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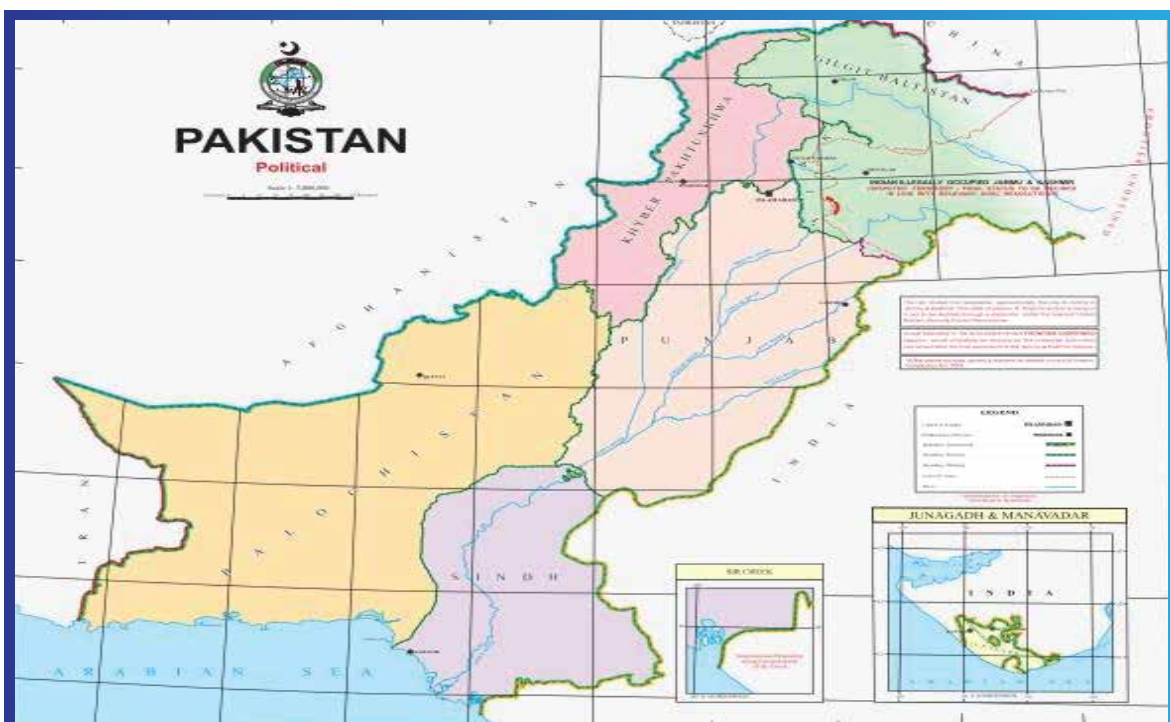
COMPANY PROFILE

ABOUT MEPCO

Multan Electric Power Company Limited (MEPCO) is a public limited company incorporated on May 14, 1998 in line with Government of Pakistan policy of unbundling and corporatization of the Power Sector. The company was established to acquire all properties, rights, assets, obligations and liabilities of the defunct Multan Area Electricity Board as well as the Grid Stations and Transmission Lines which were directly and exclusively supplying electricity in the jurisdiction of the defunct Multan Area Electricity Board.

MEPCO is the largest power distribution company in the country with customer base of 8,816,400 as on 30.06.2025, operating in 15 administrative districts of Southern Punjab namely Multan, Muzaffargarh, Kot Addu, Layyah, D.G.Khan, Taunsa, Rajanpur, Lodhran, Bahawalpur, R.Y.Khan, Khanewal, Sahiwal, Pakpattan, Vehari and Bahawalnagar. (No. of Constituencies of National Assembly=51 and constituencies of Punjab Assembly = 104.

The service territory of the company is predominantly rural and its customer mix is heavily dominated by domestic category i.e 90% of the total consumers. MEPCO is a licensee of NEPRA for Distribution of Power and Supply of Power in the service territory of 15 administrative districts of Southern Punjab.



GEOGRAPHICAL MAP OF CIRCLES UNDER MEPCO MULTAN (Exiting)



COMPANY INFORMATION

Board of Directors

- Mr. Amer Zia (Chairman)
- Ms. Shireen Malik Sher
- Ms. Noreen Bashir
- Dr. Farrukh Naveed
- Mr. Tahir Basharat Cheema
- Ms. Zainab Janjua
- Khawaja Jalaluddin Roomi
- Mr. Aamir Naseem Sheikh
- Mr. Gul Muhammad Zahid

Technical Initiatives, Development, Operational Risk Management and Procurement Committee

- Mr. Tahir Basharat Cheema
- Ms. Zainab Janjua
- Mr. Aamir Naseem Sheikh
- Ms. Shireen Malik Sher
- Mr. Gul Muhammad Zahid

Audit, Finance, Investigation, Financial Risk Management and Internal Control Committee

- Mr. Tahir Basharat Cheema
- Khawaja Jalaluddin Roomi
- Ms. Zainab Janjua
- Mr. Aamir Naseem Sheikh
- Ms. Shireen Malik Sher
- Ms. Noreen Bashir
- Dr. Farrukh Naveed

Policy, Strategy, Other Operations and Marketing Committee

- Mr. Amer Zia
- Mr. Tahir Basharat Cheema
- Ms. Noreen Bashir
- Mr. Gul Muhammad Zahid

Recovery, Theft Control and Consumer Grievances Committee

- Mr. Amer Zia
- Mr. Tahir Basharat Cheema
- Khawaja Jalaluddin Roomi
- Dr. Farrukh Naveed
- Mr. Gul Muhammad Zahid

HR, Legal & Other Misc. Matters Committee

- Ms. Zainab Janjua
- Mr. Amer Zia
- Mr. Tahir Basharat Cheema
- Mr. Shireen Malik Sher
- Mr. Gul Muhammad Zahid

Chief Financial Officer

Mr. Mian Ansar Mahmood

Principal Bankers

- National Bank of Pakistan
- Habib Bank Limited
- United Bank Limited
- MCB Bank Limited
- Allied Bank Limited
- Bank of Punjab
- Al Falah Bank
- Faysal Bank
- Soneri Bank
- Meezan Bank
- Bank Al Habib

Company Secretary

Mr. Sajid Yaqoob

Auditors

M/s Muniff Ziauddin,
Chartered Accountants,

Chief Executive Officer

Engr. Gul Muhammad Zahid

REGISTERED OFFICE

Multan Electric Power Company Limited,
Office of Company Secretary,
MEPCO Chief Executive Office,
Khanewal Road, Multan.

HEAD OFFICE

Multan Electric Power Company Limited,
Office of Company Secretary,
MEPCO Chief Executive Office,
Khanewal Road, Multan.

 061-9210380-84

 www.mepco.com.pk

BOARD DIRECTOR'S PROFILES

Chairman/Independent Director

Name	Mr. Amer Zia	
Qualification	• Master's in Electrical Engineering • Master's in Business Administration	
Experience	• C-Level leadership (reporting to CEO/Board) • Utility business management (strategic and operational) • Power sector expertise (technical, regulatory, management) • Turnaround strategies (loss-making utility transformation) • Digital transformation (MDMS/AMI, automated database management) • Efficiency optimization (supply and demand side) • Sustainability (GHG, ESG, D&I)	

Independent Director

Name	Engr. Tahir Basharat Cheema	
Qualification	• B.E (Electrical) • Diploma in Public Administration • Diploma in Business Administration • Post Graduate Certificate in Statistical Sciences (with special studies in Operational Research) • Master in Business Administration	
Experience	• Professional Engineer – 50 years of experience in the Power Sector, including WAPDA, PEPCO, and as Advisor to Industry on Energy. • Held various leadership roles, including Managing Director PEPCO and Rector WAPDA International Technical University. • Expertise in utility and change management, project formulation/monitoring, and energy conservation. • Special Technical Assistant to Deputy Chairman WAPDA, up to August, 2000. • Director (O&M) Power WAPDA up to 06/2005. • Director (Resources) with Chairman WAPDA 06/2005 to 12/2006. • Director General (S&I), M&S Division, WAPDA 12/2006 to 12/2007. • Director General (EM&C), PEPCO 1/2008 to 4/2009. • Managing Director PEPCO up to Sept, 2010. • Project Director WAPDA International Technical University (WITU). • Chairman of Energy Management Cell (EMC), Ministry of Water and Power, Government of Pakistan, Islamabad (March 2012 - March 2013). • President of IEEE. Lead Author & Editor: • PIDE sponsored book titled POWER SECTOR: AN ENIGMA WITH NO EASY SOLUTION – 2023 • WHAT AILS THE POWER SECTOR – 2024 • The authorship of over 200 research papers.	

Non-Executive Director

Name	Ms. Noreen Bashir	
Qualification	• M.A (English Literature) • B.A (English Literature -Psychology) • Commerce & Trade Group (CTP 26th Common)	
Experience	• Conducted vetting and analysis of PC-I documents, alongwith comprehensive financial appraisal of project proposals. • Coordinated and facilitated Promotion Selection Boards for BS-18 and BS-19 officers. • Managed legislative matters pertaining to corporate sector entities, including SECP, CCP, ICAP, and Joint Venture Companies. • Evaluated and analyzed auditors' annual reports in accordance with Corporate Governance Rules. • Held performance review meetings of corporate sector organizations under the Corporate Governance framework. • Organized and coordinated meetings of the Selection Committee and other related corporate bodies.	

Non-Executive Director

Name	Ms. Shireen Malik Sher	
Qualification	• Executive MBA (HRM) • CSS-2010, 39th CTP	
Experience	• Deputy Secretary (Policy), Ministry of Energy (Power Division). • Additional Director, Federal Investigation Agency (FIA) • Director, National Highway Authority (NHA) • Section Officer, Establishment Division • Section Officer, Cabinet Division	

Non-Executive Director

Name	Dr. Farrukh Naveed	
Qualification	• MBA (Finance) • M.Sc. (Physics) • Ph.D. (Development Policy & Management)	
Experience	• Secretary, Higher Education Department • Secretary (Implementation) to CM • Special Secretary (Operations), Specialized Health & Medical Education Department • Special Secretary (Development and Reforms), Primary and Secondary Healthcare Department • Project Director, PPP Cell • CEO, Public Private Partnership Authority, Planning and Development Department • Additional Secretary (Development), Local Government and Community Development Department • Deputy Commissioner, Sialkot	

Independent Director

Name	Ms. Zainab Janjua	
Qualification	• LLM, International Business Law, London • Bar-at-Law, London	
Experience	• Partner at AJURIS Advocates & Corporate Counsel • Associate, GLC Solicitors, London • Legal Advisor at BPP Legal Advice Clinic, London • External legal counsel / advisor at: • Careem Pakistan (Pvt.) Limited • World Bank • PTA • NHA • Nestle Pakistan • Telenor Pakistan • Nayatel (Pvt.) Ltd. • Pakistan Atomic Energy Commission Foundation • Ministry of Energy (Power) • Ministry of Energy (Petroleum)	

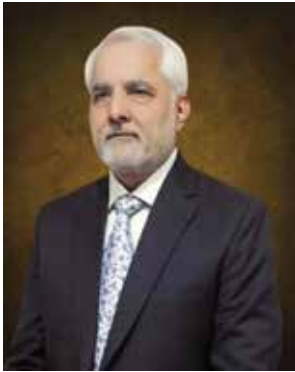
Independent Director

Name	Mr. Aamir Naseem Sheikh	
Qualification	• B. A	
Experience	• Director, Fazal Group • Chairman, Chamber of Commerce and Industries, D. G Khan • Chairman, Citizen Police Liaison Committee, Muzaffargarh • Trustee, Fazal Rehman Charitable Trust, Multan & Sheikh Mukhtar Ahmad Welfare Trust, Multan • Member, BOG, SOS Children's Village, Multan • Member, BOG Al Noor Special Children School, Multan	

Independent Director

Name	Khawaja Jalaluddin Roomi	
Qualification	• B. Com • MBA	
Experience	• Chairman Masood Roomi Group of Companies, Multan • Chairman Board of Governors Institute of Cardiology, Multan • Member Board of Governors CMH Multan Institute of Medical Sciences • Member Board of Governors Al Noor Special Children School and College Multan • Director Pakistan Textile Council • Director Adamjee Insurance Company Limited • Director Arif Habib Corporation Limited • Ex-Caretaker Minister of Industries, Punjab • Ex-President Multan and DG Khan Chamber of Commerce and Industries • Ex-Director Askari Bank Limited • Former Chairman Board of Management Nishter Medical College and Hospital • Syndicate Member Nishter Medical University, BZU, Multan	

Chief Executive Officer/Executive Director

Name	Mr. Gul Muhammad Zahid	
Qualification	• B.Sc (Electrical Engineering) • MBA (HR)	
Experience	• Worked across multiple domains including Transmission & Grid, Distribution Operations, and Customer Services, handling diverse managerial and leadership responsibilities. • Effectively resolved operational challenges, managed conflicts and ensured adherence to Health & Safety standards. • Strengthened customer relationships and addressed environmental considerations with a proactive and responsible approach. • Promoted equity, transparency and harmony within the workplace, resulting in improved operational efficiency and overall performance. • Ensured strict implementation of rules and regulations in accordance with company policies during field operations. • Successfully achieved various strategic and organizational goals through compliance, effective execution, and continuous performance enhancement.	

CRITERIA & REMUNERATION PACKAGE FOR BOARD OF DIRECTORS

The standardized remuneration package has been approved by MEPCO Board of Directors during its 176th meeting held on 15-10-2021, vide agenda item No. 7-a Resolution(176-BOD-R), has granted approval for the following revised remuneration package for the Board of Directors MEPCO regarding Board & its Committee's meeting w.e.f 05-10-2021.

- **FOR BOARD AND BOARD COMMITTEE MEETINGS**

1. Payment of Rs. 60,000/-(including taxes) for BOD meetings and Rs. 60,000/-(including taxes) for committee meetings.
2. Hotel claim with receipt amounting to Rs. 25,000/-night and hotel claim without receipt amounting to Rs. 15,000/-night, for maximum of 02 nights for one meeting, will be allowed. (This will include meal charges but exclude taxes. Stay above 2 nights will be approved by Chairman of BOD. In case of stay in Capital city where hotels are more expensive, Chairman of BOD is authorized to approve hotel expenses on actual on production of bills.)
3. Air Travel by economy class and in case of use of own road transport, payment is admissible at the rate of Rs.20/km inclusive of toll tax (both ways). Taxi fare will be paid as per actual, if a company vehicle is not provided by MEPCO.

- **FOR ATTENDING OTHER MEETINGS, WORKSHOPS, SEMINARS AND VISITS ETC.**

1. Payment of fee for attending workshop (if applicable).
2. Hotel claim with receipt amounting to Rs. 25,000/-night and hotel claim without receipt amounting to Rs.15,000/-night, for a maximum of 02 nights for one meeting, will be allowed. (This will include meal charges but exclude taxes. Stay above 2 nights will be approved by Chairman of BOD. In case of stay in Capital city where hotels are more expensive, Chairman of BOD is authorized to approve hotel expenses on actual on production of bills.)
3. Air travel by economy class and in case of use of own road transport, payment is admissible at the rate of Rs.20/km inclusive of toll tax (both ways). Taxi fare will be paid as per actual, if a company vehicle is not provided by MEPCO.

ORGANOGRAM

BOARD OF DIRECTORS



COMPANY
SECRETARY



CHIEF EXECUTIVE
OFFICER



Chief Internal
Auditor



Chief Financial
Officer



Director General
(HR& Admn.)



General Manager
(Technical) &
Chief Engineer
(P&E)



General Manager
(Operation) &
Chief Engineer
(T&G)



Customer Service
Director



Chief Engineer
(Development)



Chief Engineer
(O&M) Dist.



D.G (IT)
& Chief Strategic Planner



D.G. MIRAD



Chief Supply Chain &
Management Officer



Leading MEPCO with Integrity and Vision



It is an absolute honor to serve as Chairman of the Board of Directors at Multan Electric Supply Company (MEPCO). While I have been part of the Board, we've worked tirelessly to foster a company culture rooted in strong principles and values. As Chairman, I'm proud to say that we remain steadfast in our duty to act in the best interests of the company, adhering strictly to all applicable laws and regulations. MEPCO stands as one of Pakistan's largest power distribution companies, serving a diverse customer base across Central and Southern Punjab. Our operations are vital to the nation's economy, public welfare, and overall progress.

