Share Capital of the Company is Rs. 2,500,000,000 (2024: Rs. 2,500,000,000) divided into 200,000,000 (2024: 200,000,000) ordinary shares of Rs. 10/- each, 27,429,945 (2024: 27,429,945) Series A-Preference Shares of Rs. 10/- each and 22,570,055 (2024: 22,570,055) Class-B shares of Rs. 10/- each.

The rights and privileges relating to ordinary shares and Class-B shares are detailed in note 11, whereas, the rights and privileges relating to Series A-Preference shares have not yet been determined and approved by the members of the Company.

11 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

Issued, subscribed and paid-up capital comprised of the following classes of ordinary shares allotted for consideration paid in cash:

2025	2024	Note	2025	2024
Number of shares			Rupees	
194,103,187	194,103,187	Ordinary shares of Rs. 10/- each	1,941,031,870	1,941,031,870
22,570,055	22,570,055	Class-B shares of Rs. 10/- each	225,700,550	225,700,550
216,673,242	216,673,242		2,166,732,420	2,166,732,420

11.1 Movement in ordinary Shares is as follows:

2025	2024		2025	2024
Number of shares			Rupees	
194,103,187	174,692,187	Opening balance	1,941,031,870	1,746,921,870
-	19,411,000	Issue of ordinary shares of Rs. 10/- each	-	194,110,000
194,103,187	194,103,187	Closing balance	1,941,031,870	1,941,031,870

11.2 Ordinary Shares carry one vote per share and are entitled to dividend declared by the Company from time to time.

11.3 Class-B shares carry 100 votes per share, are participatory in surplus assets in case of liquidation, are not convertible into ordinary shares as mentioned in note 10 and have no right to any dividend or bonus shares or right shares declared / issued by the Company.

11.4 Mughal Iron & Steel Industries Limited (Holding Company) holds 174.692 million ordinary shares constituting 90% of the ordinary shares and 22.570 million Class-B shares constituting 100% of Class-B shares. Nil ordinary shares (2024: 2 ordinary shares) were held in the name of Directors as at June 30, 2025.

Rupees	2025	2024
12 SHARE PREMIUM		
Opening balance	116,365,179	-
Share premium on issuance of ordinary shares @ Rs. 6.74/- per share	-	130,830,140
Transaction costs	-	(14,464,961)
Closing balance	116,365,179	116,365,179

- 12.1** Share premium account is classified as capital reserve account. It can only be utilized in accordance with the Section 81 of the Companies Act, 2017.

Rupees	2025	2024
13 REVALUATION SURPLUS ON PROPERTY, PLANT AND EQUIPMENT		
Freehold Land	983,669,227	983,669,227
Freehold land subject to operating lease	80,504,898	80,504,898
	1,064,174,125	1,064,174,125

- 13.1** The revaluation surplus on property, plant and equipment is not available for distribution to the shareholders in accordance with the Section 241 of the Companies Act, 2017.

14 EQUITY CONTRIBUTION / LOAN FROM DIRECTORS

This represents interest-free and unsecured loan provided by Directors for meeting various capital expenditure and working capital requirements. Since, it is repayable at discretion of the Company, therefore, it has been recognized as part of equity. This loan has been accounted for under Technical Release - 32 "Accounting Director's Loan" issued by the Institute of Chartered Accountants of Pakistan (ICAP).

Rupees	Note	2025	2024
15 LONG-TERM FINANCING			
<i>Secured</i>			
<i>Obtained under conventional mode:</i>			
– PAIR Investment Company Limited	15.1	272,575,431	300,000,000
– Parwaaz Financial Services Limited	15.2	135,939,396	122,000,000
		408,514,827	422,000,000
<i>Obtained under Islamic mode - (Diminishing Musharaka):</i>			
– MCB Islamic Bank Limited	15.3	278,957,513	–
– The Bank of Punjab (Taqwa Islamic Banking)	15.4	163,880,100	–
		442,837,613	–
		851,352,440	422,000,000
<i>Unsecured</i>			
– Mughal Iron & Steel Industries Limited (Holding Company)	15.5	2,500,000,000	–
		3,351,352,440	422,000,000
Current portion shown under current liabilities		(80,418,124)	(33,817,860)
		3,270,934,316	388,182,140

- 15.1** This represents outstanding amount in respect of total financing facility of Rs. 300.000 million, obtained for the purpose of financing the captive hybrid power plant project. It is repayable in 22 equal quarterly installments, post completion of grace period of 18 months, with last installment due in February 2030. It carries mark up at rate of 3MK+ 1.50% per annum. It is secured by specific charge on specific fixed assets, personal guarantee of Directors and corporate guarantee issued by Mughal Iron & Steel Industries Limited.

- 15.2** This represents outstanding amount in respect of total financing facility of Rs. 150.000 million, obtained for the purpose of financing the solar project. It is repayable in 66 equal monthly installments, post completion of grace period of 6 months, with last installment due in June 2030. It carries mark up

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at rate of 3MK+ 2% per annum. It is secured by specific charge on specific fixed assets, personal guarantee of Directors and corporate guarantee issued by Mughal Iron & Steel Industries Limited.

15.3 This represents outstanding amount in respect of total facility of Rs. 400.000 million, obtained for the purpose of financing equipment relating to captive hybrid power plant project having tenure of 36 months inclusive of 6 months grace period. It carries mark up at the rate of 3MK + 2% per annum. It is secured by Joint Pari Passu charge on fixed assets (excluding land, building and specific assets), personal guarantee of Directors and corporate guarantee issued by Mughal Iron & Steel Industries Limited.

15.4 This represents outstanding amount in respect of total facility of Rs. 500.000 million obtained for the purpose of financing equipment relating to captive hybrid plant project having tenure of 60 months. It will be repayable in 20 equal quarterly installments. It carries mark up at the rate of 3MK + 1.70% per annum. It is secured by Joint Pari Passu charge on fixed assets (excluding land, building and specific assets), personal guarantee of Directors and corporate guarantee issued by Mughal Iron & Steel Industries Limited.

