



NISHAT

LALPIR POWER LIMITED

HALF YEARLY
Report

FOR THE HALF YEAR ENDED
JUNE 30,

20
25



TABLE OF CONTENTS



02	Company Profile
03	Directors' Report
06	Directors' Report (Urdu)
09	Auditors' Report to the Members on Review of Condensed Interim Financial Information
10	Statement of Financial Position
12	Statement of Profit or Loss and Other Comprehensive Income
13	Statement of Changes in Equity
14	Statement of Cash Flows Statements
15	Notes to the Financial Statements

COMPANY PROFILE

THE COMPANY

Lalpir Power Limited ("the Company") was incorporated in Pakistan on 8 May 1994 under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). The registered office is situated at 53-A, Lawrence Road, Lahore. The principal activities of the Company are to own, operate and maintain an oil fired power station ("the Complex") having gross capacity of 362 MW in Mehmood Kot, Muzaffargarh, Punjab, Pakistan.

BOARD OF DIRECTORS

Mian Hassan Mansha Chairman
Mr. Zaheer Ahmad Ghanghro
Mr. Mahmood Akhtar
Mr. Muhammad Azam
Mr. Inayat Ullah Niazi
Mrs. Hajra Arham
Mr. Amir Mahmood

CHIEF EXECUTIVE OFFICER

Mr. Mahmood Akhtar

AUDIT COMMITTEE

Mr. Zaheer Ahmad Ghanghro Chairman
Mr. Inayat Ullah Niazi
Mrs. Hajra Arham

HUMAN RESOURCE & REMUNERATION (HR &R) COMMITTEE

Mian Hassan Mansha
Mrs. Hajra Arham Chairman
Mr. Inayat Ullah Niazi

AUDITOR OF THE COMPANY

Riaz Ahmad & Co.
Chartered Accountants

REGISTERED OFFICE

53-A, Lawrence Road, Lahore-Pakistan
UAN: +92 42-111-11-33-33
+92 42 36367414

SHARE REGISTRAR

CDC Share Registrar Services Limited
CDC House, 99-B, Block-B, S.M.C.H.S
Shahra-e-Faisal, Karachi – 74400
Tel: (92-21) 111-111-500
Fax: (92-21) 34326053

CHIEF FINANCIAL OFFICER

Mr. Awais Majeed Khan

COMPANY SECRETARY

Mr. Khalid Mahmood Chohan

BANKERS OF THE COMPANY

Habib Bank Limited
The Bank of Punjab
United Bank Limited
Allied Bank Limited
National Bank of Pakistan
Bank Alfalah Limited
Faysal Bank Limited
Askari Bank Limited
Habib Metropolitan Bank Limited
MCB Bank Limited
Bank Islami Pakistan Limited
Standard Chartered Bank (Pakistan) Limited
Al Baraka Bank (Pakistan) Limited
Meezan Bank Limited
Silk Bank Limited

LEGAL ADVISOR OF THE COMPANY

Mr. M. Aurangzeb Khan
Advocate High Court

HEAD OFFICE

1-B, Aziz Avenue, Gulberg-V, Lahore -
Pakistan
Tel: +92 42-35717090-96
Fax: +92 42-35717239

PLANT

Mehmood Kot, Muzaffargarh,
Punjab – Pakistan.

DIRECTORS' REPORT

The Directors of [Lalpir Power Limited](#) ("the Company") are pleased to present their report together with the Condensed Interim Financial Information for the half year ended June 30, 2025.

The Power Purchase Agreement (PPA) was terminated, during previous year w.e.f. October 01, 2024. For further details, please see note 1.2 of the annexed condensed interim financial statements.

Despite the termination of PPA, the company is in a sound financial position and there are sufficient funds available to meet the day to today expenditure, including plant preservation & maintenance costs. As on June 30, 2025 the Company's investments in Mutual Funds & saving accounts, stand at Rs. 10,537 million.

We are hopeful that the Company shall participate in the upcoming Competitive Trading Bilateral Contracts Market (CTBCM) once it is implemented by the Government of Pakistan (GoP), which will allow the Company to sell electricity as a Merchant Plant to Bulk Consumers / Distribution Companies (DISCOs) through wheeling arrangements.

OPERATIONAL FINANCIAL RESULTS:

The financial results of the Company for period ended June 30, 2025 are as follows:

Financial Highlights	PERIOD ENDED	
	30 June	30 June
	2025	2024
Revenue (Rs '000')	-	13,462,797
Gross profit (Rs '000')	-	3,964,359
After tax (loss) / profit (Rs '000')	(694,821)	3,051,312
(Loss) / earnings per share (Rs)	(1.83)	8.03

The Company has posted after tax loss of Rs 694.821 million as against after tax profit Rs 3,051.312 million earned in the comparative period. The net loss of the Company demonstrated the loss per share of Rs 1.83 as against earnings per share of Rs 8.03 in the comparable previous period.