The Board upholds the highest standards of corporate governance, ensuring compliance with all relevant rules and policies. Our approach emphasizes transparency, accountability, and diligence, aligning with the expectations of the Government of Pakistan and sector regulators. While the Board sets strategic direction and oversees the big picture, day-to-day operations are expertly managed by our dedicated team.

Our primary goal is effective governance that prioritizes customers. We recognize that superior service, easy access, and swift problem resolution are key to earning trust. That's why we're committed to initiatives that simplify customer experiences, enhance response times, and standardize processes for fairness and clarity.

In line with industry transformations and evolving regulations, the Board is championing MEPCO's modernization. We're leveraging technology to streamline consumer data management, implement enterprise-wide systems, and roll out smart meters. These advancements promise accurate data, efficient operations, robust financial oversight, improved internal controls, transparent reporting, and faster decision-making.

Safety is paramount, particularly in the high-risk field of power distribution. We prioritize strict adherence to safety protocols, provision of essential tools and protective equipment, and ongoing training to ensure compliance. Protecting the public in our operational areas is equally critical.

Strong leadership and a talented workforce are essential to our success. We focus on professional management, succession planning, and continuity, selecting leaders who embody fairness, expertise, and shared accountability.

Looking ahead, we're cautiously optimistic, with a sharp eye on risk management. Our efforts center on operational excellence, regulatory compliance, and dependable service without exceeding budgets or bending rules. With solid leadership and collaborative spirit, MEPCO will continue to excel as a responsible public utility.

I extend heartfelt thanks to MEPCO's management and employees for their unwavering dedication. We are committed to guiding the company with integrity, sound judgment, and an unwavering focus on the public good.

Mr. Amer Zia
Chairman BOD



CEO'S MESSAGE

On behalf of Multan Electric Power Company (MEPCO), I am honored to present the Annual Report and Statement of Accounts for the financial year ended 30 June 2025. This report encapsulates our operational performance, strategic progress, and steadfast commitment to delivering safe, reliable, and uninterrupted electricity supply to our valued consumers under the dynamic and vibrant leadership of MEPCO Board of Directors.

As demand for electricity continues to grow in scale and complexity, MEPCO remains fully cognizant of its responsibility to modernize and reinforce its Transmission and Distribution (T&D) infrastructure. Our strategic direction is firmly anchored in system enhancement, network expansion, and operational optimization, through comprehensive preventive maintenance initiatives, rigorous loss-reduction strategies, and an unwavering focus on achieving 100 percent revenue recovery targets, we are strengthening the financial and technical foundations of the Company.

In pursuit of operational excellence, MEPCO is progressively integrating advanced technological solutions, including Aerial Bundled Conductors (ABC), Advanced Metering Infrastructure (AMI), Automated Meter Reading (AMR), Smart Grid applications digitization as per Prime Minister Vision and initiatives. These innovations are instrumental in curbing electricity theft, minimizing T&D losses, enhancing system transparency, and elevating customer service standards to contemporary benchmarks.

We firmly believe that our human capital is the cornerstone of sustainable growth and institutional resilience. The dedication, professionalism, and integrity of our workforce remain central to our achievements. Accordingly, we continue to invest in capacity building, operational discipline, and customer-centric service delivery. During the year, significant strides were made in revamping Customer Service Centers, upgrading the Regional Complaint Center (RCC) at Head Office Multan, and strengthening Circle Complaint Centers. The integration of all complaint centers with the Regional Customer Facilitation Center (RCFC) has further streamlined complaint registration, monitoring, and resolution processes making independent of geography, ensuring enhanced responsiveness and accountability.

As a public utility entrusted with a vital national responsibility, MEPCO remains committed to contributing positively to the socio-economic and environmental landscape within its operational jurisdiction. Our sustainability objectives are guided by a balanced approach that harmonizes operational efficiency with the evolving expectations of stakeholders. This report reflects not only our achievements over the past year but also delineates our strategic aspirations for the future.

It is pertinent to reiterate MEPCO's uncompromising zero-tolerance policy against corruption and malpractice. During the year under review, decisive action was taken against electricity theft and associated irregularities, with a substantial number of FIRs lodged against violators. The continued support of the DISCOs Support Unit (DSU) has significantly mitigated theft risks, particularly in border areas adjoining QESCO, SEPCO, and PESCO. Furthermore, scanning meters have been installed on high-loss feeders to enhance monitoring and strengthen control mechanisms.

For the financial year 2024–25, MEPCO recorded energy purchases of 18.360 billion units and energy sales of 16.569 billion units. Notably, Transmission and Distribution losses were reduced to 13.3 percent in 2025, compared to 15.0 percent in 2023–24 — a testament to our sustained operational vigilance and reform initiatives.

As we look ahead, MEPCO remains resolute in its mission to transform challenges into opportunities, fortify institutional capacity, and deliver enduring value to the nation. With continued stakeholder support and the collective resolve of our workforce, we are confident in our ability to advance toward greater efficiency, transparency, and service excellence.

Chief Executive Officer
Multan Electric Power Company

VISION & MISSION

VISION



To ensure convenient availability of high quality power in area of responsibility, in order to alleviate the poverty, improve quality of life and make the industrial and agricultural sector competitive in the world market



MISSION



Ensure convenient availability of high quality electric power to the people at affordable price, retaining financial viability of the company.

OBJECTIVES



- ★ To play an active role to make “Sar Sabaz and Roshan Pakistan.
- ★ To facilitate agriculture and industrial sector.
- ★ To ensure un-interrupted & stable power supply to all our customers.
- ★ State-of-art customer care for entire satisfaction of customers.
- ★ To provide electricity to every village in jurisdiction of company.
- ★ To establish, construct and operate reliable electricity distribution network.

MEPCO'S POWER TRANSMISSION AND DISTRIBUTION NETWORK

MEPCO is the one of largest distribution company having more than 8.8 million consumers and 105,505 square kilo meters area covering 15 districts of whole South Punjab. Our consumer density per Square kilometer is 84 Persons/KM.

Some other Technical Highlights of distribution network are as follows:

<u>GRID SYSTEM</u>		
	June 2025	June 2024
Grid Stations	147	146
Computed Peak Demand	4,397 MW	4,880 MW
Recorded Demand Drawl	4,226 MW	4,387 MW
Power Transformers	335 Nos.	329 Nos.
Installed Capacity	9,471 MVA	9,311 MVA
Transformation Capacity	8,524 MW	8,380 MW
Transmission Line Upto 132 KV	4,859 KM	4,854 KM
<u>DISTRIBUTION SYSTEM</u>		
No. of Distribution transformers	245,699 Nos.	236,213 Nos.
Installed Capacity	14,295 MVA	13,613 MVA
No. Of 11 KV Feeders	1,836 Nos	1,798 Nos.
H.T Line Length	87,535 KM	87,412 KM
L.T Line Length	50,747 KM	50,714 KM

MEPCO is making efforts through implementation of approved improvements plans to reduce T&D loss and save energy.

During F.Y 2024-25, MEPCO added the following to its system to reduce system constraints:

Construction of new Grid Stations	=	01-No.
Extension of 6.3 MVA Power Transformer	=	01-No.
Extension of 13 MVA Power Transformer	=	04-No.
Extension of 26 MVA Power Transformer	=	02-No.
Extension of Line Bays	=	05-No.
Augmentation of 7.5 MVA to 13 MVA Power Transformer	=	01-No.
Augmentation of 26 MVA to 40 MVA Power Transformer	=	04-No.
Single Bus Bar to Twin Bundled Bus Bar	=	02-No.
Conversion of Iso Bay into Line Bay	=	03-No.
Replacement of defective Power Transformer	=	03-No.
Construction of new 132KV Transmission Line	=	01-No.
In/Out Arrangement	=	01-No.
2nd Circuit Stringing of Transmission Line	=	02-No.
Re-conducting of Transmission Line	=	02-No.
Ground Clearance of Transmission Line	=	02-No.
Rehabilitation Work of Transmission Line	=	03-No.

Transmission Line at Kabirwala



AUGMENTATION

Augmentation work from 20/26 MVA to 40 MVA Power Transformer (Make: ELSEWEDY) at 132 KV Grid Station, Harappa has been commissioned and same has been energized in the presence of Worthy Addl. Chief Engineer GSC, MEPCO.



CODE OF CONDUCT

Historic Perspective

1. The Company has adopted the “Pakistan WAPDA Employees (Conduct) Rules-1978 issued by Pakistan Water & Power Development Authority vide its No. SO(R& CM)-35(WECR) 489-1049 dated: 10-05-1978 along with all amendments made from time to time.
2. This policy/code of conduct is communicated to all the employees at lower level of formation as well as place on Company’s website for ready reference and common understanding of standards.
3. All the MEPCO employees are bound to establish a common understanding of the standards of behavior mentioned in the said code of conduct. This policy provides a detailed and exhaustive list of what to do in every aspect of work and all the MEPCO employees are bound to follow this framework of professional ethics.
4. This code places an obligation on all employees to take responsibility for their own conduct and work with colleagues cooperatively to establish consultative and collaborative workplace environment where the people are happy and proud to work.

Scope

This policy is applicable to all directly recruited MEPCO employees, including those engaged on contract.

Objective

This code is intended to be a central guide and reference for users in support of day-to-day decision making. It is meant to clarify MEPCO’s mission, values and principles, linking them with standard of professional conduct. As a reference it can be used to locate relevant documents, services and other resources relevant to ethics within the organization. It will ensure that professional standards and corporate values are in place to promote integrity of the Board, Senior Management and other employees in the form of a code of conduct. This code of conduct shall articulate acceptable and unacceptable behavior. This code will be an open disclosure of the way MEPCO operates. It provides visible guidelines for acceptable and unacceptable behaviors. It shall serve as an important communication vehicle that will “reflect the covenant that MEPCO has made to uphold its important values, dealing with such matters as its commitment to employees, its standards for doing business and its relationship with community”. This code is a tool to encourage discussions of ethics and to improve how employees/members should deal with the ethical dilemmas, prejudices and gray areas that are encountered in everyday work. It is meant to complement relevant standards, policies and rules, not to substitute for them.

Procedure for redressal of grievances arising from unethical practices

1. MEPCO has adopted Pakistan WAPDA Employees (Efficiency and Discipline) Rules, 1978 issued by Pakistan Water & Power Development Authority vide its No. SO (R &CM)-24 (E&D)/22731-23331 dated: 11-02-1978 and Pakistan Industrial and Commercial Employment (Standing Orders) Ordinance-1968 along with all the amendments made from time to time.
2. In case of any deviation of behavior from the standards, the delinquents will be dealt by their respective competent authorities (specified) under Pakistan WAPDA Employees (Efficiency and Discipline) Rules, 1978 and Pakistan Industrial and Commercial Employment (Standing Orders) Ordinance-1968 after fulfilling all the code formalities under the law.

CUSTOMER CARE POLICY

MEPCO always keeps its customers at top priority and continuously making efforts to enhance satisfaction by various customer service improvement plans. Some of the initiatives taken by MEPCO in customer service improvement plan are as follows:

1. Revamping of Customer Service Centers. Upgraded Regional Complaint Center (RCC), MEPCO Head Office Multan and Circle Complaint Centers. All Complaint Centers of MEPCO will be integrated with Regional Customer Facilitation Center (RCFC).
2. Establishment of Ministry (Power Wing) Complaint Center at Head Office and disposal of complaints within given time frame.
3. Accurate billing is ensured by using advance technology of Meter Reading through Mobile Meter Reading (MMR) and installations of AMR Meters.
4. Timely and accurate billing is being ensured through implementation of Modern ORACLE based Billing System (CIS). Billing of all Circles is successfully being carried out on CIS since 2017-18.
5. Online payment and duplicate billing facility is made available to customers.
6. Load shedding schedule is being displayed on MEPCO Website for customer's information.
7. Set of policies and procedure including Customer Service Manual are uploaded on MEPCO Website for customers information.
8. Cost of service study is conducted to ensure that customers are billed on the basis of cost reflective tariff.
9. 12 months consumption and payment history is being provided on Electricity Bill for customer's information.
10. Detail of facilities availed by the consumers over the last 12 months is being provided
11. Customer Complaint Management System (CCMS) Complaints are being entered by Consumers through following sources.

a. **Mobile APP**

- i. MEPCO Smart
- ii. Power Smart (key feature Apna Meter Apni Reading)
- iii. Roshan Pakistan
- iv. NEPRA Asaan Approach
- v.

b. **Call Center**

- i. 8118 Call
- ii. 8118 SMS
- iii. IVR

c. **Web portal** www.ccms.pitc.com.pk

d. **Walkin customer complaints.** (CFCs, CNCs, Sub Division Complaint Offices)

12. E-Ops is an innovative online application for electricity consumer to modernize and digitalize both the wire and commercial business operation of MEPCO. Following Services are being providing through E-Ops.

Facilities

- Bill Installments
- Due Date Extension
- Duplicate Bill

Services

- New Connection Application Registration.
- Extension / Reduction of Load.
- Net Metering Application
- Change of Tariff.
- Change of Name
- Reconnection of Electricity Meter (RCO).
- Meter Replacement (MCO)

} **Integrated with ENC Portal**

Entry of Complaints.

- Entry of Line Complaints.
- Entry of Commercial Complaints.

13. 112XNos. Customer Facilitation Center (RCFC) has been established at MEPCO with all services/facilities of E-Ops for efficient service delivery to valuable customers.

- i. **1XNo.** Regional CFC at MEPCO H/Qs Multan.
- ii. **9XNos.** CFCs at Circle Level.
- iii. **32XNos.** CFCs at Division Level
- iv. **70XNos.** CFCs at Sub Division Level.

HEALTH, SAFETY, ENVIRONMENT, SOCIAL SAFEGUARDS & GOVERNANCE POLICIES

HEALTH, SAFETY, AND ENVIRONMENT POLICY

MEPCO ensures that risks concerning health, safety and environment are mitigated properly to provide consumers friendly environment in its service area.

Following are the Environmental, Social and Governance Policies including Corporate Social Responsibility & Environment Protection Measures in Environment & Social Safeguard Cell PMU MEPCO.