15.5 This represents unsecured loan of Rs. 2,500.000 million from Mughal Iron & Steel Industries Limited (holding company), obtained for the purpose of financing the captive hybrid plant project. It is repayable in 18 equal quarterly installments, post completion of grace period of 1.5 years, with last installment due in June 2031. It carries mark up at the rate of 3MK + 2.25% per annum. During grace period, mark-up will be paid quarterly.

Rupees	Note	2025	2024
16	TRADE AND OTHER PAYABLES		
Creditors		148,409,102	77,495,967
Accrued and other liabilities		8,205,245	5,154,862
Security against rent	16.1	7,000,000	480,000
Withholding taxes payable		328,785	9,794
		163,943,132	83,140,623
16.1	Due to related parties in respect of security deposits against short-term rent agreement:		
– Indus Steel Mills Corporation (Private) Limited		–	480,000
– Mughal Iron & Steel Industries Limited – (holding company)		7,000,000	–
		7,000,000	480,000

Rupees	Note	2025	2024
17 ACCRUED PROFIT / MARK-UP			
<i>Payable under Islamic mode of financing in respect of:</i>			
– Long-term financing		15,390,222	–
<i>Payable under conventional mode of financing in respect of:</i>			
– Long-term financing			
Mughal Iron & Steel Industries Limited – (holding company)		5,926,647	–
Others		3,564,925	6,795,501
		9,491,572	6,795,501
– Short-term borrowings:			
Mughal Iron & Steel Industries Limited – (holding company)	18.1	–	26,258,526
		9,491,572	33,054,027
		24,881,794	33,054,027
18 SHORT-TERM BORROWINGS – UNSECURED			
Loan from Holding Company – conventional mode	18.1	–	770,772,162

18.1 This represented loan approved by the Board of Directors of Mughal Iron & Steel Industries Limited (holding company) to the Company which was a wholly owned subsidiary at that time. As per the agreement in writing, the term of the loan was 12 months being repayable in full on April 30, 2025 and was obtained to bridge-finance the capital requirements of the Company. The amount was unsecured and carried mark-up at the rate of 3MK + 1.60% payable quarterly. Total amount of facility was Rs. 800.000 million. The maximum aggregate amount of the loan outstanding at the end of any month during the year ended June 30, 2025 was Rs. 790.772 million (2024: Rs. 770.772 million). The loan was completely repaid during the year within due date.

Rupees	Note	2025	2024
19 SHORT-TERM LOANS FROM DIRECTORS – UNSECURED			
	19.1	264,508,448	376,983,463

19.1 This represents interest-free and unsecured loans from Directors and were repayable on demand. These loans were provided and utilized for meeting working capital requirements.

Rupees	2025	2024
20 CONTINGENCIES AND COMMITMENTS		
<i>Contingencies</i>		
There were no contingencies as at June 30, 2025. (2024: Nil)		
<i>Commitments:</i>		
<i>Capital commitments</i>		
– Local	359,775,481	1,627,448,579
– Foreign	522,135,367	180,782,700
	881,910,848	1,808,231,279

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FOR THE YEAR ENDED JUNE 30, 2025

Rupees	Note	2025	2024
21 ADMINISTRATIVE EXPENSES			
Directors' remuneration		7,722,000	17,309,254
Salaries		8,258,651	1,166,707
Legal and professional charges		97,500	165,000
Fee and subscription		5,927,692	2,249,256
Entertainment		–	387,590
Rent, rates and taxes		463,000	330,000
Printing, stationery and postage		2,547,071	–
Depreciation	6.1.1	807,272	–
		25,823,187	21,607,807
22 OTHER CHARGES			
<i>Auditor's remuneration:</i>			
– Annual audit fee		525,000	525,000
– Half yearly review		110,250	–
– Special audit fee		–	89,034
– Code of corporate governance & other certifications		155,000	457,426
		790,250	1,071,460
23 OTHER INCOME			
Profit on saving accounts		24,021	30,573
Rental income		5,416,640	3,484,800
Notional income against development of property	6.2.1	2,667,293	–
		8,107,954	3,515,373
24 FINANCE COST			
Profit / mark-up in respect of:			
– Long-term financing	24.1	1,651,668	–
Bank charges		1,122,872	6,387
		2,774,540	6,387

24.1 Amount of Rs. 208.743 million has been capitalized as borrowing costs (2024: Rs. 97.281 million).

25 TAXATION

The tax provision is calculated by considering the various taxes applicable in view of provisions of various sections of Income Tax Ordinance, 2001, after taking to account any adjustments of brought forward tax losses, minimum taxes and tax credits (if any) available under the Income Tax Ordinance, 2001.

Tax returns are deemed to be assessed under provisions of the Income Tax Ordinance, 2001, unless selected for audit by the taxation authorities. The Commissioner of income tax may at any time during the period of six years from the end of the tax year to which they relate, may select the deemed assessment order for audit.

As at the year end, the Company has filed tax returns up to tax year 2024. No tax liability for the year has been recognized, since the Company has yet to commence its operations, and has incurred loss for the year. The Company has not recognized any deferred tax liability / asset, since the income of the Company will be exempt from taxation. The Company has no minimum taxes available for carry forward.

Rupees	Note	2025	2024
26	LOSS PER SHARE – BASIC AND DILUTED		
Loss for the year	Rupees	(21,280,023)	(19,170,281)
Weighted average number of ordinary shares	Number	175,808,984	175,808,984
Loss per share – basic	Rupees	(0.12)	(0.11)

26.1 For the purpose of calculating loss per share, Class-B shares have not been taken since they have no right in any dividend declared by the Company.