As explained in Note 1.2 to the condensed interim financial statements, the Company has taken several cost reduction measures, including but not limited to rationalization of workers and employees through Voluntary Severance Scheme (VSS) and reduction / optimization of plant maintenance costs, to mitigate the financial impacts arising due to termination of the PPA, consequently, the Power Plant is being kept in preservation mode to ensure that the Power Plant

is readily available if the offtake of electricity is required in near future. The Company is fully determined to explore other avenues of income generation including establishment of new businesses, which are under discussions, using funds available with the Company and the same will be placed before the shareholders of the Company for formal approval after the recommendation by the Board of Directors.

COMPOSITION OF BOARD:

Total number of Directors:	
(a) Male	6
(b) Female	1
Composition:	
(i) Independent Directors	2
(ii) Other Non-executive Directors	4
(iii) Executive Director	1

COMMITTEES OF THE BOARD:

Audit Committee of the Board:

Sr. #	Name of Members	
1.	Mr. Zaheer Ahmad Ghanghro	(Member/ Chairman)
2.	Mr. Inayat Ullah Niazi	(Member)
3.	Mrs. Hajra Arham	(Member)

Human Resource & Remuneration (HR&R) Committee:

Sr. #	Name of Members	
1.	Mrs. Hajra Arham	(Member/ Chairperson)
2.	Mian Hassan Mansha	(Member)
3.	Mr. Inayat Ullah Niazi	(Member)

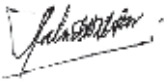
DIRECTORS' REMUNERATION:

The company does not pay remuneration to its non-executive directors including independent directors except for meeting fee. Aggregate amount of remuneration paid to executive and non-executive directors have been disclosed in Note 9 of the annexed financial statements.

ACKNOWLEDGEMENT:

The board appreciates the management for establishing a modern and motivating working climate and promoting high levels of performance in all areas of the power plant. We also take this opportunity to thank our executives and staff members for their consistent support, hard-work and commitment for delivering remarkable, under extra ordinary circumstances.

For and on behalf of the Board of Directors



Mr. Mahmood Akhtar
Chief Executive Officer



Mian Hassan Mansha
Chairman

Lahore: 29 August 2025

لال پیر پاور لمیٹڈ "دی کمپنی" کے ڈائریکٹر 30 جون 2025ء مختتمہ ششماہی کے لئے منجملہ عبوری مالیاتی معلومات پر مشتمل اپنی رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

پاور پرچیز انگریجمنٹ ("PPA") گزشتہ سال کے دوران یکم اکتوبر 2024 کو ختم ہو گیا۔ مزید تفصیلات کے لیے، براہ کرم منسلک کنڈینسڈ عبوری مالیاتی گوشواروں کا نوٹ 1.2 ملاحظہ کریں۔

PPA کے خاتمہ کے باوجود، کمپنی کی مالی حالت مستحکم ہے اور اس کے پاس پلانٹ کے تحفظ اور دیکھ بھال کے اخراجات سمیت روزمرہ کی ضروریات کو پورا کرنے کے لئے کافی فنڈز دستیاب ہیں۔ 30 جون 2025 تک، کمپنی کی میوچل فنڈز اور بچت کھاتوں میں سرمایہ کاری 10,537 ملین روپے ہے۔

حکومت پاکستان (GoP) کی طرف سے نفاذ کے بعد ہم پُر امید ہیں کہ کمپنی آئندہ مسابقتی تجارتی دوطرفہ کنٹریکٹس مارکیٹ (CTBCM) میں شرکت کرے گی، جس سے کمپنی کو وہیلنگ انتظامات کے ذریعے بلک کنزیومر/ڈسٹری بیوٹن کمپنیوں (DISCOs) کو مرچنٹ پلانٹ کے طور پر بجلی فروخت کرنے کی اجازت ہوگی۔

آپریٹل مالیاتی نتائج:

30 جون 2025ء کو ختم ہونے والی مدت کے لئے کمپنی کے مالیاتی نتائج مندرجہ ذیل ہیں:

مالی جھلکیاں	30 جون 2025ء مختتمہ ششماہی	30 جون 2024ء مختتمہ ششماہی
محصولات (000 روپے)	-	13,462,797
مجموعی منافع (000 روپے)	-	3,964,359
بعد از ٹیکس (نقصان)/منافع (000 روپے)	(694,821)	3,051,312
(نقصان)/آمدن فی حصص (روپے)	(1.83)	8.03

کمپنی نے ٹیکس کے بعد نقصان 694,821 ملین روپے درج کیا جبکہ تقابلی مدت میں 3,051,312 ملین روپے منافع حاصل ہوا تھا۔ کمپنی کے خالص نقصان نے گزشتہ مدت میں 03.8 روپے فی حصص منافع کے مقابلے 1.83 روپے فی حصص نقصان ظاہر کیا ہے۔

جیسا کہ مالیاتی گوشواروں کے نوٹ 1.2 میں وضاحت کی گئی ہے، کمپنی نے لاگت میں کمی لانے کے کئی اقدامات کیے ہیں، جن میں رضا کارانہ