- ❖ To Follow NEPRA License Section/Article-12 and Pakistan Environment Protection Action, 1997, Punjab Environment Protection Act, 2012. IEE/EIA is/are prepared for the purpose to assess the impacts which can arise during execution of projects.
- ❖ IEE/EIA is/are prepared to obtain Environmental Approval/NOC from EPA, Punjab.
- ❖ Rapid Environment & Social appraisal to be carried by the Environment and Social staff at the time of site/route selection.
- ❖ Selection of environmentally sound and socially acceptable land site for grid station and line route for T/line.
- ❖ The Environment Management Plan (EMP) will be a part of contract and the contractor will be responsible for the implementation of Environmental Management Plan.
- ❖ Contractor must comply with all applicable laws (Pakistan Environment Protection Act (PEPA – 1997), Labor Laws) of the country and pertinent occupational health & safety regulations.
- ❖ Contractor will be responsible for the implementation of Environmental Management and Monitoring Plan (EMMP) and Resettlement Plan (RP) as mentioned in Environment and Social Reports of the project.
- ❖ Contractor engage/hires an Environmental Inspector who will liaise and coordinate with MEPCO Environment and Social Cell to ensure compliance with the proposed mitigation and monitoring measures required under EMMP and RP. MEPCO Environmental and Social safeguards section will provide necessary guidance in this respect to Environmental Inspector.
- ❖ Contractor will conduct Analysis of Environmental Indicators (Air, Noise Soil and Water tests)
- ❖ Contractor will carry out the physical work required for the restoration of any public utility (sewerage line, water transporting system/pipes, rainwater drainage system etc.) damaged due to construction activities at project site.
- ❖ Contractor will try to provide optimum employment opportunity to women living in the vicinity of the project area and refrain from child labor.
- ❖ Contractor will disseminate information at work sites regarding risks of transmissible diseases (HIV/AIDS & Hepatitis) for the workers employed during construction work and take adequate proper measures to protect workers from potential exposure to these diseases.
- ❖ Contractor will avoid discrimination between the wages and benefits of male and female workers for works of equal value

- ❖ The BOQs shall include cost quotation for carrying out measures related to environment and social safeguards and payment be made to contractor after obtaining E&S clearance.
- ❖ Environment and social studies shall be part of PC-I and be conducted along with feasibility study of the projects. Environmental mitigation and compensation payments be made part of PC-1 (No PC-1 is acknowledged in ECNEC without Environmental & social Impact studies).
- ❖ The land falling under transmission line is always devalued therefore proper trees/crops compensation be paid to the affected person(s).
- ❖ The new transmission line routs shall avoid settlements, public places and environmentally sensitive areas (notified by the govt., national parks, game reserves etc).
- ❖ Preferably the transmission line construction shall be made in off season, or time be allowed for the harvesting of ripe crop. It is not practicable all the time as some Transmission Lines might be lengthy enough and would require more time.
- ❖ The entitlement matrix shall be prepared during the detailed profiling/ designing of the Transmission Line route stage.
- ❖ In all cases tower/pole erection, sites shall be restored as per landscape and the debris / waste shall be removed from the site.
- ❖ The damaged and disturbed water channels shall be restored / relocated to avoid water accumulation in & around the Towers/Poles.
- ❖ Damages to public utilities shall be restored to original/ relocated if necessary and all such Affected Persons shall be informed prior to damage/ relocation.
- ❖ No tree shall be chopped. In case of fruit trees, affected persons be compensation as per type, yield and age of fruit trees. The remains of fruit trees be handed over to affected person as free of cost. The trees shall only be cut / uprooted in extreme cases and in such cases Environment and Social Safeguard Section in coordination of relevant entities/ affected persons shall carry out 3 times plantation of indigenous trees. The remains of trees be handed over to affected person as free of cost.
- ❖ There shall be no discrimination between the resourceful and non-resourceful affected persons and all APs shall be treated in the same manner. There shall be uniformity in payments and compensation.
- ❖ Inclusion of standard clauses of environment and social safeguards on the bidding documents/contract agreements (work orders).
- ❖ Internal Monitoring, External Monitoring, Public Consultation, be carried out and Grievance Redress Mechanism be provided for timely completion of the projects.

Land under Towers/Poles

- ❖ Urban Areas: In urban areas, tubular poles should be erected instead of Transmission Line Towers. Preferably, erect tubular Poles on the road corridor for which no compensation is required. In case of Govt. land, the land could be used with proper permission of concerned department. In case of private premises, the requisite land for poles be purchased on negotiation basis.

- ❖ Rural Areas: In rural areas T/line Towers to be routed at least 100 meters away from settlements, schools, hospitals where space is available. If there is shortage of space / congested space, the tubular poles are preferred options.
- ❖ The temporary damages of crops under the transmission line will be compensated at 3 tiers at the current market rate assessed in the year of damage. First compensation for Foundation of Towers, 2nd compensation for erection of towers and 3rd at the time of stringing of lines. The landowner (where tower/pole is to be erected) has to produce the National Identity Card and proof of ownership. In case of Tenant, the sharecropper has to provide, copy of NIC and proof of Entitlement/agreement between the parties on Judicial Paper.

Land under T/Line

- ❖ The land falling under transmission line conductor shall not be purchased. However, as the land is disturbed for the construction work and that the land is devalued, compensation shall be paid to the affected persons as detailed below:
- ❖ The affected landowners shall be paid crop compensation of 02 seasons for area under T/line (15ft space on each side of conductor) in two phases (half of the amount before conductor stringing and the remaining amount after completion of stringing with proper documentation on judicial paper.
- ❖ Environment and Social safeguards and resettlement activities shall be part of mainstream business operations and all projects shall include cost of environmental mitigation measure, OHS and social safeguard (compensation) activities.

EVIDENCE/PHOTOGRAPHS:



Site identification for construction of new proposed 132kV Grid Station Qaimpur (Anaeyeti)



Meeting with the Affected Persons (Aps) of Khanewal-II GS site



Disbursement of crops compensation cheques among the Affected Person of Haroonabad-Faqirwali 132kV transmission line due to construction 2nd circuit.



Possession of land purchased for Arifwala-II Grid Station under World Bank EDEIP.



Disbursement of Crops compensation cheques among the Affected Persons (APs) of 132kV transmission line.



Disbursement of land Payment among the Project Affected Persons (PAPs), particularly female landowners of DG Khan-III Grid Station land.

MEPCO SPORTS ASSOCIATION

MEPCO is managing its sports activities through following body called as MEPCO Sports Association:

1.	Engr. Gul Muhammad Zahid	Patron in Chief
2.	Muhammad Akram Sial	President
3.	Waqas Masood Amjad Chughtai	Vice President
4.	Muhammad Imran Umar Lodhi	Secretary

OBJECTIVE

MEPCO being aware of its Corporate Social Responsibility (CSR) is promoting healthy sports culture in the society and providing fair & equal opportunity to the talented sports men and women to flourish at National and International Level. The promotion of sports not only bring positive changes in the society but also helpful in building as well as improving image of the company, as the players act as ambassadors of MEPCO.

MEPCO has continuously been striving to enhance its reputation as a leading sports friendly organization of Pakistan. The sports persons are being continuously groomed and given various incentives to enhance their performance and skills. The induction of new sports talent in the organization is also being made on regular basis. The ultimate goal is to make MEPCO, the highest ranked organization in sports through such policies which facilitate the sports persons.

Performance during year-2025

35th National Games Karachi 2025

The cash prize awarding ceremony was held at the MEPCO Sports Complex on 16.12.2025, during which the worthy Chairman, MEPCO Board of Directors, distributed certificates and cash prizes among MEPCO sports players.



Athletics

- Muhammad Irfan participated in 10-Km race held at 35th National Games, and secured 2nd position in all over Pakistan on 06-13 December 2025 at Karachi.
- Ghazala Ramzan won Gold Medal 100m (Hurdle) in 35th National Games held on 06-13 December 2025 at Karachi.
- Bushra Farman won Gold Medal (Relay Race) in 35th National Games held on 06-13 December 2025 at Karachi.



Lawn Tennis

- Ushna Suhail won 3xGold, 01xSilver & 01xBronze Medals in 35th National Games held on 06-13 December 2025 at Karachi.
- Mehak Khokhar won 1xGold & 01xSilver Medal in 35th National Games held on 06-13 December 2025 at Karachi.



Baseball

Saddam Hussain won 01xSilver Medal (Team Event) in 35th National Games held on 06-13 December 2025 at Karachi.



Hockey

- Mayira Sabir, Kalsoom Shehzadi, Sana Allah Ditta and Sana Arshad won Gold Medal (Team Event) in 35th National Games held on 06-13 December 2025 at Karachi
- Abdul Saeed (Coach), Shaheryar and Aleem Usman won Bronze Medal (Team Event) in 35th National Games held on 06-13 December 2025 at Karachi.



Rugby

- Muzamil Ilyas, Mehlum, Kiran Rana and Anum Ilyas won Gold Medal (Team Event) in 35th National Games held on 06-13 December 2025 at Karachi.
- Waseem Abbas & Ayub Zafar won Silver Medal (Team Event) in 35th National Games held on 06-13 December 2025 at Karachi.



Wrestling

Hammad Butt won Gold Medal in 35th National Games held on 06-13 December 2025 at Karachi.



Badminton

- Abdullah Siddiqui won Gold Medal (Team Event) in 35th National Games held on 06-13 December 2025 at Karachi.
- Rubab Imtiaz and Shahnaz Shah (Coach) won Gold Medal (Team Event) in 35th National Games held on 06-13 December 2025 at Karachi.

ACHIEVEMENTS BY ERP (SAP) FINANCIAL YEAR 2024-25

The modern corporate culture is deemed to be incomplete without automation of Business processes i.e. ERP. In order to meet with the requirements of modern corporate culture, Implementation of SAP ERP was initiated in MEPCO during 2014. At present ERP has been successfully implemented in MEPCO and all formations are GO-LIVE since July 2018. In March 2021 MEPCO discontinued legacy system of inventory and effective from July 2021, Manual/legacy Accounting System was discontinued and Books of Accounts was completely shifted on SAP-ERP. As a landmark achievement, the annual audits of MEPCO's accounts for the financial year 2020-21 onward have been successfully conducted and completed based on SAP-ERP-maintained financial records. It tantamount that requisite parameters of integration of three modules i.e. Material Management (MM), Human Resource Management (HCM) and Finance & Controlling (FICO) are duly complied with.

MEPCO has successfully implemented the centralized off-cycle payment system across all formations under its jurisdiction. The budget for these payments is now centrally controlled. Employee related accrued expenses are being recorded for each employee against their respective personnel number, rather than through a single consolidated entry in the general ledger. Furthermore, the integration of SAP with the E-OPS and Oracle-based IBS systems has been finalized, and M/s Excellence Delivered has been awarded the contract for this project. The firm has commenced the development of APIs for the integration. Additionally, the "NOC for Audit Para" functionality has been developed in the HCM module, and the Audit Department is in the process of entering previous years' data into the system.



MULTAN ELECTRIC POWER COMPANY

Tel: 061-9210380 Ext: 2084
061/9330244
Fax: 061-9220204

Office of
The Company Secretary

No. 14214-25/Company Secy

Dated: 06-10-25

NOTICE OF 28th ANNUAL GENERAL MEETING.

Notice is hereby given that 28th Annual General Meeting of Multan Electric Power Company will be held on **27-10-2025 (Monday) at 10:00 AM** in Board's Meeting Room MEPCO Sports Complex, MEPCO H/Q Khanewal Road Multan to transact the following business:-

1. To consider and confirm the Minutes of 27th AGM.
2. To receive, approve and adopt the Audited Financial Statements of the Company for the year ended 30-06-2025, together with Auditors and Directors report thereon.
3. To appoint the Company Auditors for Financial Year ending 30-06-2026 and fix their remuneration.
4. Approval for enhancement in authorized share capital.
5. Any other point with the permission of the Chair.

DA/as above

By order of the Board

(Sajid Yaqoob)
Company Secretary MEPCO

Notes:-

- A member entitled to attend, speak and vote at the Meeting shall be entitled to appoint another person as his/her proxy to attend, speak and vote instead of him/her, and a proxy so appointed shall have such rights with respect to attending, speaking and voting at the Meeting as are available to Member.
 - The instrument to appointing a proxy together with the power of attorney (if any) or other authority, under which it is signed or a naturally certified copy thereof should be deposited at MEPCO not less than 48 hours before the time of holding the meeting.
1. PSO to Secretary, Ministry of Energy (Power Division) Govt. of Pakistan, Islamabad.
 2. Mr. Amer Zia, House 342 Street 14, F-10/2 Islamabad.
 3. Ms. Shireen Malik Sher, Deputy Secretary (Policy), Ministry of Energy (Power Division), Islamabad.
 4. Mr. Tahir Basharat Cheema, House No. 181, Street No. 10, Cavalry Ground (Extension), Lahore Cantt.
 5. Mr. Gul Muhammad Zahid, Chief Executive Officer, MEPCO Multan.
 6. Ms. Noreen Bashir, Additional Finance Secretary (SI&PA), Room No 501, 5th floor Q-Block Pak Sectt Islamabad.
 7. Mr. Farrukh Naveed, Secretary, Energy Department, 8th Floor, EFU House, Jail Road, Lahore.
 8. Barrister Zainab Janjua, House 45, Street 13, F-7/2, Islamabad.
 9. Mr. Aamir Naseem Sheikh, Fazal Cloth Mills Limited, 59/3, Abdali Road, Multan.
 10. Khawaja Jalaluddin Roomi, Masood Roomi house 5 officers colony Multan.
 11. The Chief Financial Officer MEPCO Ltd Multan.
 12. M/S Munif Ziauddin & Company, Chartered Accountants, Room No-43/44 3rd floor, Shahrah-e-Quaid-e- Azam The Mall, Muzang Chungi Lahore.



DIRECTOR'S REPORT

FY-2024-25

Multan Electric Power Company Ltd. (MEPCO)

INTRODUCTION TO THE COMPANY

GEOGRAPHIC SERVICE TERRITORY

MULTAN ELECTRIC POWER COMPANY (MEPCO) is the largest Distribution Network Company serving 8.8 million consumers of the former Area Electricity Board Multan and spread over 15 districts of the Southern Punjab (Multan, Khanewal, Sahiwal, Pakpattan, Vehari, Bahawal Nagar, Bahawal Pur, Rahim Yar Khan, Lodhran, Muzaffar Garh, Kot Addu, D.G Khan, Taunsa, Rajan Pur and Layyah).



INTRODUCTION

MEPCO inherited Assets and Liabilities of Area Electricity Board Multan, Under Business Transfer Agreement (BTA) signed between WAPDA and MEPCO for transfer of business which was subsequently made more elaborative by way of a Supplementary Business Transfer Agreement (SBTA). MEPCO has the License to Distribute & Supply in its service territory. This arrangement has given rights and means to MEPCO for catering electricity needs of the consumers of the 15 districts of the Southern Punjab.

MEPCO being a public limited company's governed through Government nominated Directors (BoD) and the management performs executive functions under the Board as per following Organization Structure.

Formations	Numbers
Operation Circles	09
Operation Divisions	41
Revenue Offices	41
Sub Divisional Offices	190
Project Construction	01
Construction Divisions	09
Construction Sub Divisions	18
Project Management Unit (PMU)	01
Grid Station Construction (GSC) Circle	01
GSC Divisions	04
GSC Warehouse	01
M&T Circles	02
GSO Circles	02
SS&T Divisions	06
Regional Stores	04
Field Stores	08
Computer Centers	06
Transformer Reclamation Workshops	04

The service territory of MEPCO covering more than 50% area of Punjab province is served by 13,705 employees.

REGULATORY STATUS

MEPCO is working under regulatory regime under NEPRA i.e. The Regulator, through “Regulation of Generation, Transmission and Distribution of Electric Power Act-1997” (NEPRA Act). NEPRA is responsible to regulate Generation, Transmission and Distribution of Electric Power in Pakistan under this Act. Govt. of Pakistan amended the NEPRA Act-1997 in May, 2018, which is named as “Regulation of Generation, Transmission and Transmission of Electric Power” (Amendment) Act, 2018. Under NEPRA (Amendment) Act 2018, MEPCO is responsible for Distribution of Power and Supply of Power in its area of jurisdiction.

The Regulator i.e. NEPRA granted Distribution license No. DL/06/2023 to MEPCO on 09th May, 2023 for a period of 20 years (9th May, 2023 to 8th May, 2043). Under NEPRA (Amendment) Act 2018, MEPCO is deemed to hold a license for supply of electric power under Section 23E (1) for a period of five years i.e. upto April 2023. Thereafter, MEPCO applied for Electric Power Supply License on 27th December, 2023 which was granted by the Regulator for the period of 20 years w.e.f 27th April 2023 to 26th April 2043.

1. ADDITION, UPGRADATION & REHABILITATION OF SYSTEM

132 KV SYSTEM

During F.Y 2024-25, MEPCO added the following to its system to reduce system constraints:

ψ Construction of new Grid Stations	=	01-No.
• Extension of 6.3 MVA Power Transformer	=	01-No.
• Extension of 13 MVA Power Transformer	=	04-No.
• Extension of 26 MVA Power Transformer	=	02-No.
• Extension of Line Bays	=	05-No.
• Augmentation of 7.5 MVA to 13 MVA Power Transformer	=	01-No.
• Augmentation of 26 MVA to 40 MVA Power Transformer	=	04-No.
• Single Bus Bar to Twin Bundled Bus Bar	=	02-No.
• Conversion of Iso Bay into Line Bay	=	03-No.
• Replacement of defective Power Transformer	=	03-No.
• Construction of new 132KV Transmission Line	=	01-No.
• In/Out Arrangement	=	01-No.
• 2 nd Circuit Stringing of Transmission Line	=	02-No.
• Re-conducting of Transmission Line	=	02-No.

- Ground Clearance of Transmission Line = 02-No.
- Rehabilitation Work of Transmission Line = 03-No.