26.2 There were no dilutive potential ordinary shares outstanding as at June 30, 2025 and June 30, 2024.

27 ENTITY WIDE INFORMATION

The Company constitutes of a single reportable 'Energy' segment.

- (i) The Company has not yet started commercial operations.
- (ii) All non-current assets of the Company as at June 30, 2025 are located within Pakistan.
- (ii) Since the Company has not yet started commercial operations, therefore the Company does not have transactions with any external customers which amount to 10 percent or more of its revenues.

28 REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

Rupees	Chief Executive Officer		Executive Directors		Executives	
	2025	2024	2025	2024	2025	2024
Managerial remuneration	7,722,000	–	–	17,309,254	2,625,000	550,000
Number of Persons	1	1	–	2	2	3

28.1 Amount charged in these financial statements in respect of meeting fee amounted to Rs. 1.500 million (2024: Nil) on account of meeting fee paid to Directors including the Chairman.

28.2 Executives include aggregate amount in respect of salary to 2 (2024: 2) key management personnel (other than Directors) amounting to Rs. 2.625 million (2024: Rs. 0.450 million).

28.3 Executives mean employees other than the Chief Executive Officer and Directors, whose basic salary exceeds Rs. 1,200,000/- in a financial year. The Company bears travelling expenses (if any) of Chairman, Chief Executive Officer, Directors and other key management personnel relating to travel for official purposes including expenses incurred in respect of attending Board and Committee meetings.

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Number	2025	2024
29 NUMBER OF EMPLOYEES		
Number of persons employed	18	9
Average number of employees during the year	14	7

30 RELATED PARTY / ASSOCIATED UNDERTAKING DISCLOSURE

The Company ("the reporting entity") in the normal course of business carries out transactions with various related parties ("the entities"). The Company is a subsidiary of Mughal Iron & Steel Industries Limited (holding company). Therefore, all subsidiaries (if any) and associated undertakings of the holding company are related parties of the Company. Other related parties comprise of entities regarded as related due to common directorship or common management, major shareholders, key management personnel and their close family members ("the relatives"). Major shareholders are those persons having control of or significant influence over the reporting entity. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the reporting entity, directly or indirectly including Directors (whether executive or otherwise) of the reporting entity.

Following are the related parties / associated companies / undertakings with whom the company had entered into transactions or had agreements and / or arrangements in place during the financial year, along with the basis of relationship describing common directorship and percentage of shareholding of the Company in the related parties;

Name of related party	Relationship	Shareholding %
Mughal Iron & Steel Industries Limited	Holding Company	-
Indus Steel Mills Corporation (Private) Limited	Associated Company (Common Directorship)	-
Mr. Khurram Javaid	Director	-
Mr. Jamshed Iqbal	Director	-
Mr. Fazeel Bin Tariq	Ex – Director	-
Mr. Muhammad Mubeen Bin Tariq	Ex – Director	-
Mr. Fahad Javaid	Director	-
Mr. Mirza Javed Iqbal	Director	-
Mr. Muhammad Mateen Jamshed	Director	-
Mrs. Jahanara Sajjad Ahmad	Director	-
Mr. Muhammad Aslam Bhatti	Director	-
Mr. Muhammad Sayyam	Ex – Director	-
Mr. Muhammad Waleed Bin Tariq	Ex – Director	-
Mr. Muhammad Zafar Iqbal	key management personnel	-
Mr. Muhammad Fahad Hafeez	key management personnel	-

Detail of related party transactions during the year, (other than those which have been disclosed elsewhere in these financial statements) are as follows:

Rupees	Note	2025	2024
Entities			
Mughal Iron & Steel Industries Limited			
Purchases		512,660,449	774,005,490
Rental income	23	3,500,000	–
Commission charges		–	45,000,000
Markup on long-term loan		5,926,647	–
Markup on short-term loan		111,790,275	26,258,526
Notional income against development of property	23	2,667,293	–
Long-term loan – proceeds	15	2,500,000,000	–
Short-term loan – repayments / proceeds	18	790,772,162	770,772,162
Indus Steel Mills Corporation (Private) Limited			
Rental income		–	3,484,800
Major shareholders, key management personnel and their relatives			
Major shareholders, Directors and their relatives			
Equity contribution / loan by directors – proceeds		–	83,806,218
Short-term loan from directors – repayments / proceeds	19	112,475,015	376,983,463
Rent paid	21	363,000	330,000

30.1 There were no outstanding balances with related parties as at the year end except for those which have been disclosed separately in relevant notes. Details of salaries and benefits to key management personnel have been disclosed in note 28.

30.2 Mughal Iron & Steel Industries Limited (holding company) has issued corporate guarantee on behalf of the Company amounting to Rs. 2,389.607 million (2024: Rs. 1,539.607 million).

31 RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Company's statement of cash flows as cash flows from financing activities.

Rupees	Opening balance	Financing cash flows	Other changes	Closing balance
Long-term financing	422,000,000	2,929,352,440	–	3,351,352,440
Accrued profit / markup	33,054,027	(219,690,270)	211,518,037	24,881,794
Short-term borrowings	770,772,162	(770,772,162)	–	–
Short-term loans from Directors	376,983,463	(112,475,015)	–	264,508,448
Equity Contribution / loan from Directors	214,666,792	–	–	214,666,792
June 30, 2025	1,817,476,444	1,826,414,993	211,518,037	3,643,891,436
June 30, 2024	437,399,107	1,282,796,322	97,281,015	1,817,476,444

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

32 FINANCIAL INSTRUMENTS

The Company has exposure to the following risks arising from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

Risk management framework:

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework and for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

32.1 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises mainly from balances with banks. The carrying value of financial assets represents the maximum credit risk. The detail of financial assets along with maximum exposure to credit risk is as follows:

Rupees	2025	2024
Long-term security deposit	87,500	87,500
Bank balances	14,673,519	205,227,842
	14,761,019	205,315,342
Maximum exposure to credit risk by type of counterparty is as follows:		
Bank balances with banking companies and financial institutions	14,673,519	205,227,842

Geographically, there is no concentration of credit risk. Out of the total financial assets credit risk is concentrated in bank balances as they constitute almost 99.41% (2024: 99.96%) of total financial assets.