علحدگی اسکیم (VSS) کے ذریعے کارکنوں اور ملازمین کی معقولیت اور پلانٹ کی دیکھ بھال کے اخراجات میں کمی / اصلاح شامل ہیں، تاکہ PPA کی برطرفی کی وجہ سے پیدا ہونے والے مالی اثرات کو کم کیا جاسکے، اس بات کو یقینی بنانے کے لیے کہ پاور پلانٹ کو پہلے سے محفوظ رکھا جائے، اگر مستقبل قریب میں بجلی کی ضرورت پڑے تو پلانٹ آسانی سے دستیاب ہو۔ کمپنی اپنے پاس دستیاب فنڈز کا استعمال کرتے ہوئے نئے کاروباروں کے قیام، جو کہ زیر بحث ہیں سمیت آمدنی پیدا کرنے کی دیگر راہیں تلاش کرنے کے لیے پوری طرح پُر عزم ہے اور کمپنی کے بورڈ آف ڈائریکٹرز کی سفارش کے بعد اسے باضابطہ منظوری کے لیے کمپنی کے شیئر ہولڈرز کے روبرو رکھا جائے گا۔

بورڈ کی تشکیل:

ڈائریکٹرز کی کل تعداد	
6	(a) مرد
1	(b) خاتون
	تشکیل
2	(i) آزاد ڈائریکٹرز
4	(ii) دیگر نان ایگزیکٹو ڈائریکٹرز
1	(iii) ایگزیکٹو ڈائریکٹرز

بورڈ کی کمیٹیاں:

بورڈ کی آڈٹ کمیٹی:

نمبر شمار	نام ڈائریکٹرز
1	جناب ظہیر احمد گھنگرو (رکن / چیئر مین)
2	جناب عنایت اللہ نیازی (رکن)
3	محترمہ ہاجرہ ارحم (رکن)

ہیومن ریسورس اینڈ ریمیزیشن (HR&R) کمیٹی:

نمبر شمار	نام رکن
1	محترمہ ہاجرہ ارحم (رکن / چیئر مین)
2	میاں حسن منشاء (رکن)
3	جناب عنایت اللہ نیازی (رکن)

ڈائریکٹرز کا مشاہرہ:

کمپنی اپنے آزاد ڈائریکٹرز سمیت نان ایگزیکٹو ڈائریکٹرز کو اجلاس فیس کے علاوہ کوئی مشاہرہ ادا نہیں کرتی ہے۔ ایگزیکٹو اور نان ایگزیکٹو ڈائریکٹرز کو ادا کئے جانے والے مشاہرہ کی مجموعی رقم منسلکہ مالی حسابات کے نوٹ 9 میں منکشف ہے۔

اتلہا تشکر

بورڈ، ایک جدید اور حوصلہ افزاء کام کے ماحول کے قیام اور پاور پلانٹ کے تمام شعبوں میں اعلیٰ سطح کی کارکردگی کو فروغ دینے کے لئے بھی انتظام کیوسرا ہوتا ہے۔ ہم غیر معمولی حالات کے تحت، قابل ذکر نتائج کی فراہمی کے لئے اپنے ایگزیکٹوز اور تمام عملہ کی مسلسل حمایت، سخت محنت اور عزم کے بھی شکر گزار ہیں۔

منجانب مجلس نظاماء



میاں حسن منشا

چیرمین



(جناب محمود اختر)

چیف ایگزیکٹو آفیسر

لاہور: 29 اگست 2025ء

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF LALPIR POWER LIMITED

REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying condensed interim statement of financial position of LALPIR POWER LIMITED as at 30 June 2025 and the related condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the condensed interim financial statements for the half year then ended (here-in-after referred to as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

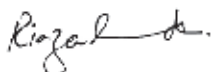
Emphasis of matter

We draw attention to note 1.2 in these condensed interim financial statements, which describes the matter relating to early termination of Power Purchase Agreement with the Power Purchaser and early termination of Implementation Agreement and the Guarantee by the Government of Pakistan. As stated in note 1.2 to these condensed interim financial statements, these events or conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Other Matter

Pursuant to the requirement of section 237(1)(b) of the Companies Act, 2017, only cumulative figures for the half year, presented in second quarter accounts are subject to a limited scope review by the statutory auditors of the company. Accordingly, the figures of the condensed interim statement of profit or loss and other comprehensive income for the three months period ended 30 June 2025 have not been reviewed by us.

The engagement partner on the review resulting in this independent auditor's review report is Mubashar Mehmood.



