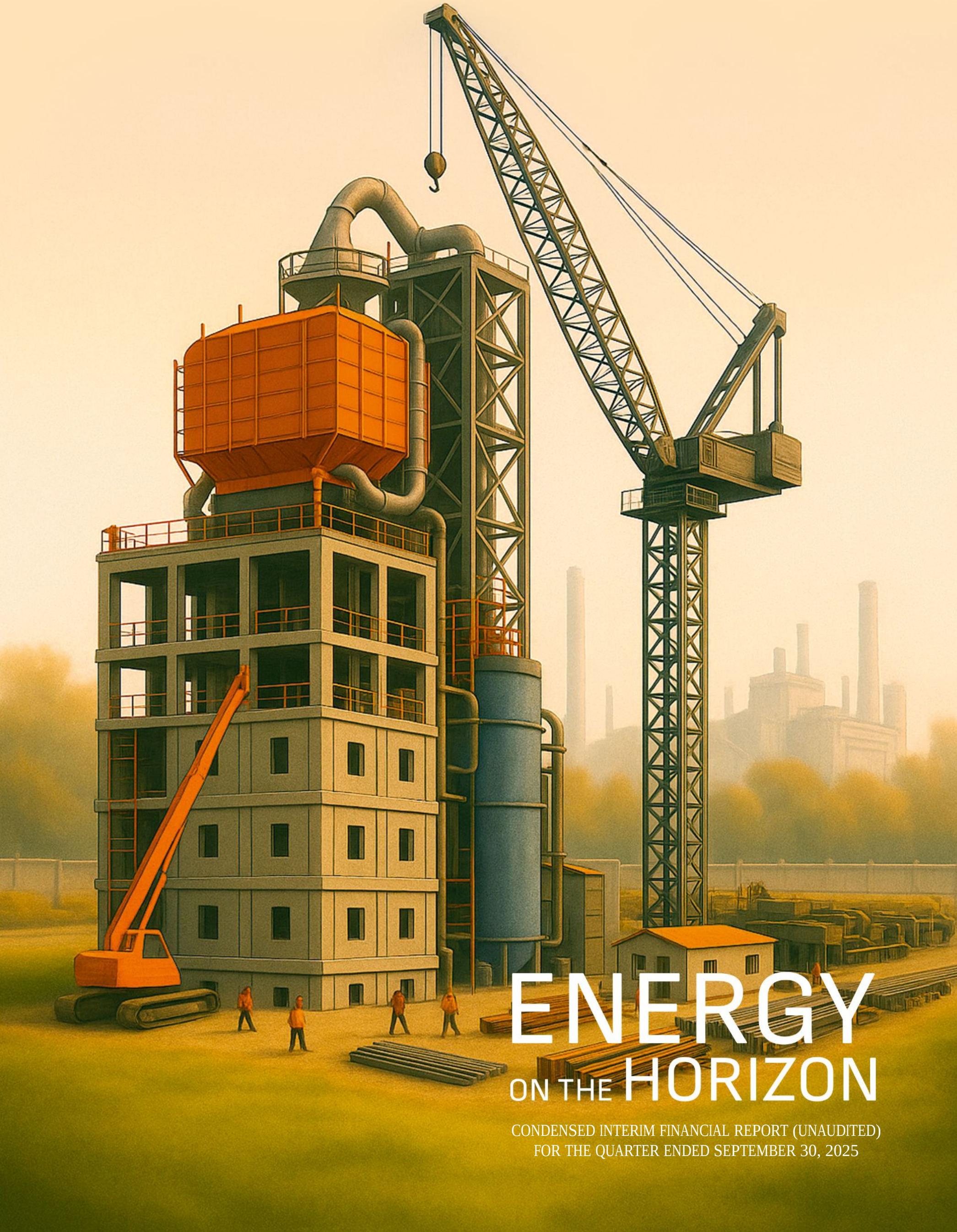
MUGHAL ENERGY



ENERGY ON THE HORIZON

CONDENSED INTERIM FINANCIAL REPORT (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2025