The credit quality of bank balances can be assessed by reference to external credit ratings.

The Company considers that its bank balances have low credit risk based on the external credit ratings of the counterparties assigned to them by credit rating agencies. Out of the total bank balances of Rs. 14.673 million (2024: Rs. 205.228 million), majority of the balances were maintained with banks having short-term credit rating of A1+.

32.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company uses different methods which assists it in monitoring cash flow requirements. Typically, the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a reasonable period, including the servicing of financial obligation; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted.

The following are the contractual maturities of financial liabilities including estimated interest payments (if any) and excluding the impact of netting agreements.

Rupees	Carrying amount	Contractual cash flows	Within 1 year	More than 1 but less than 5 years	After 5 years
Financial Liabilities					
At amortized cost					
- Long-term financing	3,351,352,440	4,951,157,144	490,307,144	3,832,605,257	628,244,743
- Trade and other payables	163,614,347	163,614,347	163,614,347	-	-
- Accrued profit / mark-up	24,881,794	24,881,794	24,881,794	-	-
- Short-term loans from Directors	264,508,448	264,508,448	264,508,448	-	-
June 30, 2025	3,804,357,029	5,404,161,733	943,311,733	3,832,605,257	628,244,743
At amortized cost					
- Long-term financing	422,000,000	778,597,511	127,587,399	537,103,812	113,906,299
- Trade and other payables	83,130,829	83,130,829	83,130,829	-	-
- Accrued profit / mark-up	33,054,027	33,054,027	33,054,027	-	-
- Short term borrowings-unsecured	770,772,162	770,772,162	770,772,162	-	-
- Short-term loans from Directors	376,983,463	376,983,463	376,983,463	-	-
June 30, 2024	1,685,940,481	2,042,537,991	1,391,527,880	537,103,812	113,906,299

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

32.3 Market risk

Market risk is the risk that changes in market prices, such as currency risk, interest rates and equity prices will affect the Company's income or the value of its holdings of the financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing return.

i) Currency risk:

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in foreign exchange rates. The Company is not exposed to any currency risk.

ii) Price risk:

Price risk represents the risk that the fair value or future cash flows of 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 instruments or its issuer, or factors affecting all similar financial instruments trading in market. The Company does not hold any investments which expose it to price risk.

iii) Interest rate risk:

The interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate exposure arises from long-term financing, short-term borrowings and saving accounts. At the reporting date the interest rate risk profile of the Company's interest bearing financial instruments is:

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Rupees	2025	2024
Floating rate instruments:		
Financial assets	23,436	372,804
Financial liabilities	3,351,352,440	1,192,772,162
Net interest rate risk	(3,351,329,004)	(1,192,399,358)

Sensitivity analysis:

Sensitivity to interest rate risk arises from mismatch of financial assets and financial liabilities that mature or re-price in a given period.

Fair value sensitivity analysis for fixed rate instruments:

The Company does not account for any fixed rate financial instruments at fair value through profit or loss, therefore, a change in interest rate at the reporting date would not affect the profit or loss.

Cash flow sensitivity analysis for variable rate instruments:

A change of 100 basis points in interest rates at reporting date would have increased / decreased profit for the year by Rs. 33.513 million (June 2024: Rs. 11.924 million). The related mark-up rates for variable rate financial instruments are indicated in the relevant notes to the financial statements. The sensitivity analysis prepared is not necessarily indicative of the effects on the profit for the period and assets / liabilities of the Company.

Interest rate risk management:

The Company manages these mismatches through risk management strategies where significant changes in gap position can be adjusted. The Company's significant borrowings are based on variable rate pricing that is mostly dependent on Karachi Inter Bank Offer Rate ("KIBOR") as indicated in respective notes.

32.4 Fair value of financial instruments

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 the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating fair value of an asset or liability, the Company takes into the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. In addition, for financial reporting purposes, fair value measurements are categorized into level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

Level 1 inputs – are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 inputs – these are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs – are unobservable inputs for the asset or liability.

The Company takes in to account factors specific to the transaction and to the asset or liability, when determining whether or not the fair value at initial recognition equals the transaction price. The carrying amount of financial assets and financial liabilities recognized in these financial statements approximate their respective fair values.

Rupees	2025	2024
	Amortized cost	
32.5 Financial instruments by category		
Financial assets:		
Maturity within one year		
- Cash and bank balances	14,760,779	205,656,677
Maturity after one year		
- Long-term security deposit	87,500	87,500
	14,848,279	205,744,177
	Other financial liabilities	
Financial liabilities:		
Maturity within one year		
- Trade and other payables	163,614,347	83,130,829
- Accrued profit / mark-up	24,881,794	33,054,027
- Short term borrowings	–	770,772,162
- Short-term loans from Directors	264,508,448	376,983,463
- Long-term financing	80,418,124	33,817,860
Maturity after one year		
- Long-term financing	3,270,934,316	388,182,140
	3,804,357,029	1,685,940,481
Off balance sheet financial liabilities:		
- Letters of credits	522,135,367	180,782,700

33 CAPITAL MANAGEMENT

The Company's objective when managing capital is to safeguard the Company's ability to remain as a going concern and continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Company is currently financing its operations / investing activities through mix of equity and debt. The Company has a gearing ratio of 51% (June 2024: 31%) as of the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Rupees	Note	2025	2024
34 SHARIAH DISCLOSURE			
<i>Statement of financial position:</i>			
Financing / loans / advances obtained as per Islamic mode	14,15 & 19	922,012,853	591,650,255
Interest or mark-up accrued on any conventional loan or advance	17	9,491,572	33,054,027
Shariah compliant bank deposits / bank balances / TDRs	9	14,673,519	200,924,134
<i>Statement of comprehensive income:</i>			
Profit earned from shariah compliant bank deposits / balances / TDRs	23	24,021	30,573
Interest paid on any conventional loan or advance	24	210,395,166	97,281,015

34.1 Disclosures other than above are not applicable on the Company.

34.2 Source and detailed breakup of other income is provided in note 24.

34.3 Other disclosure requirements:

The Company maintains good relationship with shariah compliant banks and carries out trade and other routine banking transactions with them.