RIAZ AHMAD & COMPANY
Chartered Accountants

Lahore

Date: 29 August 2025

UDIN: RR202510158ZDMjm7dOy

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2025 (UN-AUDITED)

	Note	Un-audited 30 June 2025 (Rupees in thousand)	Audited 31 December 2024
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital 500,000,000 (31 December 2024: 500,000,000) ordinary shares of Rupees 10 each		5,000,000	5,000,000
Issued, subscribed and paid-up share capital 379,838,732 (31 December 2024: 379,838,732) ordinary shares of Rupees 10 each		3,798,387	3,798,387
Capital reserve		-	107,004
Revenue reserve - un-appropriated profit		10,338,367	10,926,184
Total equity		14,136,754	14,831,575
LIABILITIES			
NON-CURRENT LIABILITY			
Employee benefit - gratuity		25,831	18,823
CURRENT LIABILITIES			
Trade and other payables		167,183	178,848
Accrued mark-up / profit		-	39,045
Unclaimed dividend		11,132	11,665
		178,315	229,558
Total liabilities		204,146	248,381
CONTINGENCIES AND COMMITMENTS			
	4		
TOTAL EQUITY AND LIABILITIES		14,340,900	15,079,956

The annexed notes form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE

	Note	Un-audited 30 June 2025 (Rupees in thousand)	Audited 31 December 2024
ASSETS			
NON-CURRENT ASSETS			
Fixed assets	5	2,448,111	2,972,235
Long term investment		-	-
Long term loans to employees		1,768	14,615
Long term security deposits		350	1,850
		2,450,229	2,988,700
CURRENT ASSETS			
Stores, spare parts and other consumables		659,363	667,278
Fuel stock		29,349	526,558
Loans, advances and short term prepayments		17,895	36,817
Other receivables		548,083	828,800
Accrued interest		220	2,513
Advance income tax and levy - net		98,333	254,897
Short term investment		10,471,224	9,087,720
Cash and bank balances		66,204	686,673
		11,890,671	12,091,256
TOTAL ASSETS			
		14,340,900	15,079,956



DIRECTOR



CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Half Year Ended 30 June 2025 (Un-audited)

		Half Year Ended		Quarter Ended	
	Note	30 June 2025	30 June 2024	30 June 2025	30 June 2024
		(Rupees in thousand)			
REVENUE FROM CONTRACT WITH CUSTOMER		-	13,462,797	-	4,660,330
COST OF SALES	6	-	(9,498,438)	-	(2,567,597)
GROSS PROFIT		-	3,964,359	-	2,092,733
PLANT MAINTENANCE AND PRESERVATION COSTS	7	(1,086,725)	-	(392,222)	-
ADMINISTRATIVE EXPENSES		(69,532)	(119,678)	(60,340)	(63,657)
OTHER EXPENSES		(1,861)	(2,774)	(1,046)	(1,303)
OTHER INCOME		624,185	10,837	347,449	2,346
(LOSS) / PROFIT FROM OPERATIONS		(533,933)	3,852,744	(106,159)	2,030,119
FINANCE COST		(142)	(801,432)	(61)	(426,068)
(LOSS) / PROFIT BEFORE LEVY AND TAXATION		(534,075)	3,051,312	(106,220)	1,604,051
LEVY		(31,698)	-	(31,698)	-
(LOSS) / PROFIT BEFORE TAXATION		(565,773)	3,051,312	(137,918)	1,604,051
TAXATION		(129,048)	-	(94,287)	-
(LOSS) / PROFIT AFTER TAXATION		(694,821)	3,051,312	(232,205)	1,604,051
OTHER COMPREHENSIVE INCOME: ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS		-	-	-	-
ITEMS THAT MAY BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS		-	-	-	-
		-	-	-	-
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE PERIOD		(694,821)	3,051,312	(232,205)	1,604,051
(LOSS) / EARNINGS PER SHARE - BASIC AND DILUTED (RUPEES)		(1.83)	8.03	(0.61)	4.22

The annexed notes form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

For the Half Year Ended 30 June 2025 (Un-audited)

	SHARE CAPITAL	RESERVES		TOTAL EQUITY
		Capital	Revenue	
		Retained payments reserve	Un-appropriated profit	
(-----Rupees in thousand-----)				
Balance as at 31 December 2023 - audited	3,798,387	107,004	11,934,073	15,839,464
Transaction with owners - First interim dividend for the quarter ended 31 March 2024 @ Rupees 2.00 per share	-	-	(759,677)	(759,677)
Profit for the half year ended 30 June 2024	-	-	3,051,312	3,051,312
Other comprehensive income for the half year ended 30 June 2024	-	-	-	-
Total comprehensive income for the half year ended 30 June 2024	-	-	3,051,312	3,051,312
Balance as at 30 June 2024 - un-audited	3,798,387	107,004	14,225,708	18,131,099
Transaction with owners: Second interim dividend for the half year ended 30 June 2024 @ Rupees 2.00 per share	-	-	(759,677)	(759,677)
Loss for the half year ended 31 December 2024	-	-	(2,586,522)	(2,586,522)
Other comprehensive income for the half year ended 31 December 2024	-	-	46,675	46,675
Total comprehensive loss for the half year ended 31 December 2024	-	-	(2,539,847)	(2,539,847)
Balance as at 31 December 2024 - audited	3,798,387	107,004	10,926,184	14,831,575
Transfer of 'retained payments reserve' to 'un-appropriated profit'	-	(107,004)	107,004	-
Loss for the half year ended 30 June 2025	-	-	(694,821)	(694,821)
Other comprehensive income for the half year ended 30 June 2025	-	-	-	-
Total comprehensive loss for the half year ended 30 June 2025	-	-	(694,821)	(694,821)
Balance as at 30 June 2025 - un-audited	3,798,387	-	10,338,367	14,136,754