With completion of all above mentioned works, the problem of low voltage has been addressed in respective areas resulting in better quality of electric supply to the inhabitants / consumers of these areas.

HT/LT LINES

For reliability of the Distribution network, following rehabilitation works were executed during the year 2024-25:

- New/Extension of lines:
 - HT 122.99 KM
 - LT 33.221 KM
- Addition of Distribution Transformers 9,486 Nos.

11 KV SYSTEM

Rs. In Million

BUDGET HEAD	OPENING 01-07-2024	ADDITION During F.Y 2024-2025	TOTAL	COMPLETED	ENDING BALANCE
ELR	7,307	7,508	14,815	10,869	3,946
DOP	691	2,504	3,195	2,095	1,100
New Connection	36	5,568	5,604	5,594	10
Civil Works	162	245	407	396	11
Deposit Works	8,246	2,709	10,955	5,503	5,452
Village Electricity	6,087	1,287	7,374	5,320	2,054
Sub-Total	22,529	19,821	42,350	29,777	12,573
Less: Impairment of (CWIP)	(284)	(46)	(330)		(330)
Total	22,245	19,775	42,020	29,777	12,243

The ELR consists of sub heads of replacement of defective meters and New/Extension of HT/LT Lines. MEPCO spent Rs. 4,677 (M) for replacement of 507,031 Nos. meters and Rs. 6,191 (M) for HT/LT New/ Extension of lines.

MEPCO has also augmented 1,955 Number Distribution Transformers and HT/LT Lines under DOP amounting to Rs. 2,095 (M).

CIVIL WORKS

MEPCO construct/renovate the residential/official buildings amounting to Rs.396 million during FY 2024-25. This will improve the working environment in the offices and provide better residential facilities to the officers/officials of MEPCO.

DEPOSIT WORKS

MEPCO executed deposit works amounting to Rs.5,503 million during FY 2024-25. These works are executed on the receipt of funds from Housing Societies, NHA and other Private/Govt. consumers.

VILLAGE ELECTRIFICATION (SDGs, MDGs etc)

MEPCO is the largest contributor in Village Electrification with funding from Govt. of Pakistan under MDGs/SDGs and Local bodies. Therefore, to cope with the load of additional consumers resulting from Village Electrification. As per directions / policy of the Government of Pakistan, village electrification in the rural areas of the Southern Punjab have been carried out at a fast track so that the population in the villages could benefit from the fruits of electricity and meet the needs of modern era. In F.Y 2024-25, 4,342 No. of villages have been electrified at a cost of Rs.5,320 million.

On the part of MEPCO, this is a remarkable achievement to uplift the quality of life of the masses living in the rural areas, of course with 100% funding by Govt. of Pakistan.

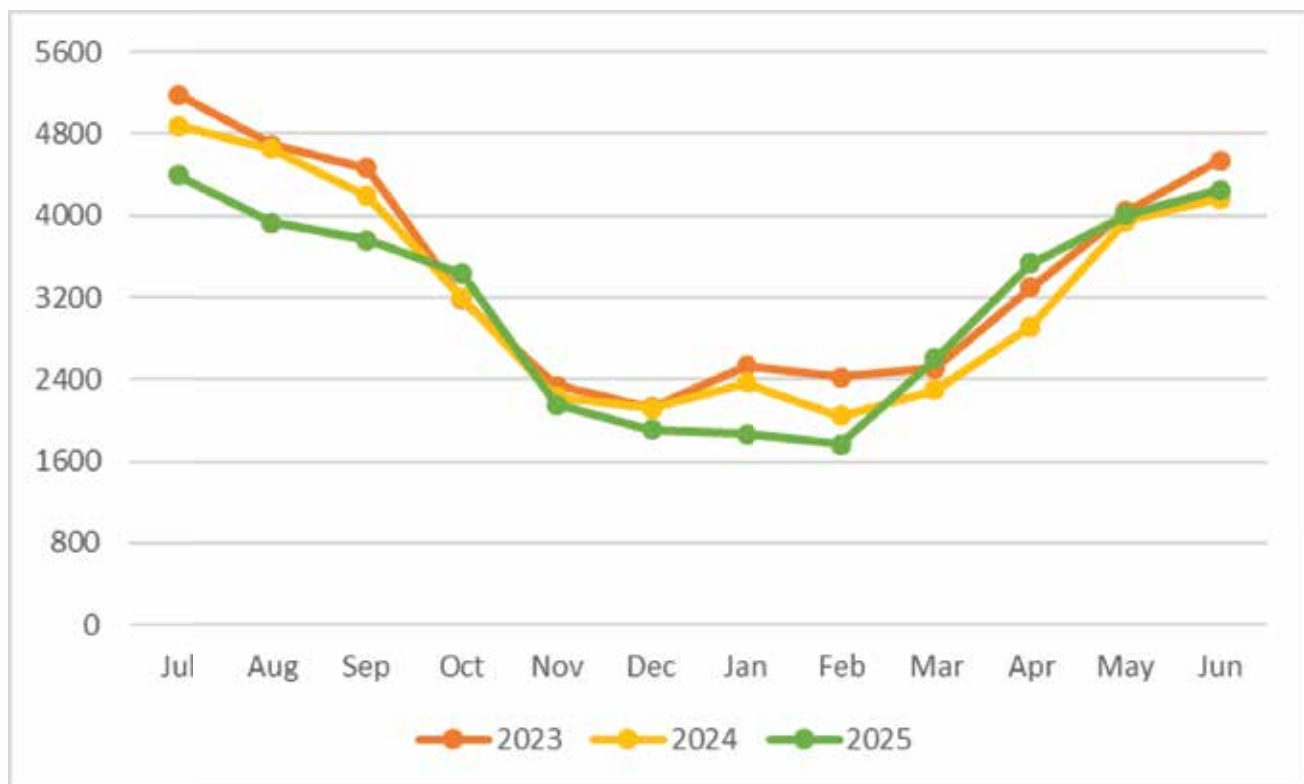
2. DEMAND PROFILE

MEPCO is striving to serve the consumer of its service territory, by providing continuous power at affordable price.

MEPCO has clocked Maximum Demand of 4,880 (MW) in F.Y.2023-24 & it has been declined to 4,397 (MW) in F.Y. 2024-25. However the unit sold in 2023-24 from 16,904 (Mkwh) lowered to 16,569 (Mkwh) in 2024-25.

The decrease in unit sold by only 4% reflects the management is fairly better while there is a huge solar build up in its service territory which reflected in import of 787 (Mkwh).

Monthly Maximum Demand of MEPCO



3. TIMELY REDRESSAL OF CONSUMERS' COMPLAINTS

As per directions of Ministry of Energy (Power Division), following mechanisms have been established for prompt redressal of consumer complaints:

(i) Federal Complaint Cell (FCC).

MEPCO is connected with FCC Like other DISCOs. All consumers' complaints including breakdown of power supply resulting from burning of transformers, other faults of the system, correction of electricity bills, delay in installation of new electricity connection etc. are reported/ redressed through FCC.

(ii) Consumer Complaints Management Service (CCMS)

Under this system, consumer can lodge complaints through toll free number i.e. 118.

(iii) Roshan Pakistan

Under this system, consumers can lodge their complaints, view Load Management Schedule etc.

(iv) Pakistan Citizen Portal

Prime Minister of Pakistan has introduced an application for citizens of Pakistan to lodge all of their complaints directly which have self-monitoring system for compliance and satisfaction of consumers.

Management Schedule etc.

(v) Creation of Customer Facilitation Centers (CFCs)

For efficient service delivery Consumers are being facilitated through:

- Regional CFC at MEPCO H/Q Multan.
- Circle CFCs at every Circle H/Q.
- Divisional CFCs.
- Sub Divisional CFCs.

Resources Provided at CFCs

- Dedicated Staff (Preferably Females)
- e-Ops accounts created and training provided.
- High Specs Systems (PCs, Printers, Scanners)
- Fast Internet
- Spacious Waiting Area for Customers.

Features of E-Ops

- Digital Operation
- Paperless Environment.
- Independence of geography / territory.

(vi). Speedy Mechanism for Redressal of Complaints through Complaint and Control Centers (CnCs) / Lineman Mobile Application

- 190XNos. CnCs established at Sub Divisional Level.
- Mobile Phones provided to Line Staff.
- Power Complaints managed by TACs at CnCs.

CnCs is used for

- Assigning of complaints
- Tracking of complaints
- Monitoring of complaints
- Resolution of complaints.

(vii). Customer Doorstep Facilities.

- **MEPCO Smart App**
Customized MEPCO Consumers' Application having all services available as in CFCs.
- **Power Smart App**
Key Feature of Power Smart App “APNA METER, APNI READING”
- **NEPRA Asaan Approach**
Monitored by NEPRA
- **Smart 118**
Call Center Managed by PITC.

All these four systems have brought about significant increase in consumers satisfaction

4. SNAPS METER READING

In past over billing remained one of the major grievances / complaints of the consumers. In order to overcome it, an innovative idea of snaps taking of the electricity meters reading and printing the same on the consumers' bills was floated by the Ministry during the year 2015-16. MEPCO has successfully implemented snap Meter Reading throughout all Sub Divisions & 95% average accuracy is verified by 3rd party (PITC) which is satisfactory with further cushion for improvement and resulted insignificant reduction in complaints of over billing.

5. RISKS AND UNCERTAINTIES

Followings are major risks and uncertainties confronted by MEPCO:

- i. The Determination of MYT Petition for FY 2025-26 to FY 2029-30 is pending however the Regulator (NEPRA) issued Interim Tariff for FY 2025-26 for Distribution and Supply of Power Functions.
- ii. Company operated in service territory along with borders of QESCO, SEPCO and PESCO where poor law and order situation exist.
- iii. Net Metering, licenses are being issued allowing the consumers to use MEPCO network for import/export of energy. During FY 2024-25 net units received are 348.40 (MkWh) i.e 2% of total power purchase units during the year.
- iv. Introduction / opening of wholesale Market (CTBCM).

6. MITIGATION AGAINST RISK & UNCERTAINTIES

- i. As per requirement of NEPRA Determination of Consumer End Tariff (Methodology & Process) Guidelines 2015, MEPCO filed its Multi Year Tariff (MYT) Petition for FY 2025-26 to FY 2029-30 on April 25, 2025.
- ii. The Authority determined Interim Tariff for the FY 2025-26 in respect of MEPCO for Distribution and Supply of Power functions on June 23, 2025 as the control period of previous MYT ended on June 30, 2025. The decision was notified vide SRO No. 1157(I)/2025 dated July 01, 2025 which is applicable w.e.f. July 01, 2025.

- iii. MEPCO has been entrusted with full support of DSU, which has markedly reduced the risk of theft and allied risks in territorial border of MEPCO adjoining QESCO, SEPCO & PESCO.
- iv. As per directions of the NEPRA, MEPCO filed its revised Distribution Company Integrated Investment Plan (DIIP) for FY 2025-26 to FY 2029-30 on October 25, 2024 containing total Capital Investment under Own Source amounting to Rs. 110,495 (M), which is still to be determined by NEPRA.

7. Environmental and Social Safeguard

To ensure Environmental and Social safeguard likely to be affected as a result of carrying out development works including construction/augmentation/rehabilitation of Grid Stations, 132KV Transmission Lines and 11KV Distribution Network.

In accordance with the best practices and policies of the World Bank (WB), Asian Development Bank (ADB), and the regulatory bodies NEPRA and EPA, the Environment and Social Safeguard Cell (ESC) has been operating at PMU MEPCO and successfully completing its main goal. Along with adhering to environmental and social standards, ESC has been involved in purchasing land for new 132 KV grid stations that are being proposed under World Bank and own resource STGs projects.

In the F.Y 2024–2025, MEPCO transferred the land for the 132 KV Grid Stations Rahim Yar Khan-III, D.G Khan-III, and Arifwala-II that were proposed under the World Bank Energy Distribution Efficiency and Improvement Project (EDEIP) to MEPCO. For STG's own resource, land for Muhammad Pur Dewan 132KV Grid Station was also purchased.

Environmental and Social Management Plan (ESMP) for 70 HT feeders was prepared and submitted to World Bank, it was made a part of bidding documents after getting approval from WB.

Abbreviated Resettlement Action Plan (ARAP) for Khanewal-II and DG Khan-III Grid Station were prepared and accordingly approved from the World Bank. These ARAPs and their Urdu translated summaries were uploaded on MEPCO website.

First draft of Environmental and Social Impact Assessment (ESIA) for six grid stations under EDEIP prepared and submitted to the World Bank for approval and implementation.

8. WORK FORCE HARASSMENT COMMITTEE

In compliance of Workplace Harassment Act-2010, A Complaint Cell has been established comprising of following officers at MEPCO Head Quarter to create safe & facilitating environment which is free of harassment:

1-	Chief Executive Officer	Head
2-	Ms. Iram Saba, Dy. Manager (D&I)	Member
3-	Ms. Shaheen Akram, Jr. Engineer, O/o Chief Engineer Strategic Planner	Member
4-	Ms. Tasneem Kausar, Addl. Asstt: Manager (Computer)	Member
5-	Syeda Qurat-ul-Ain, A.M(CSC) Bahawal Pur	Member
6-	Ms. Naila Afzal, Office Superintendent, Circle Sahiwal	Member
7-	Ms. Saima Muzaffar, Revenue Officer, Moosa Pak	Member / Secretary

The complaint Cell has to perform the following functions: -

- Make liaison with all MEPCO female employees to familiar them about Harassment Act-2010.
- Receive complains from the aggrieved employee, which come under the definition of harassment.
- Scrutinize/examine the complaint by calling the complainant as well as accused and recommend to proceed through Harassment Committee or not.
- In case the matter is required to be probed through Harassment Committee than the employee against whom complaint lodged will be placed under suspension and also shifted from the existing post.
- Harassment Committee will investigate the matter and shall submit clear cut recommendations, whether charge/allegations provided or not within 97x days positivity.
- Harassment Committee will hear the case on day to day basis without any adjournment. In case the enquiry is not completed in stipulated period then Harassment Committee will requested for extension in time to the head of Complaint Cell.

- Chief Executive Officer MEPCO will be the competent authority to accept or rejected the recommendation of Harassment Committee and disciplinary action will be initiated by relevant competent authority.

9. IT INTERVENTIONS

The modern corporate culture is deemed to be incomplete without automation of Business processes i.e. ERP. In order to meet with the requirements of modern corporate culture, Implementation of SAP ERP was initiated in MEPCO during 2014. At present ERP has been successfully implemented in MEPCO and all formations are GO-LIVE since July 2018. In March 2021 MEPCO discontinued legacy system of inventory and effective from July 2021, Manual/legacy Accounting System was discontinued and Books of Accounts was completely shifted on SAP-ERP. As a landmark achievement, the annual audits of MEPCO's accounts for the financial year 2020–21 onward have been successfully conducted and completed based on SAP-ERP–maintained financial records. It tantamount that requisite parameters of integration of three modules i.e. Material Management (MM), Human Resource Management (HCM) and Finance & Controlling (FICO) are duly complied with.

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To strengthen MEPCO's digital infrastructure and to align with the corporate vision of complete automation, the IT Directorate has initiated and implemented several system-based interventions aimed at operational efficiency, transparency, and real-time data availability across all functional domains.

The Integrated Billing System (IBS) and EOPS are now fully functional across all MEPCO circles, providing centralized control over billing and commercial operations. Ongoing improvements and automation of multiple modules such as workflows for Change of Attributes (Name, Tariff, Load), Reconnections (RCO), and SMS alert systems have been effectively implemented to ensure smooth and efficient operations.

To enhance the accuracy and authenticity of consumer data, MEPCO has launched a comprehensive Know Your Consumer (KYC) campaign using the *BarqLink* mobile application and MMRS module. These tools enable field teams to collect essential consumer information—such as Owner and Occupant CNICs, mobile numbers, and other details—while verification and validation are efficiently managed through the MNR Portal.

Furthermore, to enhance consumer convenience, QR-based payment options and digital bill access have been introduced through the MEPCO Duplicate Bill website. The QR payment feature is available on both printed and online bills. These initiatives are designed to promote nationwide digital payment adoption and provide a more seamless and user-friendly billing experience for consumers.