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COMPANY INFORMATION

BOARD OF DIRECTORS
Mr. Mirza Javed Iqbal
Non-Executive Director - Chairman
Mr. Jamshed Iqbal
Non-Executive Director
Mr. Khurram Javaid
Executive Director
Mr. Fahad Javaid
Non-Executive Director
Mr. Muhammad Mateen Jamshed
Non-Executive Director
Mrs. Jahanara Sajjad Ahmad
Non-Executive / Independent Director
Mr. Muhammd Aslam Bhatti
Non-Executive / Independent Director

AUDIT COMMITTEE
Mr. Muhammad Aslam Bhatti
Chairman
Mr. Mirza Javed Iqbal
Member
Mr. Muhammad Mateen Jamshed
Member

HUMAN RESOURCE & REMUNERATION COMMITTEE
Mr. Muhammad Aslam Bhatti
Chairman
Mr. Jamshed Iqbal
Member
Mr. Mirza Javed Iqbal
Member

SHARE REGISTRAR & TRANSFER AGENT
Digital Custodian Company Limited
Pardesi House, 4th Floor Old Queen Road,
Karachi, Pakistan.
Tel: +92-21-32419770,
E-mail: info@digitalcustodian.com

SHAREHOLDER COMPLAINT HANDLING CELL
Incase of shareholder complaints/queries,
Please Contact:
Mr. Zeeshan Ejaz
Tel : +92-42-35960841Ext:136
E-mail: fahadhafeez@mughalsteel.com

STATUTORY AUDITORS

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

LEGAL ADVISOR
Mr. Muhammad Atif Butt

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

BANKERS / INSTITUTIONS
The Bank of Punjab (Taqwa Islamic Baniking)
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 1
Lahore, Pakistan
Tel: +92-42-35960841-3
Fax: +92-42-35960846

Plant site
17-Km Sheikhupura Road,
Lahore, Pakistan
Tel: +92-42-35960841-3
Fax +92-42-35960846

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.

DIRECTORS' REVIEW

Dear Valued Shareholders,

On behalf of the Board of Directors of MUGHAL ENERGY LIMITED, we are pleased to present the un-audited condensed interim financial statements of the Company for the quarter ended September 30, 2025, the financial results of which are summarized below:

(Rs. in Millions)

	Quarter ended September 30,	
	2025	2024
Loss for the period	(1.864)	(1.267)
Loss per share – Basic and Diluted (Rs.)	(0.01)	(0.01)

Business, financial & operational Review

The Company is yet to commence its commercial operations and therefore posted loss for the period ended September 30, 2025, which was mainly on account of salaries and various routine expenses. However, the Company expects profitable results post achieving commercial operations. The Company is currently in process of installation of a 36.50 MW captive hybrid power plant project. Hydro testing is complete. Electrification is underway. It is expected that project will achieve CoD by the end of this calendar year

Future outlook

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

Acknowledgement

The Board remains committed to provide sustained returns to our shareholders, in addition to maintaining our reputation for good governance. Lastly, we would like to thank all stakeholders for their patronage and look forward to their continued support.

For and on behalf of the Board of Directors

MIRZA JAVED IQBAL
Chairman / Director

KHURRAM JAVAID
Chief Executive Officer / Director

Date: October 30, 2025
Place: Lahore

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2025

Rupees	Note	September 30, 2025	June 30, 2025
		(Unaudited)	(Audited)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5.	6,657,867,821	6,466,457,989
Long-term security deposits		87,500	87,500
		6,657,955,321	6,466,545,489
CURRENT ASSETS			
Due from the government		785,954,397	758,585,265
Cash and bank balances		130,268,607	14,760,779
		916,223,004	773,346,044
Total Assets		7,574,178,325	7,239,891,533
EQUITY AND LIABILITIES			
SHARE CAPITAL & RESERVES			
Authorized share capital		2,500,000,000	2,500,000,000
Issued, subscribed and paid-up capital		2,166,732,420	2,166,732,420
Share premium		116,365,179	116,365,179
Revaluation surplus on property, plant and equipment		1,064,174,125	1,064,174,125
Accumulated loss		(128,596,985)	(126,732,797)
Equity contribution / loan from Directors		214,666,792	214,666,792
		3,433,341,531	3,435,205,719
LIABILITIES			
NON-CURRENT LIABILITIES			
Long-term financing		3,301,105,071	3,270,934,316
CURRENT LIABILITIES			
Trade and other payables		53,033,262	163,943,132
Accrued profit / mark-up		42,478,455	24,881,794
Short-term loans from Directors - unsecured		653,581,724	264,508,448
Current portion of long-term financing		90,638,282	80,418,124
		839,731,723	533,751,498
Total liabilities		4,140,836,794	3,804,685,814
Total equity and liabilities		7,574,178,325	7,239,891,533
CONTINGENCIES AND COMMITMENTS	6.		