The annexed notes form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF CASH FLOWS

For the Half Year Ended 30 June 2025 (Un-audited)

		Half Year Ended	
	Note	30 June 2025 (Rupees in thousand)	30 June 2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	8	254,899	308,108
Finance cost paid		(39,187)	(619,024)
Net decrease in long term security deposits		1,500	-
Net decrease / (increase) in long term loans to employees		12,847	(29,014)
Income tax paid		(4,182)	(1,626)
Net cash generated from / (used in) operating activities		225,877	(341,556)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on fixed assets		-	(27,006)
Proceeds from disposal of operating fixed assets		12,048	-
Short term investments made		(38,395,718)	-
Proceeds from disposal of short term investment		37,532,510	849,995
Profit on bank deposits received		5,086	6,858
Profit on term deposit receipt received		261	-
Net cash (used in) / from investing activities		(845,813)	829,847
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(533)	(759,325)
Net cash used in financing activities		(533)	(759,325)
Net increase in cash and cash equivalents		(620,469)	(271,034)
Cash and cash equivalents at beginning of the period		686,673	(4,847,550)
Cash and cash equivalents at end of the period		66,204	(5,118,584)
CASH AND CASH EQUIVALENTS			
Cash in hand		1,201	554
Cash at banks		65,003	1,439,728
Short term borrowings		-	(6,558,866)
		66,204	(5,118,584)

The annexed notes form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the Half Year Ended 30 June 2025 (Un-audited)

1. THE COMPANY AND ITS OPERATIONS

1.1 Lalpir Power Limited ("the Company") was incorporated in Pakistan on 08 May 1994 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The registered office of the Company is situated at 53-A, Lawrence Road, Lahore. Head office of the Company is situated at 1-B, Aziz Avenue, Canal Road, Gulberg V, Lahore. The ordinary shares of the Company are listed on Pakistan Stock Exchange Limited. The principal activities of the Company are to own, operate and maintain a fuel fired power station ("the Complex") having gross capacity of 362 MW in Mehmood Kot, Muzaffargarh, Punjab, Pakistan. The Company had a Power Purchase Agreement (PPA) with its sole customer, Central Power Purchasing Agency (Guarantee) Limited (CPPA-G) for 30 years which commenced from 06 November 1997. As per the terms of PPA amendment agreement dated 20 April 2021, the agreement year that ended on 25 March 2021 was extended by 248 days to 28 October 2021.

1.2 Impact on going concern assumption due to early termination of PPA

The PPA of the Company was initially for a term of 30 years and was scheduled to expire on 28 November 2028. However, during the year ended 31 December 2024, the Company entered into negotiations with the National Task Force on Structural Reforms (Task Force) constituted by the Prime Minister of Pakistan. After several round of discussions with the Task Force, the Company consented the early termination of existing PPA with the Power Purchaser with effect from 01 October 2024. The Company also consented the early termination of Implementation Agreement (IA) entered into with the President of Islamic Republic of Pakistan and Guarantee issued by the President of Islamic Republic of Pakistan, for and on behalf of the Government of Pakistan (GoP) with effect from 01 October 2024. As a result, following terms have been agreed and taken place:

- The original term of the Agreements (PPA and IA) and Guarantee was 30 years and the Agreements were scheduled to expire on 28 November 2028, now the Agreements have been terminated with effect from 01 October 2024;
- Power Purchaser has paid Rupees 12,351.725 million payable as on 01 October 2024 comprising Capacity Purchase Price, Energy Purchase Price, General sales tax and Pass-Through items as full and final settlement by 31 December 2024;
- In case the appeal regarding apportionment of input sales tax imposed on the Capacity Purchase Price, pending before the Apex courts as more fully explained in note 10.1(ii) to the annual preceding audited financial statements of the Company, is decided finally in favor of Federal Board of Revenue (FBR), and the Company is required to make payment to the FBR after exhausting all legal remedies, the Power Purchaser shall be obliged to reimburse the payment to the Company within 30 days of the invoice, after making the payment by the Company;
- The Company shall invoice and the Power Purchaser shall make payment of Workers' Profit Participation Fund (WPPF) and Workers' Welfare Fund (WWF) accrued till 30

September 2024 on prorated based on the Company's profit.