35 DATE OF AUTHORIZATION

These financial statements were authorized for issue on September 04, 2025 by the Board of Directors of the Company.

36 CORRESPONDING FIGURES

Corresponding figures have been re-arranged wherever necessary to reflect more appropriate presentation of events and transactions for the purpose of comparison. However, no significant re-arrangements have been made.

37 GENERAL

The figures have been rounded off to the nearest rupee.



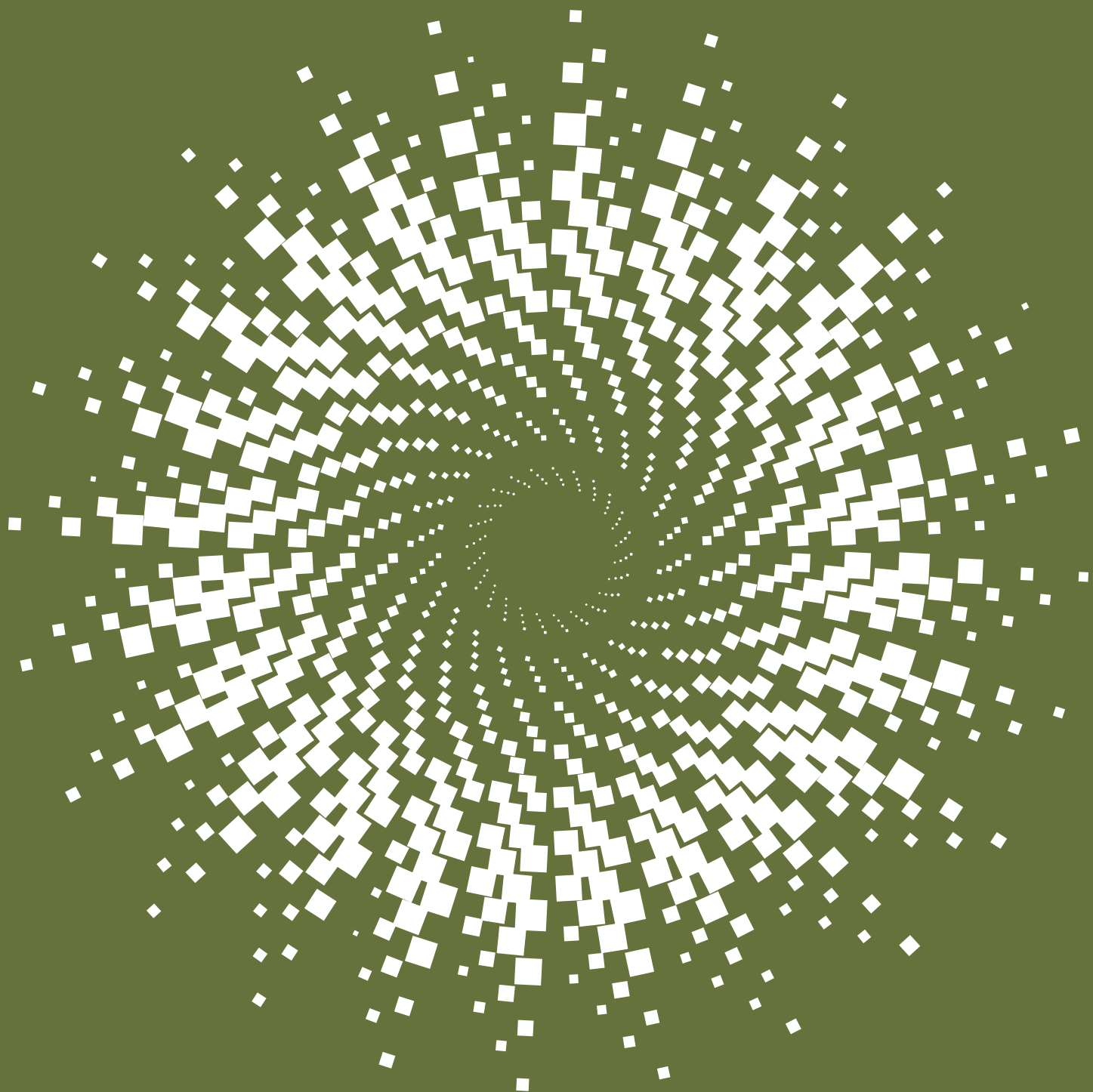
Khurram Javaid
Chief Executive Officer / Director



Muhammad Zafar Iqbal
Chief Financial Officer



Fahad Javaid
Director



05

OTHER INFORMATION

- Pattern of Shareholding
- Notice of Annual General Meeting
- Statement of Material Facts as Required Under Section 134(3) of the Companies Act, 2017
- Form of Proxy
- پراکسی فارم

PATTERN OF SHAREHOLDING

AS ON JUNE 30, 2025

Pattern of shareholding – Ordinary Shares

No. of shareholders	From	Shareholdings To	No. of Shares held
62	1	100	711
19	101	500	7,856
13	501	1000	12,392
12	1001	5000	31,989
3	5001	10000	24,889
3	20001	25000	71,097
1	55001	60000	58,995
1	110001	115000	114,292
2	9540001	9545000	19,088,782
1	174690001	174695000	174,692,184
Total:			194,103,187