The MEPCO MIS portal for employees has also been upgraded with analytical dashboards for transformer management, scanning meter performance, and energy audit monitoring, providing a unified platform for operational visibility.

In line with the PM directives on the digitalization of existing systems and enhanced customer facilitation, Customer Facilitation Centers (CFCs) have been established in MEPCO. These centers provide a range of services to customers, including New Connection processing, Installments, Due Date Extensions, and Reconnection (RCO), among others. Moreover, to facilitate consumers an initiative was introduced “APNA METER APNI READING” through Power Smart Application.

To strengthen the efficiency of line staff in addressing customer line related complaints, the Lineman Mobile Application has been introduced. This app enables field staff to resolve assigned complaints on-site while incorporating a tracking system and proof-based monitoring for better accountability and performance oversight.

Another initiative introduced for MEPCO consumers is the MEPCO Smart Application, which allows users to conveniently access various general services such as New Connection,

Installments, Due Date Extension, and RCO. Through this application, consumers can also register line complaints without visiting office and track their status in real time.

MEPCO has made substantial progress in advancing its Advanced Metering Infrastructure (AMI) landscape since 2015, with the objective of transforming its power distribution system into a modern, data-driven network. To date, 93,912 smart meters have been installed and integrated with the centralized Meter Data Management (MDM) system, enabling improved monitoring, billing accuracy, and operational efficiency. Looking ahead, MEPCO has formulated a comprehensive plan to replace all existing non-AMI meters with smart meters in a phased manner and installation of Asset performance management system (APMS) at Transformer end, thereby ensuring the complete digitalization of metering operations. This initiative is aimed at achieving a fully automated and transparent energy management across MEPCO's jurisdiction.

In addition, IT Directorate continuously coordinates with PITC for optimization of system performance, strengthening of database infrastructure, and enhancement of cybersecurity measures to ensure reliability, data security, and continuity of business operations.

OPERATING RESULTS

MEPCO's audited operating results of the preceding six years are narrated as under:

PROFIT & LOSS ACCOUNT OF THE PRECEDING SIX YEARS

Rs. In Million

Description	2019 (Restated)	2020 (Restated)	2021	2022	2023	2024
Sale of Electricity	235,312	292,474	289,163	416,128	450,775	597,609
Cost of Electricity	225,725	248,407	248,523	406,935	438,574	526,488
Gross Profit / (Loss)	9,587	44,067	40,640	9,193	12,201	71,121
Amortization of Deferred Credit	2,759	2,952	3,147	3,366	3,660	3,915
	12,345	47,019	43,787	12,559	15,861	75,036
Operating Expense Excl. Dep.	31,940	29,300	28,707	30,218	48,034	55,825
Depreciation	4,710	5,131	5,457	5,702	6,182	6,609
Operating Expenses	(36,650)	(34,431)	(34,164)	(35,920)	(54,216)	(62,435)
Operating Profit/(Loss)	(24,305)	12,588	9,623	(23,361)	(38,355)	12,602
Other Income	3,813	4,142	5,282	6,872	16,983	21,514
Earnings/(Loss) Before Interest and Taxes	(20,492)	16,730	14,905	(16,489)	(21,372)	34,116
Financial Charges	(2,310)	(2,212)	(1,601)	(1,998)	(1,064)	(925)
Profit/(Loss) Before Tax	(22,802)	14,518	13,304	(18,487)	(22,436)	33,191
Provision for Tax	-	(1,276)	(3,256)	(4,328)	(937)	(1,312)
Net Profit/(Loss) after Tax	(22,802)	13,242	10,048	(22,814)	(23,373)	31,879

EARNING PER SHARE

The Earning per Share (EPS) of the Company for the last two financial years is as under:

	FY 2024-25	FY 2023-24
Profit / (Loss) per Share in Rs. (Basic)	5	29
Profit / (Loss) per Share in Rs. (Diluted)	1	4

OPERATING RESULTS OF FY 2024-25

The Operating results (Profit & Loss) of the company (Audited) for the year ended 30th June, 2025 are shown in the following table:

Rs in Millions

Description	F.Y 2024-25
Sale of Electricity	524,062
Cost of Electricity	469,003
Gross Profit / (Loss)	55,059
Amortization of Deferred Credit	4,315
	59,373
Operating Expense Excluding Depreciation	(59,924)
Depreciation	(7,487)
Total Operating Expenses	(67,411)
Operating Profit/(Loss) from operations	(8,038)
Other Income	15,792
Finance Cost	(829)
Profit /(Loss) before Levies & Income Tax	6,925
Levies	(1,105)
Net Profit/(Loss) before income tax	5,820
Income Tax	(561)
Profit/(loss) for the year	5,257

As regards Transmission & Distribution (T&D) Losses, MEPCO has incurred actual T&D Losses without wheeling Charges @ 13.49% against NEPRA target of 11.34%. The MEPCO has loss of 412 MKWH above the allowed limit of NEPRA which translates in a Financial Loss of Rs.13,042 million .

PAYMENT OF TAXES & DUTIES

MEPCO is a responsible corporate entity, complying with all Tax Laws and collect different taxes on behalf of FBR without any financial remuneration. MEPCO collected different Taxes from Electricity Consumers on account of Extra Tax, Further Tax, Retailers Tax, Income Tax U/S 235 etc. amounting to Rs. 26,978 million and paid to FBR during F.Y.2024-25. In addition, MEPCO also paid General Sales Tax amounting to Rs. 50,927 million during F.Y. 2024-25. MEPCO has also paid liability of Minimum Turnover Tax U/S 147 of Income Tax Ordinance.

TAX CONTINGENCIES

Contingent taxation liabilities arise by virtue of interpretation regarding Income Tax/ Sales Tax law by Tax Authorities and MEPCO. Overall tax litigation with FBR & PRA was Rs. 131,385 million. However, litigation cases of Rs. 101,109 million has been settled through Amendments in Law, Appellate forums and ADRC. Remaining litigation amounting to Rs.30,276 million is pending for adjudication at different forums including ADRC.

TARIFF ADJUSTMENTS

MEPCO has timely applied for Quarterly Tariff Adjustment in F.Y. 2023-24 which resulted in Tariff Adjustment of Rs. 3,696 Million for 1st Quarter, Rs. (10,709) Million for 2nd Quarter, Rs. (15,778) Million for 3rd Quarter and Rs. (8,622) Million for 4th Quarter. Furthermore, MEPCO was allowed monthly Fuel Price Adjustment as given below:

Rs in Millions	
Month	F.P.A
Jul 2024	(282)
Aug 2024	(348)
Sep 2024	(1,070)
Oct 2024	(593)
Nov 2024	(275)
Dec 2024	(392)
Jan 2025	(1,319)
Feb 2025	(249)
Mar 2025	(184)
Apr 2025	490
May 2025	(908)
Jun 2025	(1,075)
TOTAL	6,205

EMPLOYEES PROVIDENT FUND & MEPCO EMPLOYEES PENSION FUND TRUST

Employees Provident Fund was maintained centrally by WAPDA, contribution from employees are remitted to WAPDA where EP Fund section maintain all record and Payment made at the time of retirement of in shape of EPF advance as the case may be. Now WAPDA has discontinued the Employees Provident Fund effective June 2025. The responsibility for managing the fund will now lie with the concerned entity. MEPCO is currently in the process of hiring a firm for this purpose.

MEPCO Employees Pension Fund Trust was established on June 30, 2013. All regular employees of MEPCO are members of the Fund and eligible pensioners under the scheme are entitled to the benefits as prescribed in Pension Fund Rules. MEPCO has contributed Rs. 24.945 Million towards Pension Fund as on June 30, 2025.

SIGNIFICANT CHANGES IN ACCOUNTING POLICIES

MEPCO has presented its Final Accounts for FY 2024-25 according to provision of IAS-1 and appropriate Accounting Policies have been consistently applied in preparation of Financial Statements. There is no significant change in accounting policies during this year.

WORKER'S PROFIT PARTICIPATION FUND

MEPCO has recorded net profits in the following financial years, the details of the profits for each respective year are as follows:

Financial Year	Net Profit (Rs. in Million)
2012-13	11,239
2013-14	9,937
2014-15	9,797
2019-20	13,242
2020-21	10,048
2023-24	31,879
2024-25	5,258

As MEPCO is registered under the Companies Act, 2017, the Statutory Auditors are of the opinion that the Workers' Profit Participation Act, 1968 is applicable to the Company. Accordingly, a provision amounting to Rs. 5,250 million has been created in this regard.

MEPCO Management sent a draft summary to Chief Financial Officer, PPMC for decision of Economic Coordination Committee to exempt the corporatized entities of Power Sector from the requirement of said Act. Hence payment has been deferred till the decision of ECC.

SUPPLEMENTAL CHARGES

CPPA-G Ltd. started raising debits to MEPCO for Supplemental Charges (charges paid to IPPs for delay in payment). The Regulator (NEPRA) had not allowed Supplemental Charges upto FY 2014-15, accordingly MEPCO did not incorporate the Supplemental Charges in its books of accounts under the regulatory framework. Thereafter, the Regulator allowed Supplemental charges equivalent to the amount of Late Payment Surcharge (LPS) charged to the consumers. In compliance, MEPCO has accounted for the Supplemental Charges to knock-off the LPS every year accordingly.

SALES PATTERN

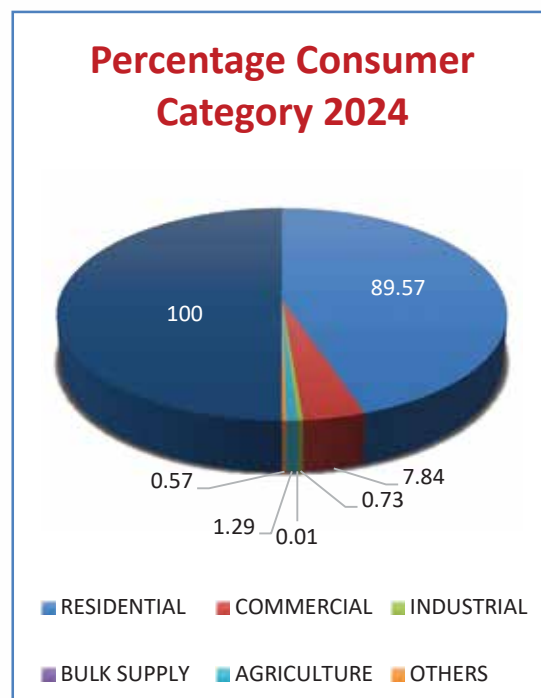
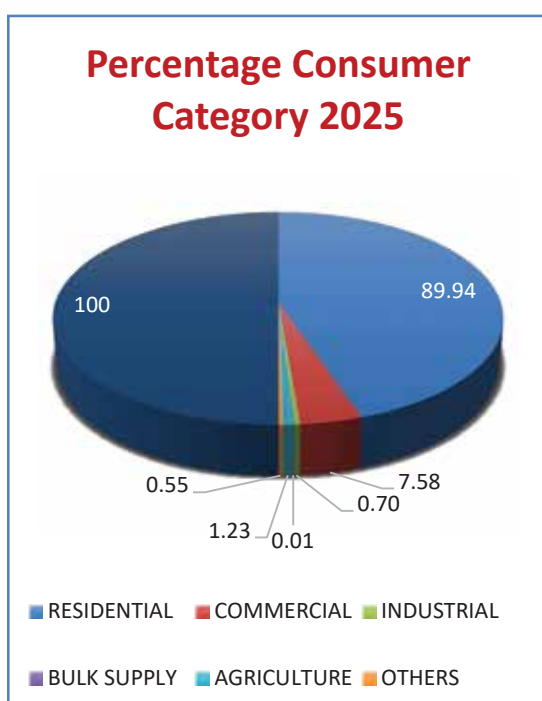
During FY 2024-25, MEPCO sold 16,569 MkwH to its 8,816,400 consumers as compared to 16,904 MkwH sold in FY 2023-24 to its 8,356,422 consumers. Increase in consumers indicate near about similar pattern during the two years: 2023-24 and 2024-25.

The Consumer category wise Sales Profile is as under:

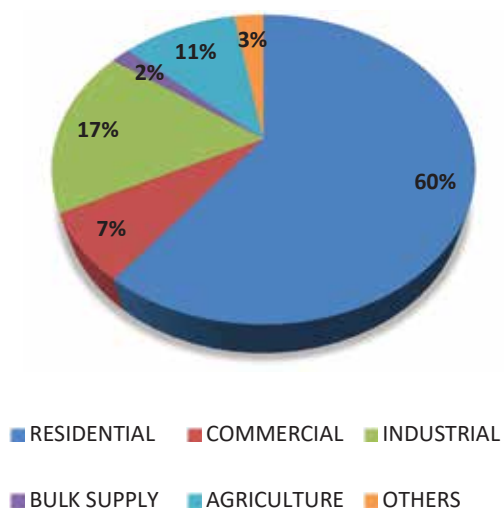
Category	2024-25		2023-24	
	Consumers	Unit Sold MkwH	Consumers	Unit Sold MkwH
Residential	7,929,029	10,015	7,484,491	9,601
Commercial	668,508	1,186	654,755	1,147
Industrial	61,684	2,892	61,280	2,684
Bulk supply	478	287	474	279
Agriculture	108,136	1,751	107,939	2,780
Others	48,565	448	47,483	413
Total	8,816,400	16,569	8,356,422	16,904

The above table shows increase in number of consumers @ 5.50%.

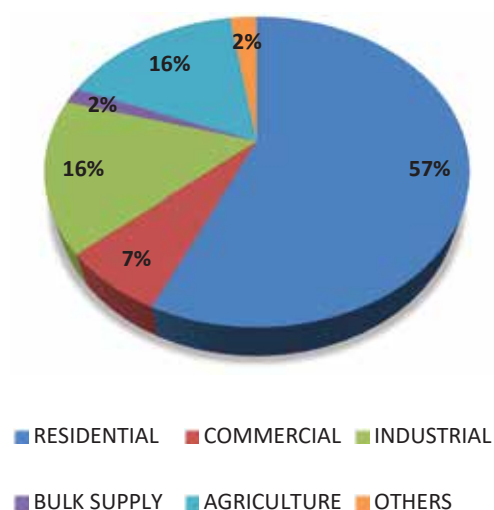
The numerical consumer and sales mix during FY 2023-24 & FY 2024-25 is graphically presented below:



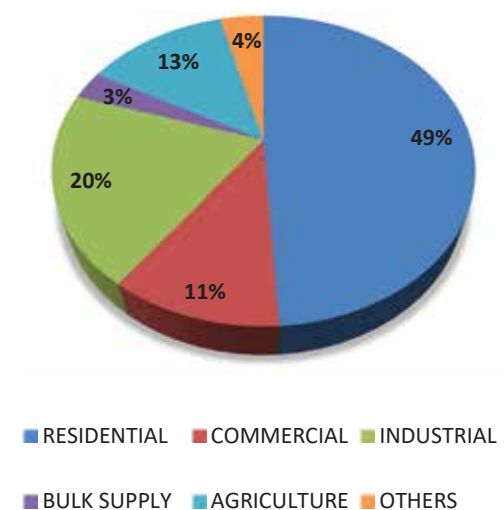
**Percentage Sales Mix
in KWH 2025**



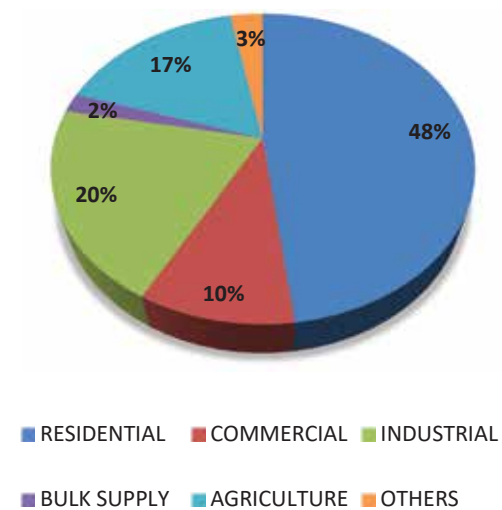
**Percentage Sales Mix
in KWH 2024**



**Percentage Sales Mix
Revenue 2025**



**Percentage Sales Mix
Revenue 2024**



Category wise analysis of consumers & Sales (Mkwh) is given hereunder:

RESIDENTIAL

Slab	FY 2024-25		FY 2023-24	
	No. of Consumers	Unit Consumed Mkwh	No. of Consumers	Unit Consumed Mkwh
A-1 (0-50) (Life)	202,439	56	220,857	59
A-1(51-100) (Life)	144,945	77	132,861	77
A-1(0-100) (Prot.)	1,724,188	1,534	1,704,534	1,330
A-1(101-200) (Prot.)	3,069,494	2,649	2,510,888	2,066
A-1(0-100)	674,280	585	629,792	646
A-1(101-200)	267,905	1,275	262,481	1,317
A-1(201-400)	1,178,924	1,845	1,294,204	2,012
A-1(401-400)	340,259	742	391,465	859
A-1(401-500)	124,659	339	143,776	402
A-1(501-600)	55,792	175	65,364	217
A-1(601-700)	27,959	104	33,095	129
A-1 above 700	40,070	224	49,267	281
Temporary	1,105	1	1,094	1
A-1 TOD	88,010	410	44,813	205
TOTAL	7,929,029	10,015	7,484,491	9,602

The total number of Residential Consumers as on June 30, 2025 increased by 444,548 (5.94%) as compared to previous year June 2024 and increase in units consumption by 413 million units i.e. (4.30%).