- The Company has agreed to waive off all of its rights or claims relating to delayed payment markup and the same have been written off;
- The Power Purchaser and GoP shall not be liable to pay any compensation in any matter of PPA, IA or Guarantee;
- The Company forfeits, waives and relinquish all or any rights, or claims it have, under the Guarantee; and
- The Company will retain the ownership of the Complex, including site;

The above terms given by the Task Force were placed before the Board of Directors of the Company in their meeting held on 09 October 2024 and the Board of Directors placed the matter of early termination and the terms thereof for the approval of shareholders of the Company. On 14 November 2024, shareholders of the Company accorded approval for early termination of the PPA, IA and the Guarantee and adoption of the terms placed before the shareholders. These terms have been formally approved and the Agreements stand terminated with effect from 01 October 2024.

The termination of PPA indicates the existence of material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern and, therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business.

However, the management of the Company believes that it will be able to continue as a going concern basis, based on the following factors:

- There is no impediment in the ability of the Company to generate electricity, subject to certain regulatory and formal legal formalities;
- The management of the Company shall participate in the Competitive Trading Bilateral Contracts Market (CTBCM) once it is implemented by the Government of Pakistan (GoP), which will allow the Company to sell electricity as a Merchant Plant to Bulk Consumers / Distribution Companies (DISCOs) through wheeling arrangements;
- The Company has taken several cost reduction measures, including but not limited to rationalization of workers and employees through Voluntary Severance Scheme (VSS) [note 7 to these financial statements] and reduction / optimization of plant maintenance costs, to mitigate the financial impacts arising due to termination of the Agreements;
- The Company has Rupees 10,537.428 million surplus funds available as on 30 June 2025 which are invested in mutual funds, term deposit receipt and cash and banks to generate sufficient income to support the operations of the Company;
- The management of the Company is fully determined to explore other avenues of income generation including establishment of new businesses, which are under discussions, using funds available with the Company and the same will be placed before the shareholders of the Company for formal approval after the recommendation by the Board of Directors of the Company.

Notwithstanding, as elaborated above, the Company has sound financial position and as per the management's forecasts, the Company has enough liquidity and reserves to meet the operational expenditures and discharge its liabilities for the foreseeable future. Therefore, the management is confident that the Company will continue as a going concern in the foreseeable future. Thus, these condensed interim financial statements have been prepared on a going concern basis and consequently, do not require adjustment relating to the realization of its assets and liquidation of liabilities.

The management has assessed the accounting implications of the aforementioned developments in relation to the impairment of tangible fixed assets under IAS 36 'Impairment of Assets'. However, according to management's assessment, there is no impact of impairment on these condensed interim financial statements.

2. BASIS OF PREPARATION

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

Where the 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 These condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended 31 December 2024. These condensed interim financial statements are un-audited, however, have been subjected to limited scope review by the auditors and are being submitted to the shareholders as required by the Listed Companies (Code of Corporate Governance) Regulations, 2019 and Section 237 of the Companies Act, 2017.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policy information and methods of computations adopted for the preparation of these condensed interim financial statements are same as applied in the preparation of the preceding audited annual published financial statements of the Company for the year ended 31 December 2024.

3.1 Critical accounting estimates and judgments

The preparation of these condensed interim financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

During preparation of these condensed interim financial statements, the significant judgments made by the management in applying the Company's accounting policies and key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Company for the year ended 31 December 2024.

4. CONTINGENCIES AND COMMITMENTS

4.1 Contingencies

There is no significant change in the status of contingencies as disclosed in the preceding audited annual published financial statements of the Company for the year ended 31 December 2024 except for the following:

4.1.1 On 16 August 2024, Deputy Commissioner Inland Revenue (DCIR) passed an order under section 11 of the Sales Tax Act, 1990 for tax periods from August 2022 to June 2023 whereby sales tax demand of Rupees 10.969 million has been raised on account of inadmissible input sales tax on various goods and services along with default surcharge and penalty against the Company. Being aggrieved with the order of DCIR, the Company filed an appeal before Appellate Tribunal Inland Revenue (ATIR) on 23 September 2024. On 01 January 2025, ATIR has deleted the disallowance of input sales tax amounting to Rupees 7.138 million. However, input sales tax amounting to Rupees 3.831 million including the default surcharge has been remanded back to the assessing officer for fresh consideration. Based on tax advisor's opinion, there exists reasonable grounds to defend the Company's stance. Hence, no provision has been made in these condensed interim financial statements.

4.1.2 On 04 February 2020, DCIR passed an order under section 11 of the Sales Tax Act, 1990 whereby input sales tax on various furnace oil invoices was disallowed and sales tax refund amounting to Rupees 58.489 million was rejected. Being aggrieved with the order of DCIR, the Company filed appeal before Commissioner Inland Revenue (Appeals) [CIR(A)] on 20 February 2020. On 28 April 2020, CIR(A) remanded back the case to assessing officer for fresh consideration. DCIR reinitiated the remand back proceedings and passed an order on 04 June 2020 whereby partial relief to the Company was granted and sales tax refund of Rupees 34.507 million was rejected. Being aggrieved with the remand back proceedings of DCIR, the Company filed an appeal before CIR(A) on 11 June 2020. On 02 June 2021, CIR(A) passed an order whereby the decision of DCIR regarding rejection of sales tax refund of Rupees 34.507 million was upheld. Being aggrieved with the order of CIR(A), the Company filed an appeal before ATIR on 13 July 2021. On 28 April 2025, ATIR has decided the appeal in favour of the Company. On 26 May 2025, the Company has received Refund Payment Order (RPO) of full amount under section 11 of the Sales Tax Act, 1990.