Categories of Shareholders – Ordinary Shares

Categories of Shareholders	Shares Held	Percentage
Directors, Chief Executive Officer and spouse(s) and Minor Children	162	0.0%
Associated Companies, undertakings and Related Parties	174,692,187	90.00%
Joint Stock Companies	6,056	0.00%
Banks, Development Finance Institutions, Non- Banking Financial Institutions	10,833	0.01%
Others	83,576	0.04%
General Public		
a. Local	19,310,373	0.10
b. Foreign	-	-
Total	194,103,187	100%

Shareholders holding 10% or more

Mughal Iron & Steel Industries Limited	174,692,187	90.00%
--	-------------	--------

Pattern of shareholding Ordinary Class – B Shares

No. of shareholders	From	Shareholdings To	No. of Shares held
0	1	100	-
0	101	500	-
0	501	1000	-
0	1001	5000	-
0	5001	10000	-
1	22,570,000	22,575,000	22,570,055
Total:			22,570,055

Categories of Shareholders – Ordinary Class – B Shares

Categories of Shareholders	Shares Held	Percentage
Directors, Chief Executive Officer and spouse(s) and Minor Children	-	-
Associated companies, undertakings and related parties*	22,570,055	100%
Joint Stock Companies	-	-
Banks, Development Finance Institutions, Non- Banking Financial Institutions	-	-
Others	-	-
General Public	-	-
a. Local	-	-
b. Foreign	-	-
Total	22,570,055	100%

Shareholders holding 10% or more

Mughal Iron & Steel Industries Limited	22,570,055	100%
--	------------	------

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 13th Annual General Meeting (the Meeting) of the members (Ordinary and Class-B) **MUGHAL ENERGY LIMITED** (the Company) will be held on October 18, 2025 at 11:45 a.m. at Auditorium of LSE Capital Limited, Basement No. 02, LSE Plaza 19-Khayaban-e-Aiwan-Iqbal, Lahore to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company together with the Chairman's Review Report, the Directors' Report and the Auditor's Reports thereon for the year ended June 30, 2025.
2. To appoint auditors and fix their remuneration for the year ending June 30, 2026.

A notice referred to in sub-section (2) of section 246 of the Companies Act, 2017 is hereby given to the members that, the Board of Directors upon recommendation of the Audit Committee has recommended the name of M/s. Muniff Ziauddin & Co., Chartered Accountants the retiring auditors, for re-appointment as external auditors of the Company after obtaining their consent.

SPECIAL BUSINESS

1. To consider and, if deemed fit, approve and ratify the transactions already executed and to be executed with related parties, by passing of special resolutions as proposed in the statement under section 134(3) of the Companies Act 2017 annexed to the notice of the Meeting.

Statement of material facts as required under section 134(3) of the Companies Act, 2017 is annexed.

Lahore: September 25, 2025

By Order of the Board
-sd-
Muhammad Fahad Hafeez
Company Secretary

NOTES:

1. CLOSURE OF SHARE TRANSFER BOOKS:

The share transfer books (Ordinary and Class-B) of the Company will remain closed from October 09, 2025 to October 18, 2025 (both days inclusive). Central Depository System (CDS) Transaction IDs received in order by the Company's share registrar, M/s. Digital Custodian Company Limited, 4th Floor, Perdesi House, Old Queens Road, Karachi, up to the close of business on October 08, 2025, will be considered in time for the entitlement of the members (Ordinary and Class-B) to participate and vote at the Meeting.

2. PARTICIPATION / PROXIES:

A member of the Company entitled to participate and vote at this Meeting may appoint any other member of the Company as his/her proxy to participate, speak and vote on his/her behalf at the Meeting. A member shall not be entitled to appoint more than one proxy. The instrument appointing a proxy must be properly filled-in/executed and in order to be valid, must be received at the share registrar office of the Company, not later than forty-eight (48) hours before the time scheduled for the Meeting. Attested copy of Computerized National

Identity Card (CNIC)/ Smart National Identity Card (SNIC) of the member appointing the proxy shall be attached with the instrument. An instrument of proxy applicable for the Meeting is being provided with the notice being sent to members. Further, copies of the instrument of proxy may also be obtained from the registered office of the Company during normal office hours or downloaded from the Company's website: www.mughalenergy.com.pk. A company or a corporation being a member of the Company may appoint a representative through a resolution of its board of directors for attending and voting at the Meeting. Members, who have deposited their shares into Central Depository Company of Pakistan Limited, are further advised to follow the guidelines as laid down by the SECP vide Circular No. 1 of 2000.

Pursuant to section 132(2) of the Companies Act, 2017, if the Company receives a request from members holding an aggregate 10% or more shareholding residing in a city, such members may request a video conferencing facility for the purposes of participating in the Meeting at such a location by sending a request to the Company at least seven (07) days prior to the date of the Meeting, the Company will arrange video conference facility in that city subject to the availability of such facility in that city.

Members are also being provided with the facility to participate in the meeting through electronic means via Zoom video-link. Accordingly, interested members are requested to get themselves registered by sending their particulars at the designated e-mail address fahadhafiez@mughalsteel.com, giving particulars as per below table latest by the close of business hours (5:00 PM) on October 14, 2025.

Name of Member	CNIC No./ NTN No.	CDC Participant ID/Folio No.	Cell No	Registered email address

Members, who are registered, after the necessary verification, will be provided a Zoom video-link by the Company on the same e-mail address that they e-mail the Company with. The login facility will be provided on the day of the Meeting and will remain open from 11:45AM till the end of the Meeting. Only those members whose names appear in the register of members as of October 08, 2025 will be entitled to participate and vote at the Meeting via Zoom-video link.