COMMERCIAL

Slab	2024-25		2023-24	
	No. of Consumers	Unit Consumed Mkwh	No. of Consumers	Unit Consumed Mkwh
A-2	635,302	470	625,283	491
A-2 above 5kw	23	-	23	0.082
A-2 TOD	30,330	704	26,796	641
Temporary	2,853	12	2,654	15
TOTAL	668,508	1,186	654,755	1,147

During FY 2024-25, Commercial consumers increased by 2.10% and the consumption increased by 3.40% (65 million kWh) as compared to FY 2023-24.

INDUSTRIAL

Slab	FY 2024-25		FY 2023-24	
	No. of Consumers	Unit Consumed Mkwh	No. of Consumers	Unit Consumed Mkwh
B-1	14,423	19	14,615	23
B-1 TOD	36,429	279	35,674	325
B-2	1,633	0.027	1,633	0.001
B-2 TOD	8,988	914	8,956	988
B-4 TOD	401	1,087	388	821
B-4 TOD	10	593	14	527
TOTAL	61,684	2,892	61,280	2,684

In Financial Year 2024-25 Industrial consumption increased by 208 Mkwh and consumers increased by 404 as compared to Financial Year 2023-24.

AGRICULTURE (TUBEWELL)

Slab	FY 2024-25		FY 2023-24	
	No. of Consumers	Unit Consumed Mkwh	No. of Consumers	Unit Consumed Mkwh
D-1 SCARP	2,684	0.03	2,684	0.02
D-1 b TOD	909	19	909	20
D-2 TOD	58	0.01	58	0.03
D-2	9,152	0.27	9,147	0.42
D-1 b TOD (50,51)	95,181	1,732	94,987	2,759
D-1 b TOD (54,54)	153	0.07	154	0.12
TOTAL	108,136	1,751	107,939	2,780

The number of Tube well consumers increased by 207 during FY 2024-25 whereas the sales quantum decreased by 1,029 Mkwh.

BULK SUPPLY

The number of bulk supply consumers increased from 474 to 478 during FY 2024-25 whereas consumption increased from 278 Mkwh to 287 Mkwh.

OTHERS

The other categories mainly comprise of Street Lighting, Pakistan Railways and General Service Connections. The number of consumers in this category increased from 46,106 to 47,484 during the year with an increase of 40 Mkwh in consumption.

COST OF POWER

MEPCO purchased 18,360 MkwH during FY 2024-25 at a total cost of Rs. 469,003 million (Rs.25.55 per kwh) against 19,929 MkwH at cost of Rs.526,488 million (Rs.26.42 per Kwh) during FY 2023-24. The cost breakup for the FY 2024-25 in comparison with FY 2023-24 is as given below:

Cost Components	FY 2024-25				FY 2023-24			
	Amount (Rs in Million)	Units (MkwH)	%age	Per unit Rate	Amount (Rs in Million)	Units (MkwH)	%age	Per unit Rate
UoSC	25,846	18,360	5.51	1.41	28,036	19,929	5.32	1.41
CTC	274,869	18,360	58.61	14.97	311,822	19,929	59.23	15.65
Total Fixed Cost	300,715	18,360	64.12	16.38	339,847	19,929	64.55	17.06
Variable Component	168,288	18,360	35.88	9.17	186,630	19,929	35.45	9.36
Grand Total	469,003	18,360	100.00	25.55	526,488	19,929	100.00	26.42

There was a decrease of Rs. 0.19 per unit in the Energy Purchase Price, resulting in a reduction of Rs. 18,342 million in energy charges. Capacity charges also declined by Rs. 0.68 per unit, leading to a decrease of Rs. 36,953 million in the Capacity Purchase Price compared to the previous year. The per unit rate of Use of System Charges (UoSC) billed by NTDCL through CPPA-G remained the same during the year; however, the total amount decreased by Rs. 2,190 million. Additionally, a reduction in electricity purchased by 1,569 MkwH contributed to an overall decrease in power costs amounting to Rs. 57,485 million.

TRANSMISSION AND DISTRIBUTION (T&D) LOSSES

Description	FY 2024-25	FY 2023-24
Units Received from CPPA-G	18,359	19,699
Units Received from DG	788	220
Units Wheel In	233	301
Units Received from SPPs	5	9
Total Units Received	19,386	20,230
Units Sold without DG	16,220	16,819
Units Sold with DG	16,569	16,904
Units Wheeled Out	233	301
Total Sale with wheeling	16,802	17,205
Units Loss	2,584	3,025
%age Loss	13.3%	15.0%

OPERATING AND MAINTENANCE EXPENSES

MEPCO is the largest electricity distribution company with employee base of 13,705 personnel serving 8,816,400 consumers which calculates a ratio of 643 consumers per employee reflecting higher consumer per employee ratio. It indicates dedication of employees to serve consumers in vast and developing area of Southern Punjab with least possible cost.

O&M cost for F.Y 2024-25 @ Rs 4.07/kWh (sold) inclusive of depreciation on Assets, Provision for Retirement Benefits as figured out by the professional actuarial valuers and Provision for doubtful debts. However, if the provision for retirement benefits assessed by valuers and provision for doubtful debts is not considered and only actual payments made in this behalf are accounted for, per kWh O&M cost increased to Rs.0.54/KWh.

LOANS

The overall position of foreign re-lent loans, Cash Development Loans and Other (Soft Loans) is as under:

Rs. In Million

Description	Opening Bal. 01-07-2024	During the year	Closing Bal. 30 th June, 2025
World Bank IBRD-7565	3,849	-	3,849
World Bank IBRD-9418 PAK	298	1,326	1,624
ADB Tranche-I PAK-2448	1,355		1,355
ADB Tranche-II PAK-2727	2,169		2,169
ADB Tranche-III PAK-2972	3,118		3,118
ADB Tranche-IV PAK-4096	2,773		2,773
PM Package (CDL)	797		797
Other (Soft Loans)	103	(13)	90
Total	14,463	1,313	15,776

The World Bank Loan # IBRD-7565 and ADB (Tranche-I) Loan # PAK-2448 carry interest rate of 17% which comprises of relending interest @11% and exchange risk cover @ 6% per annum payable on half yearly basis. Repayment of these loans is to be made in 15 years period with grace period of 2 years. However, ADB's other loans: Tranche-II, III & IV have been relent to MEPCO at 15% per annum inclusive of interest rate @ 8.2 % and exchange risk fee @ 6.8% payable on half yearly basis. Repayment of the Tranche-II loan is to be made within 20 years period with grace period of 4 years whereas the loans Tranche-III & IV in 25 years period with grace period of 5 years.

The World Bank Loan (IBRD-9418-PAK) carries an interest rate based on SOFR plus a variable spread, along with Fix administrative charges of 0.25% of Loan disbursed amount, Commitment Charges 0.25% per annum on un-withdrawal loan balance and front-end fees of 0.25% of the loan amount, payable on half-yearly basis. The loan is repayable in 50 installments and includes a grace period of 5 years.

The Cash Development Loan under Prime Minister's South Punjab Package has been lent to MEPCO @ 12.64% per annum payable in 20 years with a grace period of 5 years, in line with previous similar experience.

Besides, MEPCO has borrowed soft loan (interest free) for providing connectivity to the Baggass based small Power Producers of sugar industry operating in private sector.

The re-payment of soft loans (interest free) is being paid by MEPCO as per schedule

As regard re-lent loans, which are overdue at this stage MEPCO has requested the GoP for non-cash adjustment of overdue amount of principal and interest against Tariff Differential Subsidy (TDS) Receivable from GoP/ Ministry of Finance.

ACTUAL VS BUDGET O&M EXPENSES 2024-25

The pace of O&M Expenses in contrast to approved budgetary provisions during FY 2024-25 has been recorded as under: -

Rs. In Million

Nomenclature	Budget	Actual	Inc/(Dec)	%age
Salaries & Employees Benefits	20,003	17,958	2,045	10
Staff Post Retirement Benefit	31,336	25,312	6,024	19
Repair & Maintenance	2,175	2,046	129	6
Rent Rates and Taxes	51	46	5	10
Communication	201	169	32	16
Power Light and Water	460	316	144	31
Office Supplies	594	495	99	17
Travelling Expenses	1,728	1,249	479	28
Computer/Outside Services	1,365	1,107	258	19
Vehicle Expenses	771	713	58	8
Collection charges	766	624	142	19
Management Fee (NEPRA)	230	230	-	-
Professional Fees	55	44	11	20
Advertising Expenses	47	47	-	-
Director's Meeting Fees	36	21	15	42
Insurance	61	61	-	-
Workers Profit Participation Fund	-	346	-	-
Provision For Doubtful Debts	-	1,675	-	-
Misc. / Other Charges	429	50	379	88
Supplemental Charges	8,146	8,034	112	1
Impairment of CWIP	-	46	-	-
Total	68,454	60,589	7,865	11

MEPCO has manage to remain its operating cost amounting to Rs. 33 billion against budget allocation of Rs. 37 billion except the provisions.

SIGNIFICANT PLANS, POLICIES AND DECISIONS

In order to pursue its plans for the expansion of operational base of the business, the Management shall under-take construction of new feeders to bifurcate overloaded ones. Like-wise, new sub divisions, divisions/revenue offices will be established as per operational and technical requirements. While going for the achievement of the above milestones, it is imperative to pay special attention on removal of System constraints. At present, as stated in previous pages also, MEPCO is fully committed for this task and significant size of CAPEX budget has been earmarked for works aimed at removal of system constraints. The Management discloses and affirms that:-

It has generally complied with the significant principles of corporate governance as required vide section 17(2) & stipulated hereunder except rules / principles not complied with as contained in the report (attached).

- i) The Financial Statements fairly present the state of affairs of the Company, the results of its operations, cash flows and changes in equity.
- ii) Proper books of Accounts have been maintained in conformity with the requirements of International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS).
- iii) Appropriate Accounting policies have been consistently applied in preparation of financial Statements and Accounting estimates are based on reasonable and professional judgment.
- iv) Effective System of internal controls has been strived to be maintained to safe guard the interest of the Company and all other stake holders.
- v) The appointment of Chairman BoD and its members as well as their TORs including remuneration policy are in the best interest of the public sector. During the year, Chief Executive Officer received Pay and Allowances amounting to Rs.9.008 million, Executives received Rs.261.195 million and Directors of BoD received Rs.29.791 million.
- vi) Audit report without qualification.
- vii) During the financial year 2024-25, 16 meetings of the Board were held. The detail of attendance of Members of Board of Directors is given below:

ATTENDANCE IN BOARD MEETINGS

Sr. #	Name of Director	No. of Meetings Held During FY 2024-25	Meeting Attended
1	Mr. Amer Zia	16	15
2	Mr. Tahir Basharat Cheema	16	15
3	Khawaja Jalaluddin Roomi	16	2
4	Ms. Zainab Janjua	16	12
5	Mr. Imran Zaffar	16	6
6	Mr. Shireen Malik Sher	16	11
7	Mr. Naeem Rauf	16	6
8	Mr. Javed Iqbal Khan	16	16
9	Mr. Nasir Ayaz Khan	16	2
10	Mr. Jam Gul Muhammad Zahid	16	13
Previous Board			
11	Muhammad Jabir	16	1
12	Mr. Fazalullah Durrani	16	1
13	Mr. Ammad ud Din	16	1
14	Rana Yasir Rauf	16	1
15	Mr. Athar Ali Mazari	16	1
16	Mr. Hussain Ahmad Fazal	16	1

Note: The Board was re-constituted on 24.07.2024

**ATTENDANCE IN HR, LEGAL, OTHER OPERATIONS AND MARKETING
COMMITTEE MEETING**

Sr. #	Name of Director	No. of Meetings Held During FY 2024-25	Meeting Attended
1	Ms. Zainab Janjua	19	18
2	Mr. Amer Zia	19	18
3	Mr. Tahir Basharat Cheema	19	17
4	Mr. Nasir Ayaz Khan	19	1
5	Mr. Jam Gul Muhammad Zahid	19	16
6	Mr. Fazalullah Durrani	19	1
7	Rana Yasir Rauf	19	1
8	Mr. Zafar Abbas	19	1
9	Mr. Shireen Malik Sher	19	12
10	Mr. Naeem Rauf	19	1
Previous Board's Committee			
11	Mr. Khurram Mushtaq	19	1
12	Muhammad Jabir	19	1
13	Mr. Hussain Ahmad Fazal	19	0
14	Mr. Athar Ali Mazari	19	1

**ATTENDANCE IN AUDIT, FINANCE, INVESTIGATION, FINANCIAL RISK
MANAGEMENT AND INTERNAL CONTROL COMMITTEE MEETING**

Sr. #	Name of Director	No. of Meetings Held During FY 2024-25	Meeting Attended
1	Mr. Tahir Basharat Cheema	8	8
2	Mr. Imran Zaffar	8	2
3	Ms. Zainab Janjua	8	8
4	Khawaja Jalaluddin Roomi	8	0
5	Mr. Shireen Malik Sher	8	8
6	Mr. Javed Iqbal Khan	8	8
7	Mr. Naeem Rauf	8	3

**ATTENDANCE IN TECHNICAL INITIATIVES, DEVELOPMENT, OPERATIONAL
RISK MANAGEMENT AND PROCUREMENT COMMITTEE MEETING**

Sr. #	Name of Director	No. of Meetings Held During FY 2024-25	Meeting Attended
1	Mr. Tahir Basharat Cheema	9	8
2	Mr. Imran Zaffar	9	2
3	Ms. Zainab Janjua	9	7
4	Mr. Javed Iqbal Khan	9	7
5	Mr. Nasir Ayaz Khan	9	1
6	Mr. Jam Gul Muhammad Zahid	9	8
Previous Board's Committee			
7	Mr. Fazalullah Durrani	9	1
8	Mr. Naeem Rauf	9	1
9	Mr. Zafar Abbas	9	1
10	Mr. Khurram Mushtaq	9	1
11	Rana Yasir Rauf	9	1

**ATTENDANCE IN POLICY, STRATEGY, OTHER OPERATIONS AND MARKETING
COMMITTEE MEETING**

Sr. #	Name of Director	No. of Meetings Held During FY 2024-25	Meeting Attended
1	Mr. Imran Zaffar	7	3
2	Mr. Amer Zia	7	7
3	Mr. Tahir Basharat Cheema	7	7
4	Mr. Javed Iqbal Khan	7	6
5	Mr. Jam Gul Muhammad Zahid	7	7

**ATTENDANCE IN RECOVERY, THEFT CONTROL AND CONSUMER GRIEVANCES
COMMITTEE MEETING**

Sr. #	Name of Director	No. of Meetings Held During FY 2024-25	Meeting Attended
1	Mr. Amer Zia	7	6
2	Mr. Tahir Basharat Cheema	7	6
3	Mr. Naeem Rauf	7	0
4	Khawaja Jalaluddin Roomi	7	0
5	Mr. Javed Iqbal Khan	7	1
6	Mr. Gul Muhammad Zahid	7	6
Previous Board's Committee			
7	Mr. Fazalullah Durrani	7	1
8	Muhammad Jabir	7	1
9	Mr. Athar Ali Mazari	7	1
10	Mr. Ammad ud Din	7	0

PATTERN OF SHARE HOLDING

Name of Share Holder	No. of Share Held	%age of Shares
Ministry of Energy (Power Division)	998	0.000097144
Ministry of Energy (Power Division)	145,295,450	12.49999995
Ministry of Energy (Power Division)	947,067,154	87.49990765
Mr. Gul Muhammad Zahid (CEO)	1	0.000000092
Mr. Amir Zia (Chairman BOD)	1	0.000000092
Total	1,082,464,604	100%

REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS & EXECUTIVES

During the F.Y 2024-25, below mentioned amounts were paid to Chief Executive Officer and Executives:

(Amount in Rupees)

Description	2025	2024	2025	2024
	Chief Executive Officer		Executives	
Basic Pay	7,792,003	3,083,557	477,706,444	399,346,288
Allowance	2,994,461	3,644,175	449,415,834	318,989,620
Meeting Fee	3,000,000	2,280,000	-	
Total	13,786,464	9,007,732	927,122,278	718,335,908
Number of Persons	1	1	273	235

- During F.Y 2024-25, Rs. 20.911 million was paid to Board of Directors as meeting Fee (F.Y 2023-24 Rs. 28.947 million).
- No remuneration other than meeting fee, was paid to any Director of the Company.