4.1.3 On 03 November 2017, the Company challenged before the Honorable Lahore High Court (the Court), the legality of enhancement of canal water rates from Rupees 86.52 per 10,000 cubic feet to Rupees 100 per 1,000 cubic feet as notified by the Punjab Irrigation Department (the Department). On 27 March 2018, the said notification of the Department was set aside by the Court. Against the order of the Court, the Department filed an appeal before a division bench of Honorable Lahore High Court, Lahore on 13 January 2021. On 19 June 2025, the Honorable Lahore High Court, Lahore decided the appeal in favor of the Department. Being aggrieved with the order of the Honorable Lahore High Court, Lahore, the Company is in the process of filing appeal before Supreme Court of Pakistan. However, as a matter of prudence, the management has

fully provided for an amount of Rupees 20.751 million relating to canal water charges in line with the decision of the Honorable Lahore High Court, Lahore in these condensed interim financial statements.

On 14 July 2021, the Department has issued a new notification with further enhanced rate of water charges from Rupees 100 per 1,000 cubic feet to Rupees 125 per 1000 cubic feet. Following which, it is possible that the Department could send the water bills based on revised rates under the new notification. However, the Company intends to challenge the new notification vide a new petition if it receives any enhanced bill for water charges.

	Un-audited 30 June 2025 (Rupees in thousand)	Audited 31 December 2024
4.2 Commitments		
For other than capital expenditure	-	13,588
5. FIXED ASSETS		
Operating fixed assets (Note 5.1)	2,448,111	2,972,235
5.1 Operating fixed assets		
Opening book value	2,972,235	3,981,123
Add: Cost of additions during the period / year (Note 5.1.1)	-	38,727
Less: Book value of disposals / derecognitions during the period / year (Note 5.1.2)	6,129	671
Less: Book value of fixed assets written off during the period / year (Note 5.1.3)	-	4
Less: Depreciation charged during the period / year	517,995	1,046,940
Closing book value	2,448,111	2,972,235
5.1.1 Cost of additions during the period / year		
Plant and machinery	-	177
Furniture and fittings	-	544
Vehicles	-	30,413
Office equipment	-	5,816
Electric equipment and appliances	-	1,777
	-	38,727

	Un-audited 30 June 2025 (Rupees in thousand)	Audited 31 December 2024
5.1.2 Book value of disposals / derecognitions during the period / year		
Cost:		
- Plant and machinery	11,130	-
- Vehicles	2,877	3,688
- Office equipment	3,135	2,422
- Electric equipment and appliances	1,185	616
	18,327	6,726
Less: Accumulated depreciation	12,198	6,055
	6,129	671
5.1.3 Book value of fixed assets written off during the period / year		
Cost		
- Plant and machinery	-	11,788
- Vehicles	-	2,086
- Office equipment	-	927
- Electric equipment and appliances	-	5,620
- Clinical equipment	-	625
	-	21,046
Less: Accumulated depreciation	-	21,042
	-	4

	Un-audited Half Year Ended		Un-audited Quarter Ended	
	30 June 2025	30 June 2024	30 June 2025	30 June 2024
	(Rupees in thousand)			
6. COST OF SALES				
Fuel cost	-	7,852,763	-	1,748,548
Operation and maintenance costs	-	397,604	-	195,199
Insurance	-	732,389	-	366,194
Depreciation	-	515,405	-	257,379
Liquidated damages to CPPA-G	-	277	-	277
	-	9,498,438	-	2,567,597

	Un-audited Half Year Ended		Un-audited Quarter Ended	
	30 June 2025	30 June 2024	30 June 2025	30 June 2024
	(Rupees in thousand)			
7. PLANT MAINTENANCE AND PRESERVATION COSTS				
Salaries, wages and other benefits	84,035	-	43,519	-
Employee's Voluntary Severance Scheme (VSS)	56,649	-	56,649	-
Fuel cost - in house consumed	1,622	-	81	-
Repair and maintenance	62,318	-	36,369	-
Stores and spare parts consumed	1,330	-	615	-
Depreciation	508,547	-	251,938	-
Insurance	372,224	-	3,051	-
	<u>1,086,725</u>	<u>-</u>	<u>392,222</u>	<u>-</u>