3. POSTAL BALLOT FACILITY:

In accordance with the Companies (Postal Ballot) Regulations, 2018, the right to vote through electronic voting facility and voting by post shall

be provided to members of the Company for all businesses classified as special business under the Companies Act, 2017 in the manner and subject to conditions contained in the said Regulations.

4. GIFTS AT THE MEETING:

As per SRO 452 (I)/2025 no gifts will be distributed at the meeting.

5. STATUTORY CODE OF CONDUCT AT GENERAL MEETINGS

Shareholders are advised to adhere to the Code of Conduct as provided in Section 215 of the Companies Act, 2017 and Regulation 28 of the Companies (General Provisions and Forms) Regulations, 2018. Shareholders are further advised to take note of meeting etiquettes as prescribed in the Guidelines for Professional Conduct in General Meetings (the "Guide") issued by SECP.

6. GENERAL:

- Members should have their address/ email addresses updated with their relevant Participant/CDC account services.
- The Company has placed the Audited Annual Financial Statements for the year ended June 30, 2025 along with the Reports thereon on its website: www.mughalenergy.com.pk and the same are also electronically available on PUCARS system of the Pakistan Stock Exchange Limited and can also be downloaded/viewed from the following QR code and weblink:



<https://mughalenergy.com.pk/financials/>

The same has also been emailed to those members who had provided their email addresses.

- The notice of AGM has been placed on Company's website: www.mughalenergy.com.pk and in addition to being dispatched in hard, has also been sent via email to those members who had provided their email addresses.
- For any query/problem/information, the investors may contact Mr. Zeeshan Ejaz at +92-42-35960841 and e-mail address: fahadhafiez@mughalsteel.com and/or M/s. Digital Custodian Company Limited, 4th Floor, Perdesi House, Old Queens Road, Karachi, e-mail address: share.registrar@digitalcustodian.com.

STATEMENT OF MATERIAL FACTS AS REQUIRED UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017 IN RESPECT OF SPECIAL BUSINESS TO BE TRANSACTED AT THE FORTHCOMING ANNUAL GENERAL MEETING IS APPENDED BELOW:

This statement sets out the material facts concerning the special business listed at agenda item 3, to be transacted at the forthcoming Annual General Meeting of the Company to be held on October 18, 2025 at 11:45 a.m. at Auditorium of LSE Capital Limited, Basement No. 02, LSE Plaza 19-Khayaban-e-Aiwan-Iqbal, Lahore.

AGENDA ITEM NO. 3.

During the year, there were transactions entered into by the Company with related parties. However, since some or majority of Company's directors were directly or indirectly interested in these transactions due to their common directorship and/or holding of shares in the related parties, the quorum of directors could not be formed for approval of these transactions. All related party transactions are carried out at arm's length in accordance with the Company policy and comply with legal requirements.

Accordingly, these transactions, as disclosed in the relevant notes to the financial statements along with names, description and amounts, are being placed before the members for their approval/ratification by passing the following draft / proposed special resolutions with or without modifications.

"RESOLVED that the transactions entered into by the Company with related parties during the year ended June 30, 2025 as disclosed in relevant notes to the financial statements in which some or majority of the directors are interested are hereby ratified and confirmed."

It is expected that the Company may be conducting related party transactions in the upcoming financial year as well, wherein, some or majority of directors are expected to be interested in due to their relationships, common directorship and shareholding in these related parties. The members are informed that it is not possible to make estimate of the quantum of related party transactions to be undertaken in the period ending June 30, 2026, which depends on case-to-case basis, however, the Company will present the actual figures for subsequent ratification and confirmation by the members, at the next annual general meeting. Based on the above, approval of the members is also sought to authorize the Company to enter into such transactions with related parties during the ensuing year ending June 30, 2026 and further grant power to the Board to periodically review and approve such transactions based on the recommendation of the Board Audit Committee by passing the following special resolutions with or without modifications.

"FURTHER RESOLVED that the Company be and is hereby authorized to enter into and carry out transactions from time to time with related parties during the ensuing year ending June 30, 2026. Further, the members have noted that for the aforesaid transactions some or a majority of the directors may be interested. Notwithstanding the interest of the directors, the members hereby grant an advance authorization to the Board Audit Committee and the Board of Directors of the Company to review and approve all related party transactions based on the recommendation of the Board Audit Committee."

"FURTHER RESOLVED that the related party transactions as aforesaid for the period ended June 30, 2026 would subsequently be presented to the members at the next Annual General Meeting for ratification and confirmation."

The following persons were directors of the Company during the year and are/may be interested directly / indirectly due to their relationships, common directorship and shareholding in respect of the above:

- | | |
|--------------------------------|-----------------------|
| 1. Mr. Mirza Javed Iqbal | 2. Mr. Khurram Javaid |
| 3. Mr. Muhammad Mateen Jamshed | 4. Mr. Jamshed Iqbal |
| 5. Mr. Muhammad Sayyam | 6. Mr. Fahad Javaid |
| 7. Mr. Waleed Bin Tariq Mughal | |

MUGHAL ENERGY LIMITED

FORM OF PROXY

13th ANNUAL GENERAL MEETING

I/We _____, being member(s) of Mughal Energy Limited and holder of _____ Ordinary Shares as per Folio No. _____ CDC Participation ID # _____ and Sub Account # _____/CDC Investor Account ID # _____ and/or holder of _____ Ordinary Class-B shares as per Folio No. _____ CDC Participation ID # _____ and Sub Account # _____/CDC Investor Account ID # _____ do hereby appoint _____ of _____ or failing him/her _____ of _____ having Folio No. _____ CDC Participation ID # _____ and Sub Account # _____/CDC Investor Account ID # _____ as my/our proxy to attend, speak and vote for me/us and on my/our behalf at the Annual General Meeting of Mughal Energy Limited scheduled to be held on October 18, 2025 at 11:45 a.m. At Auditorium of LSE Capital Limited, Basement No. 02, LSE Plaza 19-Khayaban-e-Aiwan-Iqbal, Lahore and at any adjournment thereof.