SUBSIDIES

The Government of Pakistan maintains uniform tariff regime for all consumers across the country, excluding K-Electric. This means that all consumers are billed uniformly, and any differences arises would be covered by the Government of Pakistan in the form of Subsidies.

Tariff Differential Subsidy (TDS)

During FY 2024-25, MEPCO has claimed Tariff Differential Subsidy (TDS) of Rs. 86,722 Million and CPPA-G has issued Credit Notes against TDS of Rs 71,622 Million.

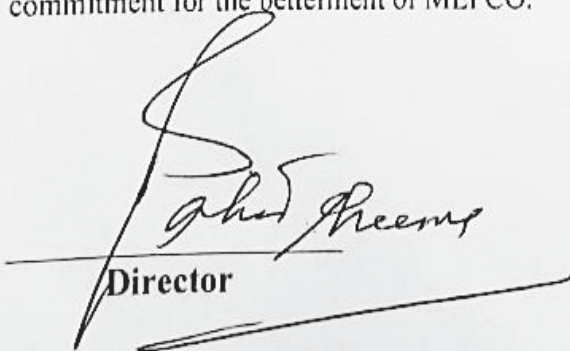
FUTURE OUTLOOK

During F.Y.2024-25 MEPCO earned operating Profit of Rs.6,925 Million and after tax profit of Rs. 5,258 Million.

For future, the Management is optimistic and looking forward to maintain the 100% recovery target and achieve reduction in T&D Losses. The Management is therefore geared up to face the challenges of the sector having due regard to socio-political environment of the region with support from GoP and the Regulator.

ACKNOWLEDGEMENT

The Board of Directors is pleased to put on record its acknowledgement and appreciation to the workers and management of the company who have worked with dedication and commitment for the betterment of MEPCO.



Director



Chief Executive Officer



**MULTAN ELECTRIC POWER COMPANY (MEPCO)
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**



INDEPENDENT AUDITOR'S REPORT

To the members of Multan Electric Power Company Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Multan Electric Power Company 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 policies 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 profit and 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.

Emphasis of Matters

- a) Note 13.1.1 to the financial statements, which states that the Company has not recognized the impact of debit notes issued by Central Power Purchasing Agency (Guarantee) Limited (CPPA-G) for supplementary charges, being the mark-up charged on CPPA-G by Independent Power Producers (IPPs) on account of delayed payments, aggregating to Rupees 21,864.26 million.
- b) Note 15.1 to the financial statements describes various tax contingencies, the ultimate outcome of which cannot be presently determined hence, no provision for the same has been made in accompanying financial statements.



- c) Note 25.1.1 to the financial statements which states that current account balance with WAPDA of Rs. 3,513 million on account of pension benefits being paid by the Company to employees transferred from WAPDA out of which Rs. 3,208 million is long overdue and no amount have been received since last three years.
- d) Note 25.4 to the financial statements which states that an amount of Rs. 31,697 million is receivable from Government of the Punjab on account of general sales tax (GST) subsidy which is long overdue and no amount have been received during past couple of year.

Our opinion is not modified in respect of these matters.

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

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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

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 material 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.

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



MUNIFF ZIAUDDIN & CO.
Chartered Accountants



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).

Other Matters:

The annual financial statements of the company for the year ended June 30, 2024 were audited by another firm of chartered accountants whose audit report dated October 24, 2024 expressed an unmodified opinion.

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

Muniff Ziauddin & Co
Chartered Accountants
Place: Lahore
Date: 23 OCT 2025
UDIN: AR202510123GI9RXokgE

MULTAN ELECTRIC POWER COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2025

	Note	2025 Rupees	2024 Rupees	2023 Rupees
EQUITY AND LIABILITIES				
SHARE CAPITAL AND RESERVES				
Issued, subscribed and paid up capital	6	10,823,636,048	10,823,636,048	10,823,636,048
Deposit for shares	7	87,018,466,550	67,728,621,839	61,508,552,556
Accumulated loss		(174,564,897,513)	(173,710,979,274)	(190,836,566,413)
TOTAL EQUITY		(76,722,794,915)	(95,158,721,387)	(118,504,377,809)
LIABILITIES				
NON-CURRENT LIABILITIES				
Long term financing	8	6,455,376,824	5,181,109,625	5,751,926,806
Staff retirement benefits	9	177,138,704,998	163,919,560,657	137,742,128,574
Long term security deposits	10	16,113,393,863	14,604,383,158	13,593,750,786
Contract liabilities	11	31,145,591,584	33,002,564,555	38,552,737,052
Deferred credit	12	86,487,693,512	74,959,608,474	69,557,824,169
		317,340,760,781	291,667,226,469	265,198,367,387
CURRENT LIABILITIES				
Trade and other payables	13	139,472,623,400	172,766,037,908	168,917,291,956
Accrued mark-up	14	12,033,442,477	11,207,582,622	10,286,735,913
Current portion of long term financing	8	9,320,423,434	9,281,758,414	8,447,137,700
Provision for taxation		7,658,610,040	11,108,557,729	9,796,494,492
		168,485,099,351	204,363,936,673	197,447,660,061
TOTAL LIABILITIES		485,825,860,132	496,031,163,142	462,646,027,448
CONTINGENCIES AND COMMITMENTS				
TOTAL EQUITY AND LIABILITIES		409,103,065,217	400,872,441,755	344,141,649,639
NON-CURRENT ASSETS				
Property, plant and equipment	16	170,032,297,999	154,508,449,068	139,984,141,285
Intangible assets	17	-	-	-
Long term loans to employees	18	337,808,674	359,752,054	203,673,369
Long term deposits	19	49,185	49,185	49,185
Deferred tax asset	20	-	-	-
		170,370,155,858	154,868,250,307	140,187,863,839
CURRENT ASSETS				
Stores and spare parts	21	9,926,051,065	14,014,535,977	8,463,443,060
Trade debts	22	48,719,014,866	55,934,592,360	45,142,131,287
Contract asset	23	15,499,282,477	34,660,729,699	19,927,180,168
Loans and advances	24	736,941,286	469,208,741	318,842,399
Other receivables	25	93,282,766,228	83,810,576,321	78,334,213,862
Advance income tax		6,115,141,462	5,923,375,984	4,614,076,983
Due from government	26	19,791,952,251	14,059,660,930	9,001,928,657
Accrued interest		63,315,829	96,240,631	175,402,707
Short term investments	27	20,322,464,283	15,889,763,884	13,220,318,493
Cash and cash equivalents	28	24,275,979,612	21,145,506,921	24,756,248,184
		238,732,909,359	246,004,191,448	203,953,785,800
TOTAL ASSETS		409,103,065,217	400,872,441,755	344,141,649,639

The annexed notes, from 1 to 49, form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER



DIRECTOR

MULTAN ELECTRIC POWER COMPANY LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 Rupees	2024 Rupees
Sale of electricity - net	29	439,671,210,157	522,892,543,049
Tariff differential subsidies	30	84,390,605,691	74,716,948,775
		524,061,815,848	597,609,491,824
Cost of electricity	31	(469,003,257,725)	(526,488,194,471)
Gross profit / (loss)		55,058,558,123	71,121,297,353
Amortization of deferred credit	12	4,314,522,652	3,915,150,917
		59,373,080,775	75,036,448,270
Distribution cost excluding depreciation	32	(51,394,728,598)	(47,038,407,123)
Customer service cost	33	(6,854,045,939)	(6,016,528,378)
Depreciation on operating fixed assets	16.3	(7,487,549,805)	(6,609,793,844)
Allowance for expected credit losses	22.1	(1,675,233,168)	(2,770,015,384)
		(67,411,557,510)	(62,434,744,729)
Profit / (loss) from operations		(8,038,476,735)	12,601,703,541
Other income	34	15,792,533,617	21,514,284,976
Finance cost and other charges	35	(829,038,027)	(924,856,018)
Profit / (loss) before levies and income tax		6,925,018,855	33,191,132,499
Levies	36	(1,105,349,674)	(1,312,063,237)
Profit / (loss) before income tax		5,819,669,181	31,879,069,262
Income tax	36	(561,927,835)	-
Profit / (loss) for the year		5,257,741,346	31,879,069,262
Earning per Share - Basic & Diluted	37	5	29

The annexed notes, from 1 to 49, form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER



DIRECTOR

MULTAN ELECTRIC POWER COMPANY LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 Rupees	2024 Rupees
Profit / (loss) for the year		5,257,741,346	31,879,069,262
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss:			
- Remeasurement of defined benefit obligations	9.3	(6,111,659,585)	(14,753,482,123)
Items that may be reclassified subsequently to profit or loss		-	-
		(6,111,659,585)	(14,753,482,123)
Total comprehensive income / (loss) for the year		(853,918,239)	17,125,587,139

The annexed notes, from 1 to 49, form an integral part of these financial statements.


 CHIEF EXECUTIVE OFFICER


 DIRECTOR



MULTAN ELECTRIC POWER COMPANY LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2025

	Note	SHARE CAPITAL	DEPOSIT FOR SHARES	ACCUMULATED LOSS	TOTAL EQUITY
-----Rupees-----					
Balance as at July 01, 2023 - restated		10,823,636,048	61,508,552,556	(190,836,566,413)	(118,504,377,809)
Non-cash settlement against deposit for shares	7	-	6,220,069,283	-	6,220,069,283
Profit for the year		-	-	31,879,069,262	31,879,069,262
Other comprehensive loss for the year		-	-	(14,753,482,123)	(14,753,482,123)
Total comprehensive income for the year		-	-	17,125,587,139	17,125,587,139
Balance as at June 30, 2024		10,823,636,048	67,728,621,839	(173,710,979,274)	(95,158,721,387)
Balance as at July 01, 2024		10,823,636,048	67,728,621,839	(173,710,979,274)	(95,158,721,387)
Non-cash settlement against deposit for shares		-	19,289,844,711	-	19,289,844,711
Profit for the year		-	-	5,257,741,346	5,257,741,346
Other comprehensive loss for the year		-	-	(6,111,659,585)	(6,111,659,585)
Total comprehensive loss for the year		-	-	(853,918,239)	(853,918,239)
Balance as at June 30, 2025		10,823,636,048	87,018,466,550	(174,564,897,513)	(76,722,794,915)

The annexed notes, from 1 to 49, form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER




DIRECTOR

MULTAN ELECTRIC POWER COMPANY LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025

		2025 Rupees	2024 Rupees
A. CASH FLOWS FROM OPERATING ACTIVITIES			
Profit / (loss) before levies and income tax	Note	6,925,018,855	33,191,132,499
Adjustments for Non-cash and other items			
Depreciation	16.3	7,487,549,805	6,609,793,844
Provision for staff retirement benefits	32	25,311,862,980	22,858,472,475
Amortization of deferred credit	12	(4,314,522,652)	(3,915,150,917)
Allowance for expected credit losses	22.1	1,675,233,168	2,770,015,384
Provision/(Reversal) for stores and spare parts	32	42,457,472	(245,652,245)
Provision for workers' profit participation fund	32	346,257,693	1,746,901,710
Impairment of capital work-in-progress	32	46,360,668	1,869,598
Profit on bank deposits and term deposit receipts	34	(5,685,876,296)	(7,727,225,856)
Contract liabilities transferred to other income	34	-	(4,294,490,404)
Finance cost	35	825,859,855	920,846,709
		32,660,201,548	51,916,512,797
Effect on cash flows due to working capital changes:			
(Increase) / decrease in current assets:			
Stores and spare parts		4,046,027,440	(5,305,440,672)
Trade debts		5,540,344,326	(13,562,476,458)
Contract asset		19,161,447,222	(14,733,549,531)
Loans and advances		(267,732,545)	(150,366,342)
Other receivables		(9,472,189,907)	(5,476,362,459)
Sales tax receivable		191,084,663	(443,655,287)
Increase/(decrease) in trade and other payables		(14,349,827,490)	8,321,913,526
		4,849,153,709	(31,349,937,223)
Income taxes paid (including advance income tax)		(11,232,366,660)	(5,923,375,984)
Staff retirement benefits paid		(18,204,378,224)	(11,434,522,513)
		(29,436,744,884)	(17,357,898,497)
Net cash (used in) / generated from operating activities		8,072,610,373	3,208,677,077
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(23,570,132,908)	(21,135,971,225)
Short term investment made - Net		(5,940,000,000)	(960,000,000)
long term loans recovered / (disbursed) to employees - Net		21,943,380	(156,078,686)
Profit on bank deposits and term deposit receipts received		7,226,100,700	6,096,942,541
Net cash (used in) / generated from investing activities		(22,262,088,828)	(16,155,107,370)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		1,326,892,500	298,021,843
Repayment of long term financing		(13,960,281)	(34,218,310)
Consumers' security deposits received	10	1,509,010,705	1,010,632,370
Receipt against deposit works and connections		14,498,008,222	8,061,253,127
Net cash generated from financing activities		17,319,951,146	9,335,689,030
Net increase in cash and cash equivalents	(A+B+C)	3,130,472,691	(3,610,741,263)
Cash and cash equivalents at beginning of the year		21,145,506,921	24,756,248,184
Cash and cash equivalents at end of the year		24,275,979,612	21,145,506,921

The annexed notes, from 1 to 49, form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER



DIRECTOR

MULTAN ELECTRIC POWER COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

1 THE COMPANY AND ITS ACTIVITIES

- 1.1** Multan Electric Power Company Limited (the Company) is a public limited company incorporated in Pakistan under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). The Company was established to take over all the properties, rights, assets, obligations, and liabilities of the Multan Area Electricity Board (MAEB), owned by the Pakistan Water and Power Development Authority (WAPDA), as well as such other assets and liabilities as agreed. The Company was incorporated on May 14, 1998, and commenced operations on June 09, 1998. The registered office and the principal place of business of the Company is located at Multan Electric Power Company Limited, Office of Company Secretary, MEPCO, Chief Executive Officer MEPCO Office, Khanewal Road, Multan. The principal activity of the Company is the distribution and supply of electricity to the public within defined geographical boundaries. The Company obtained Distribution License No. DL/06/2023, dated May 09, 2023, and Supply License No. SOLR/06/2023, dated December 27, 2023, from NEPRA. The addresses of the circle offices of the Company are as follows:

Circles	Addresses
Multan	Finance Director, MEPCO Complex, Khanewal Road, Multan.
Sahiwal	Executive Engineer (OP), Sahiwal-2nd, MEPCO Complex, Multan Road, Sahiwal.
Khanewal	Revenue Officer (P), Khanewal, MEPCO Complex, Railway Road, Khanewal.
Bahawalnagar	Executive Engineer (OP), B/Nagar, MEPCO Complex, Bahawalnagar.
Bahwalpur	Executive Engineer (OP), Model Town, Bahwalpur, Near Railway Station, Bahwalpur.
Rahim Yar Khan	Executive Engineer (OP), R.Y.Khan, MEPCO Complex, R Y Khan.
Dera Gazi Khan	Executive Engineer (OP), Kot Chutta, DG Khan Road.
Muzaffargarh	Executive Engineer (OP), M/Garh, MEPCO Complex, Muzaffargarh.
Vehari	Revenue Officer (P), Vehari, MEPCO Complex, Multan Road, Vehari.