The annexed notes, from 1 to 14 form an integral part of these condensed interim financial statements.

Khurram Javaid	Muhammad Zafar Iqbal	JAMSHED IQBAL
Chief Executive Officer/Director	Chief Financial Officer	Director

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE QUARTER ENDED SEPTEMBER 30, 2025 (UNAUDITED)

Rupees	Note	2025	2024
Revenue		-	-
Cost of revenue		-	-
GROSS PROFIT / (LOSS)		-	-
Administrative expenses		(14,875,991)	(2,178,979)
Other charges		(125,000)	(52,500)
Other income	7.	17,811,040	965,464
Finance cost		(4,674,237)	(1,017)
		(1,864,188)	(1,267,032)
LOSS BEFORE TAXATION		(1,864,188)	(1,267,032)
Taxation		-	-
LOSS FOR THE PERIOD		(1,864,188)	(1,267,032)
LOSS PER SHARE - BASIC AND DILUTED	8.	(0.01)	(0.01)

The annexed notes, from 1 to 14 form an integral part of these condensed interim financial statements.

Khurram Javaid
Chief Executive Officer/Director

Muhammad Zafar Iqbal
Chief Financial Officer

JAMSHED IQBAL
Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED SEPTEMBER 30, 2025 (UNAUDITED)

Rupees	Note	2025	2024
Loss for the period		(1,864,188)	(1,267,032)
Other comprehensive income			
Items that will be reclassified subsequently to profit or loss		-	-
Items that will not be reclassified subsequently to profit or loss		-	-
Other comprehensive income - net of tax		-	-
Total comprehensive loss for the period		(1,864,188)	(1,267,032)

The annexed notes, from 1 to 14 form an integral part of these condensed interim financial statements.

Khurram Javaid
Chief Executive Officer/Director

Muhammad Zafar Iqbal
Chief Financial Officer

JAMSHED IQBAL
Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED SEPTEMBER 30, 2025 (UNAUDITED)

Rupees	Issued, subscribed and paid-up capital	Capital reserves: Share premium	Capital reserves: Revaluation surplus on property, plant and equipment	Revenue reserve: Accumulated loss	Equity contribution / loan from Directors	Total equity
BALANCE AS AT JUNE 30, 2024-(AUDITED)	2,166,732,420	116,365,179	1,064,174,125	(105,452,774)	214,666,792	3,456,485,742
Loss for the period	-	-	-	(1,267,032)	-	(1,267,032)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(1,267,032)	-	(1,267,032)
BALANCE AS AT SEPTEMBER 30, 2024-(UNAUDITED)	2,166,732,420	116,365,179	1,064,174,125	(106,719,806)	214,666,792	3,455,218,710
BALANCE AS AT JUNE 30, 2025-(AUDITED)	2,166,732,420	116,365,179	1,064,174,125	(126,732,797)	214,666,792	3,435,205,719
Loss for the period	-	-	-	(1,864,188)	-	(1,864,188)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(1,864,188)	-	(1,864,188)
BALANCE AS AT SEPTEMBER 30, 2025-(UNAUDITED)	2,166,732,420	116,365,179	1,064,174,125	(128,596,985)	214,666,792	3,433,341,531

The annexed notes, from 1 to 14 form an integral part of these condensed interim financial statements.

Khurram Javaid
Chief Executive Officer/Director

Muhammad Zafar Iqbal
Chief Financial Officer

JAMSHED IQBAL
Director

CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED SEPTEMBER 30, 2025 (UNAUDITED)