	Un-audited Half Year Ended	
	30 June 2025	30 June 2024
	(Rupees in thousand)	
8. CASH GENERATED FROM OPERATIONS		
(Loss) / profit before taxation and levy	(534,075)	3,051,312
Adjustments for non-cash charges and other items:		
Depreciation on operating fixed assets	517,995	523,646
Provision for gratuity	7,008	11,573
Gain on disposal of operating fixed assets	(5,919)	-
Unrealized gain on remeasurement of investments at fair value through profit or loss	(18,539)	-
Gain on disposal of investment in mutual funds	(492,889)	-
Gain on sale of furnace oil	(31,930)	-
Dividend income on mutual funds	(8,868)	-
Gain on disposal of stores, spare parts and other consumables	(2,369)	-
Profit on bank deposits received	(2,740)	(6,839)
Profit on term deposit receipt received	(314)	-
Finance cost	142	801,432
Cash flows from operating activities before working capital changes	(572,498)	4,381,124
Working capital changes:		
Decrease / (increase) in current assets:		
Stores, spare parts and other consumables	10,284	(62,488)
Fuel stock	529,139	(55,709)
Trade debts	-	(4,585,828)
Loans, advances and short term prepayments	18,922	(41,677)
Other receivables	280,717	(176,942)
	<u>839,062</u>	<u>(4,922,644)</u>
(Decrease) / increase in trade and other payables	(11,665)	849,628
	<u>254,899</u>	<u>308,108</u>

9. TRANSACTIONS WITH RELATED PARTIES

Related parties of the Company comprise of associated companies, key management personnel, staff retirement benefit plans and other related parties. The Company in the normal course of business carries out transactions with these related parties. Details of transactions with related parties are as follows:

i) Transactions:

		Un-audited Half Year Ended		Un-audited Quarter Ended	
		30 June 2025	30 June 2024	30 June 2025	30 June 2024
(Rupees in thousand)					
Relationship with the Company	Nature of transaction				
Associated companies	Insurance premium paid	385,949	734,286	22,317	363,199
	Insurance claims received	246	409	199	236
	Dividend paid	-	298,880	-	298,880
	Boarding lodging services	453	850	453	850
	Purchase of vehicles	-	23,637	-	-
	Repair and maintenance of vehicles	-	722	-	518
	Sale of goods	622,346	-	434,352	-
	Reimbursement of expenses	19,056	-	19,056	-
	Profit on bank deposit	2,519	4,815	1,107	2,099
Other related parties	Dividend paid	-	52,003	-	52,003
Key management personnel	Remuneration	700	18,924	700	12,240
Staff retirement benefits plans	Contribution to provident fund	4,634	14,059	2,107	6,904
	Benefit paid on behalf of				
	Gratuity fund	7,008	11,573	7,008	5,787

Un-audited
30 June
2025
(Rupees in thousand)

Audited
31 December
2024

(ii) Period end balances:

Payable to related companies

- Entities on the basis of common directorship	524	589
-Group Entity	1,096	655

Balances with bank

-Group Entity	64,620	686,025
---------------	--------	---------

Staff retirement benefit plans

25,831	18,823
--------	--------

10. RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

(i) Fair value hierarchy

Judgements and estimates are made in determining the fair values of the financial instruments that are recognised and measured at fair value in these condensed interim financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the following three levels. An explanation of each level follows underneath the table.

Recurring fair value measurements at 30 June 2025	Level 1	Level 2	Level 3	Total
(Rupees in thousand)				

Financial assets

Financial assets at fair value through profit or loss	10,461,172	-	-	10,461,172
--	------------	---	---	------------

Recurring fair value measurements at 31 December 2024	Level 1	Level 2	Level 3	Total
(Rupees in thousand)				

Financial assets

Financial assets at fair value through profit or loss	9,087,720	-	-	9,087,720
--	-----------	---	---	-----------

The above table does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amounts are a reasonable approximation of fair value. Due to short term nature, carrying amounts of certain financial assets and financial liabilities are considered to be the same as their fair value. For the majority of the non-current receivables, the fair values are also not significantly different to their carrying amounts.

There were no transfers between levels 1 and 2 for recurring fair value measurements during the period. Further there was no transfer in and out of level 3 measurements.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include the use of net assets value (NAV) of Asset Management Company.

11. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual published financial statements of the Company for the year ended 31 December 2024.

12. CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard 34 "Interim Financial Reporting", the condensed interim statement of financial position and condensed interim statement of changes in equity have been compared with the balances of annual audited financial statements of preceding financial year, whereas, the condensed interim statement of profit or loss and other comprehensive income and condensed interim statement of cash flows have been compared with the balances of comparable period of immediately preceding financial year.

Corresponding figures have been re-arranged and reclassified, wherever necessary for the purpose of comparison, however, no significant re-arrangements and reclassifications have been made in these condensed interim financial statements.

13. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorized for issue on 29 August 2025 by the Board of Directors of the Company.

14. GENERAL

Figures have been rounded off to the nearest thousand Rupees, unless otherwise stated.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER



N I S H A T

LALPIR POWER LIMITED

CONTACT US

LALPIR POWER LIMITED

53 - A, Lawrence Road, Lahore. Tel: 042 - 36367812 - 16

Fax: 042 - 36367414 | UAN: 042 - 111-11-33-33