At witness my/our hand this _____ day of _____ 2025.

1. Signature _____
Name _____
C.N.I.C _____
Address _____

Please
Affix Revenue
Stamps of Rs.
50/-

2. Signature _____
Name _____
C.N.I.C _____
Address _____

Members' Signature
(This Signature should agree with
the specimen signature with the
company)

Notes:

1. A member entitled to attend and vote at this meeting may appoint any other member as his / her proxy to attend, speak and vote instead of him / her. A proxy must be a member of the Company.
2. A member shall not be entitled to appoint more than one proxy.
3. The instrument appointing a proxy must be duly signed and witnessed by two persons, whose names, addresses and CNIC numbers shall be mentioned on the form.
4. Attested copies of the CNIC or the Passport of beneficial owners and the proxy shall be furnished along with the proxy form. In case of corporate entity, the board's resolution/power of attorney with specimen signature shall be furnished along with the proxy form.
5. Proxies in order to be valid, must be received at the Share Registrar office of the Company, M/s. Digital Custodian Company Limited, 4th Floor, Perdesi House, Old Queens Road, Karachi not later than forty-eight (48) hours before the time scheduled for the meeting.

**Manager Share Registrar
(Mughal Energy Limited)**

M/s. Digital Custodian Company Limited

Perdesi House, 4th Floor, Old Queens Road,
Karachi, Pakistan

Tel: 021-32419770, 3243085

UAN: 0231-111-322-229

website: digitalcustodian.co

AFFIX
CORRECT
POSTAGE

مغل انرجی لمیٹڈ

پراکسی فارم (مختار نامہ)

تیر ہواں سالانہ اجلاس عام

میں/ہم _____ جو کہ مغل انرجی لمیٹڈ کے رکن (ارکان) ہیں اور _____ آرڈنری شیئرز کے حامل ہیں جیسا کہ ہمارے فوئیو نمبر _____ سی ڈی سی پارٹیشن آئی ڈی # _____ اور سب اکاؤنٹ # _____ / سی ڈی سی انوسٹر اکاؤنٹ آئی ڈی نمبر _____ اور/یا _____ آرڈنری کلاس۔ بی شیئرز کے حامل ہیں جیسا کہ ہمارے فوئیو نمبر _____، سی ڈی سی پارٹیشن آئی ڈی # _____ اور سب اکاؤنٹ # _____ / سی ڈی سی انوسٹر اکاؤنٹ آئی ڈی # _____ درج ہے، بذریعہ ہذا _____ محترم! _____ محترمہ _____ یا ان کی غیر موجودگی میں _____ جن کا فوئیو نمبر _____ سی ڈی سی پارٹیشن آئی ڈی نمبر _____ اور سب اکاؤنٹ # _____ / سی ڈی سی انوسٹر اکاؤنٹ آئی ڈی # _____ ہے، کو میرا ہمارا وکیل نامزد کرتا/کرتے ہیں تاکہ وہ میرے/ہمارے لیے مغل انرجی لمیٹڈ کی سالانہ جنرل میٹنگ، جو کہ 18 اکتوبر 2025 صبح 11:45 بجے آڈیٹوریم ایل ایس ای کپٹل لمیٹڈ، سیمٹ نمبر 02 ایل ایس ای پلازہ 19- خیابان ایوان اقبال لاہور میں منعقد ہو رہی ہے، اور اس کے کسی بھی التواء شدہ اجلاس میں میری/ہماری نمائندگی کرے، گفتگو کرے اور میرے/ہمارے حق میں ووٹ دے۔

میرے/ہمارے دستخط کے گواہ اس _____ دن _____ 2025.

گواہان

1-

دستخط: _____

نام: _____

پتہ: _____

کمپیوٹرائزڈ قومی شناختی کارڈ نمبر: _____

2-

دستخط: _____

نام: _____

پتہ: _____

کمپیوٹرائزڈ قومی شناختی کارڈ نمبر: _____

نوٹس:

- 1- اس اجلاس میں شرکت اور رائے دہی کا حق رکھنے والا کوئی بھی رکن کسی دوسرے رکن کو بطور وکیل (پراکسی) مقرر کر سکتا ہے تاکہ وہ اس کی جگہ اجلاس میں شریک ہو، بات کرے اور ووٹ دے۔ وکیل (پراکسی) کا کمپنی کا رکن ہونا ضروری ہے۔
- 2- ایک ممبر کو ایک سے زیادہ پراکسی مقرر کرنے کا اختیار نہیں ہوگا۔
- 3- پراکسی تقرری کے تولات یقینی طور پر سٹیپ، دستخط شدہ اور دو لوگوں سے گواہ شدہ ہوں۔ جن کے نام، پتے اور شناختی کارڈ نمبر فارم پر درج ہوں۔
- 4- مفاد یافتہ مالکان اور وکیل (پراکسی) کے قومی شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ نقول پراکسی فارم کے ساتھ جمع کروانا ضروری ہیں۔ اگر کوئی کارپوریٹ ادارہ وکیل مقرر کرے تو پراکسی فارم کے ساتھ بورڈ کی قرارداد/مختار نامہ اور دستخط کا نمونہ بھی فراہم کرنا ہوگا۔
- 5- "پراکسی فارم کو درست تصور کرنے کے لیے لازم ہے کہ وہ اجلاس کے مقررہ وقت سے کم از کم اڑتالیس (48) گھنٹے قبل کمپنی کے شیئرز رجسٹرار، مسٹرز ڈیجیٹل سٹوڈین کمپنی لمیٹڈ، چوتھی منزل، پردیسی ہاؤس، اولڈ کونٹنز روڈ، کراچی کے دفتر میں موصول ہو جائے۔"

**Manager Share Registrar
(Mughal Energy Limited)**

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