Rupees	Note	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before taxation		(1,864,188)	(1,267,032)
Adjustments:			
Profit on saving accounts		(6,303)	(7,144)
Gain on sale of store items		(445,984)	-
Finance cost		4,674,237	1,017
		4,221,950	(6,127)
Profit / Loss before working capital changes		2,357,762	(1,273,159)
Working capital changes:			
Decrease / (Increase) in current assets			
Advances		-	(760,020)
Due from the government		(1,736,031)	(9,560,111)
		(1,736,031)	(10,320,131)
Increase / (Decrease) in current liabilities			
Trade and other payables		(110,909,870)	(37,348,914)
Cash utilized in operations		(110,288,139)	(48,942,204)
Taxes paid		(25,633,101)	(380,809)
Net cash used in operating activities		(135,921,240)	(49,323,013)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for acquisition of property, plant and equipment		(319,738,609)	(130,977,832)
Profit received on saving accounts		6,303	7,144
Proceeds from sale of store items		238,180,196	-
Net cash used in investing activities		(81,552,110)	(130,970,688)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long-term financing		40,390,913	-
Proceeds of short-term borrowings		-	20,000,000
Proceeds from short-term loans from Directors		389,073,276	49,826,931
Payment of finance cost		(96,483,011)	(65,848,287)
Net cash generated from financing activities		332,981,178	3,978,644
NET INCREASE / DECREASE IN CASH AND CASH EQUIVALENTS		115,507,828	(176,315,057)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		14,760,779	205,656,677
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		130,268,607	29,341,620

The annexed notes, from 1 to 14 form an integral part of these condensed interim financial statements.

Khurram Javaid
Chief Executive Officer/Director

Muhammad Zafar Iqbal
Chief Financial Officer

JAMSHED IQBAL
Director

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2025 (UNAUDITED)

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 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-1, Lahore.
- Plant site	17-KM, Sheikhupura Road, Lahore.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Accounting Standard (IAS) 34, 'Interim Financial Reporting', issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;

- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ with the requirements of (IAS) 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

3. MATERIAL ACCOUNTING POLICIES

The material accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual audited financial statements of the Company for the year ended June 30, 2025, except detailed below or elsewhere.

These condensed interim financial statements are un-audited and do not include all the information and disclosures as are required for annual audited financial statements, and therefore, should be read in conjunction with the Company's annual audited financial statements for the year ended June 30, 2025. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual audited financial statements.

4. CRITICAL ACCOUNTING ESTIMATES & JUDGEMENTS

The preparation of condensed interim financial statements in conformity with the approved accounting standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing these condensed interim financial statements, the significant judgements made by management in applying the Company's accounting policies and key sources of estimation of uncertainty were the same as those applied to the annual audited financial statements of the Company for the year ended June 30, 2025, except as disclosed otherwise in respective notes.

Rupees	Note	September 30, 2025	June 30, 2025
		(Unaudited)	(Audited)
5. PROPERTY, PLANT AND EQUIPMENT			
Tangible fixed assets		1,813,939,459	1,816,361,275
Capital work-in-progress	5.1	4,843,928,362	4,650,096,714
		6,657,867,821	6,466,457,989

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

	Opening balance	Additions	Transfers	Closing balance
Hybrid power plant	4,647,429,421	424,707,107	(237,734,212)	4,834,402,316
Building	2,667,293	6,858,753	-	9,526,046
September 30, 2025	4,650,096,714	431,565,860	(237,734,212)	4,843,928,362
June 30, 2025	2,891,274,751	2,002,715,510	(243,893,547)	4,650,096,714

6. CONTINGENCIES AND COMMITMENTS

Contingencies:

There has been no significant change in the status of contingencies as reported in the annual audited financial statements of the Company for the year ended June 30, 2025, except as disclosed elsewhere in the interim financial report.

Commitments:

Capital commitments	565,071,052	881,910,848

Rupees	Quarter ended September 30, 2025	Quarter ended September 30, 2024
	(Unaudited)	(Unaudited)
7. OTHER INCOME		
Profit on saving accounts	6,303	7,144
Rental income	10,500,000	958,320
Notional income against development of property	6,858,753	-
Gain on sale of store items	445,984	-
	17,811,040	965,464

7.1 This represents gain on sale of store items to Mughal Iron & Steel Industries Limited (holding company) costing Rs.237.734 million for a net consideration of Rs.238.180 million

8. LOSS PER SHARE - BASIC AND DILUTED

Loss for the period	Rupees	(1,864,188)	(1,267,032)
Weighted average number of ordinary shares	Number	194,103,187	194,103,187
Loss per share - basic	Rupees / Share	(0.01)	(0.01)

8.1 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.

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

9. RELATED PARTY / ASSOCIATED UNDERTAKING DISCLOSURE

Related parties comprise of the holding company and entities regarded as related / associated 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. Detail of transactions / outstanding balances with related parties, not otherwise disclosed elsewhere, are as follows:

Rupees	Quarter ended September 30, 2025 (Unaudited)	Quarter ended September 30, 2024 (Unaudited)	As at September 30, 2025 (Unaudited)	As at June 30, 2025 (Audited)
	Transactions		Outstanding balance	
Entities				
Mughal Iron & Steel Industries Limited - Holding Company				
Detail of outstanding balances				
Long-term loan			2,500,000,000	2,500,000,000
Mark-up expense on short-term loan			7,287,671	5,926,647
Security deposit			7,000,000	7,000,000
Detail of transactions				
Sale of store items	281,052,631	-		
Rental income	10,500,000	-		
Notional income against development of property	6,858,753	-		
Mark-up expense on long-term loan	84,843,836	-		
Mark-up paid on long-term loan	-	42,712,571		
Short-term loan - proceeds	-	20,000,000		
Major shareholders, key management personnel and their relatives				
Major shareholders, Directors and their relatives				
Detail of transactions				
Remuneration / meeting fee	2,462,295	1,392,098		
Short-term loan from directors - proceeds	389,073,276	49,826,931		
Rent expense	90,750	90,750		
Key management personnel (other than Directors) and their relatives				
Detail of transactions				
- Salaries	1,200,000	112,500		

10. FINANCIAL RISK MANAGEMENT

These condensed interim financial statements do not include all financial risk management information and disclosures, which are required in the annual financial statements and should be read in conjunction with the Company's annual audited financial statements for the year ended June 30, 2025. There has been no change in any risk management policies since the year end.

11. FAIR VALUE DISCLOSURES

The carrying amount of financial assets and financial liabilities recognized in these condensed interim financial statements approximate their respective fair values and there were no transfers amongst level of fair value analysis of financial assets during the period.

Information about the fair value hierarchy of items of property, plant and equipment as at the end of the reporting period is as follows:

Rupees	Level 2	Total
Property plant and equipment:		
Freehold land (operating)	1,451,584,602	1,451,584,602
Land subject to operating lease	121,690,398	121,690,398
September 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, 2025	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.

Rupees	Quarter ended September 30, 2025	Quarter ended September 30, 2024	As at September 30, 2025	As at June 30, 2025
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	Transactions		Outstanding balances	
12. SHARIAH DISCLOSURE				
Condensed interim statement of financial position:				
Financing (long-term, short-term) obtained as per Islamic mode			1,368,925,490	922,012,853
Interest or mark-up accrued on any conventional loan or advance			11,045,535	9,491,572
Shariah compliant bank deposits / bank balances / TDRs			130,241,678	14,673,519
Condensed interim statement of profit or loss:				
Profit earned from shariah compliant bank deposits / balances / TDRs	6,303	7,143		
Interest paid on any conventional loan or advance	96,483,012	65,777,791		

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

12.2 Source and detailed breakup of other income is provided in note 7.

12.3 Other disclosure requirements:

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

13. DATE OF AUTHORIZATION

These condensed interim financial statements were authorized for issue on October 30, 2025 by the Board of Directors of the Company.

14. GENERAL

The figures have been rounded off to the nearest rupee.

The corresponding figures have been rearranged or reclassified, wherever necessary, for the purpose of comparison, however, no material significant reclassification has been made.

In order to comply with the requirements of International Accounting Standard, IAS - 34 - ‘Interim Financial Reporting’, the condensed interim statement of financial position as of the end of the current interim period has been compared with the statement of financial position as of the end of the immediately preceding financial year, the condensed interim statement of profit or loss and the condensed interim statement of comprehensive income for the current interim period has been compared with the statement of profit or loss and statement of comprehensive income for the comparable interim period of the immediately preceding financial year, whereas, the condensed interim statement of changes in equity and condensed interim statement of cash flows have been compared with the relevant statements for the comparable year-to-date period of the immediately preceding financial year.

Khurram Javaid	Muhammad Zafar Iqbal	JAMSHED IQBAL
Chief Executive Officer/Director	Chief Financial Officer	Director

MUGHALENERGY.COM.PK