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) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by Institute of Chartered Accountants of Pakistan (ICAP) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 and the State Owned Enterprises (Governance and Operations) Act 2023-; and

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS and IFAS, 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 for certain items as disclosed in the relevant accounting policies below.

2.3 Functional and presentation currency along with foreign currency transactions and translation

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

2.4 Critical accounting estimates and judgments

The preparation of financial statements in conformity with the accounting and reporting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and



MULTAN ELECTRIC POWER COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

- Useful lives, residual values and depreciation method of property, plant equipment and others – Note 4.4 & 16
- Intangible assets - Note 4.5 & 17
- Provision for impairment of stores and spares - Note 4.6 & 21
- Impairment of non-financial assets other than inventories and trade receivable – Note 4.16
- Allowance for expected credit losses – Note 4.9.1.4
- Taxes and levies, provision of current tax and deferred tax liability- Note 4.2 & 4.3
- Employee benefits obligation - Note 4 & 9
- Estimation of provisions - Note 4.17
- Impairment of financial assets - Note 4.9.1.4
- Revenue recognition - Note 4.8
- Deferred Credit - 4.11

The estimates and underlying assumptions are reviewed on an ongoing basis. The revisions to accounting estimates (if any) are recognised in the period in which the estimate is revised, if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

3 NEW AND AMENDED STANDARDS AND INTERPRETATIONS

Standards, amendments to Published accounting and reporting standards effective in current year.

3.1 New and amended standards and interpretations mandatory for the first time for the financial year beginning July 01, 2024:

a) IAS 1 Classification of liabilities as current or non current

Effective date:
January 01, 2024

Under the existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of these amendments, the requirement for the right to be unconditional has been removed. Instead, the amendments require that the right to defer settlement must have substance and exist at the end of the reporting period. This right may be subject to a company complying with conditions (covenants) specified in a loan arrangement.

On October 31, 2022, after reconsidering certain aspects of the amendments, the IASB reconfirmed that only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants that must be complied with after the reporting date (i.e., future covenants) do not affect a liability's classification at that date. However, when non-current liabilities are subject to future covenants, companies will now be required to disclose information to help users understand the risk that those liabilities could become repayable within twelve months after the reporting date.

b) IFRS 16 Sale and leaseback transaction

Effective date:
January 01, 2024

Amendments impact how a seller-lessee accounts for variable lease payments that arise in a sale-and-leaseback transaction. On initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction. After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognises no gain or loss relating to the right-of-use it retains. The amendments introduce a new accounting model for variable payments and will require seller-lessees to reassess and potentially restate sale-and-leaseback transactions entered into.



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The other new standards, amendments to approved accounting standards, and interpretations that are mandatory for the financial year beginning on April 1, 2024, are considered not to be relevant or to have any significant effect on the Company's financial reporting and operations.

3.2 Standards, amendments to approved accounting standards and interpretations that are not yet effective and have not been early adopted by the Company

The following new standards and amendments to approved accounting standards are not effective for the financial year beginning on June 30, 2024 and have not been early adopted by the Company:

a) IAS 21 Lack of exchangeability

Effective date:
January 01, 2025

Amendments to IAS 21 'The effects of Changes in Foreign Exchange Rates' address situations where a currency may lack exchangeability, often due to government-imposed controls. In such cases, companies must estimate a spot exchange rate reflecting orderly transactions at the measurement date. The amendments provide flexibility, allowing the use of observable rates without adjustment or other estimation techniques, provided they meet the estimation objective. The assessment considers factors like the availability of multiple rates, purpose, nature, and update frequency. The amendments requires new disclosures, including the nature and financial impact of non-exchangeability, the spot exchange rate used, the estimation process, and associated risks.

**b) IFRS 7 Classification and Measurement of Financial Instruments Disclosure
 IFRS 9 Financial Instruments**

Effective date:
January 01, 2026

Amendment to IFRS 7 'Financial Instruments: Disclosures' and IFRS 9 'Financial Instruments' – Classification and Measurement of Financial Instruments clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion and add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG targets) and make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FOCI).

c) IFRS 18 Presentation and disclosure in financial Statements

Effective date:
January 01, 2027

The new standard on presentation and disclosure in financial statements, IFRS 18, focuses on updates to the statement of profit or loss. It introduces key concepts such as the structure of the statement of profit or loss, required disclosures for certain profit or loss performance measures reported outside the financial statements (management-defined performance measures), and enhanced principles on aggregation and disaggregation applicable to the primary financial statements and notes.

**d) IFRS S1 General Requirements for disclosure of
 Sustainability-Related financial information
 IFRS S2 Climate related disclosures**

Effective date:
January 01, 2025

These standards include the core framework for the disclosure of material information about sustainability-related risks, opportunities across an entity's value chain and set out the requirements for entities to disclose information about climate-related risks and opportunities.

IFRS S1 requires entities to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general purpose financial reporting in making decisions relating to providing resources to the entity. The standards provide guidance on identifying sustainability-related risks and opportunities, and the relevant disclosures to be made in respect of those sustainability-related risks and opportunities.

IFRS S2 is a thematic standard that builds on the requirements of IFRS S1 and is focused on climate-



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related disclosures. IFRS S2 requires an entity to identify and disclose climate-related risks and opportunities that could affect the entity's prospects over the short, medium and long term. In addition, IFRS S2 requires entities to consider other industry based metrics and seven cross-industry metrics when disclosing qualitative and quantitative components on how the entity uses metrics and targets to measure, monitor and manage the identified material climate-related risks and opportunities. The cross-industry metrics include disclosures on greenhouse gas (GHG) emissions, transition risks, physical risks, climate-related opportunities, capital deployment, internal carbon prices and remuneration.

The management anticipates that the adoption of the above standards, amendments and interpretations in future periods, will have no material impact on the financial statements other than in presentation / disclosures. There are a number of other standards, amendments and interpretations to the published standards that are not yet effective and are also not relevant to the Company and, therefore, have not been presented here.

4 MATERIAL ACCOUNTING POLICY INFORMATION

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

4.1 Staff retirement benefits

4.1.1 Defined benefit plans

The Company operates funded pension scheme, an unfunded free electricity scheme and an unfunded free medical facility scheme for all its employees. Further, the Company's employees are also entitled for accumulated compensated absences which are encashed at the time of retirement up to maximum limit of 365 days. The Company's obligations under these schemes are determined annually by a qualified actuary using Projected Unit Credit Actuarial Cost Method. The Company's net obligation in respect of defined benefits plans is calculated by estimating the amount of future benefits that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. Past service cost is recognized immediately in the statement of profit or loss.

Remeasurements of the net defined benefit liability (except for compensated absences), which comprises actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income. The Company determines the net interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefits payments. Net interest expense and other expenses related to defined benefit plan is recognized in profit or loss. Remeasurement related to the compensated absences is recognized in the year of occurrence in the statement of profit or loss.

4.1.2 General / Employees' Provident Fund

For General / Employees' Provident Fund and WAPDA Welfare Fund, the Company makes deduction from salaries of the employees and remits these amounts to the funds established by WAPDA.

The provident fund related disclosure required by the Companies Act, 2017 is not shown in these financial statements as General / Employees' Provident Fund established by WAPDA includes the employees of other power distribution and generation companies and the Company's share cannot be segregated from the whole General / Employees' Provident Fund.

4.2 Levy

A levy is an outflow of resources embodying economic benefits that is imposed by governments on entities in accordance with legislation (i.e. laws and/or regulations), other than:

- those outflows of resources that are within the scope of other standards.
- fines or other penalties that are imposed for breaches of the legislation.

In these financial statements, levy is an amount calculated on the gross revenue. It falls under the scope



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of IFRIC 21/IAS 37 and is recognized as an operating expense. Any amount that exceeds this is treated as a current income tax expense under the scope of IAS 12.

4.3 Taxation

Current

Provision for current taxation is based on taxable income at the enacted / corporate tax rate after taking into account tax credits and rebates available, if any, as per the Income Tax Ordinance, 2001. Income tax assets and liabilities in respect of current taxation are measured at the amounts expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws, as applicable in Pakistan, used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred

Deferred tax is provided using the liability method for all temporary differences at the reporting date between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes after considering, the average effective rate of tax.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax asset is recognised for all deductible temporary differences and carried forward unused tax losses, if any, to the extent that it is probable that taxable profit will be available against which such temporary differences and tax losses can be utilised.

Deferred tax assets and liabilities are measured at average tax rate that are expected to apply to the period when the asset is realised or the liability is settled.

4.4 Property, plant and equipment

4.4.1 Cost

Operating property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment loss, except freehold land which is stated at cost less any accumulated impairment loss and leasehold land which is stated at cost less accumulated depreciation and any identified impairment loss. Cost comprises the purchase price and directly attributable costs necessary to bring the assets to the location and condition required for them to operate as intended.

Major renewals and improvements to an item of property, plant and equipment are recognized in the carrying amount of the item if it is probable that the embodied future economic benefits will flow to the Company and the cost of renewals or improvements can be measured reliably. The cost of day-to-day servicing of property, plant and equipment is recognized in statement of profit or loss as incurred.

Capital work-in-progress

Capital work-in-progress is stated at cost less identified impairment losses, if any. Cost includes all expenditure relating directly to the construction, installation and acquisition of specific assets, together with borrowing costs directly attributable to qualifying assets during the construction/erection period, in accordance with IAS 23. Upon completion, the accumulated cost (including borrowing costs) is transferred to operating property, plant and equipment when the asset is available for use.

4.4.2 Depreciation

Depreciation on operating fixed assets is calculated applying the straight line method so as to write off the cost / depreciable amount of the assets over their estimated useful lives at the rates given in Note 15.2. The Company charges the depreciation on additions from the month when the asset is available for use and on deletions up to the month when the asset is de-recognized. Depreciation on operating fixed assets is charged to the statement of profit or loss except for depreciation provided on construction equipment



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and vehicles during the period of construction of operating fixed assets that is capitalized as part of the cost of operating fixed assets. The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each reporting date.

4.4.3 Derecognition

An item of property, plant and equipment is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the statement of profit or loss in the year the asset is de-recognized.

4.5 Intangible assets

Intangible assets represent the cost of computer software and is stated at cost less accumulated amortization and any accumulated impairment loss. Intangible asset is amortized from the month, when the assets becomes available for use, using the straight line method, and up to the last month prior to the month of disposal, whereby the cost of the intangible asset is amortized over its estimated useful life over which economic benefits are expected to flow to the Company. The useful life and amortization method is reviewed and adjusted, if appropriate, at each reporting date.

4.6 Stores and spare parts

Stores and spare parts are valued at lower of cost and net realizable value. Usable stores and spare parts are valued principally at cost using moving average cost method less provision for slow moving, while items considered obsolete are carried at nil value. Items-in-transit are valued at cost comprising invoice value plus other charges paid thereon. Provision for obsolete items is based on their condition as at the reporting date depending upon the management's judgement.

Net realizable value specifies the estimated selling price in the ordinary course of business less the estimated cost necessary to be incurred to make the sale.

4.7 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at banks on current, saving and deposit accounts and other short term highly liquid instruments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in values.

4.8 Revenue from contracts with customers

4.8.1 Revenue recognition

Sale of electricity

Revenue from sale of electricity is recognized upon supply to consumers at the rates determined by NEPRA and notified by the Government of Pakistan through the official gazette. Late payment surcharge is recognized on an accrual basis after the due date has passed.

Net Metering Billing

In accordance with NEPRA Regulations, at the end of each billing cycle following the date of final interconnection of Distributed Generation facility (Net metering) to the distribution system of the Company, the Company shall net off the kWh supplied by the Distributed Generator against the kWh supplied by it.

In case the kWh supplied by the Company exceed the kWh supplied by Distributed Generator, the Distributed Generator shall be billed for the net kWh in accordance with the Applicable Tariff. In case the kWh supplied by Distributed Generator exceed kWh supplied by the Company, the Net kWh shall be credited against distributors next billing cycle for future consumption, or can be paid by the Company to the Distributed Generator upon demand at the end of quarter.

Tariff differential subsidies

Subsidies from Government are announced by the Government of Pakistan for consumers and are recognized under revenue on accrual basis.



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Rental and service income

Meter rentals are recognized on time proportion basis.

Rendering of services

Revenue from a contract to provide services is recognized over time as the services are rendered based on either a fixed price or an hourly rate.

Interest income

Interest income is recognized on a time proportion basis on the principal amount outstanding at the applicable rates.

Other revenue

Other revenue is recognized when it is received or when the right to receive payment is established.

4.8.2 Contract assets

Contract assets arise when the Company performs its performance obligations by transferring goods to a customer before the customer pays its consideration or before payment is due. Contract assets are treated as financial assets for impairment purposes.

4.8.3 Contract liabilities

Contract liability is the obligation of the Company to transfer goods or services to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers goods, a contract liability is recognized when the payment is made by the customer. Contract liabilities are recognized as revenue when the Company performs its performance obligations under the contract.

4.9 Financial instruments

Financial assets and financial liabilities are recognized in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

4.9.1 Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

Classification of financial assets:

4.9.1.1 Debt instruments that meet following conditions are measured subsequently at amortized cost:

The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

The contractual terms 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.



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4.9.1.2 Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and

The contractual terms 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.

As at reporting date, the Company does not hold any assets classified as at fair value through other comprehensive income (FVTOCI).

4.9.1.3 Equity instruments designated as at FVTOCI

On initial recognition, the Company may make an irrevocable election (on an instrument by instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

As at reporting date, the Company does not hold any equity instruments designated as at FVTOCI.

4.9.1.4 Financial assets at fair value through profit or loss

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

As at reporting date, the Company does not possess any financial assets classified as FVTPL.

Impairment of financial assets

The Company accounts for an allowance for expected credit losses (ECLs) on all debt instruments, with the exception of receivables from the Government of Pakistan and an Associated Undertaking. The ECL is the difference between the contractual cash flows and the cash flows the Company expects to receive, with both amounts discounted at the original effective interest rate. Expected cash flows include cash flows from the sale of collateral held or any other credit enhancements that are essential to the contract's terms.

The Company measures the ECL of a financial instrument based on:

- An unbiased and probability-weighted amount, which is determined by assessing a range of possible outcomes.

- The time value of money, if applicable.

- Reasonable and supportable information about past events, current conditions, and future economic forecasts that is available without excessive cost or effort on the reporting date.

Expected credit losses are measured over the maximum contractual period during which the entity is exposed to credit risk. The significant estimates for measuring the ECLs relate to the fair value of any collateral, the expected timing of collection, and any forward-looking economic factors.

The receivable from the Government of Pakistan and the Government of Punjab represents the amount owed for subsidies and the amount due from an associated undertaking (government-owned entities). This amount is against electricity, medical reimbursement, and pension payments.

SRO No. 985(1)/2019, issued by the SECP on September 02, 2019, regarding companies holding financial assets from the Government of Pakistan, states that the application of the expected credit losses method, as required in IFRS 9 (Financial Instrument), is not applicable until December 31, 2024. S.R.O. no. 1784(1)/2024, dated November 04, 2024, further extended this exemption to December 31, 2025.

Therefore, no impairment charge is recorded on the balances mentioned above. However, these balances are assessed at each reporting date to determine if they are objectively impaired, as per IAS 39. A financial asset is considered impaired if objective evidence indicates that one or more events have negatively impacted the estimated future cash flows of that asset.



Write-off policy

The Company writes off a financial asset when there is information indicating that the amount is not recoverable due to the conflict in invoices with customer. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in statement of profit or loss.

Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received is recognized in the statement of profit or loss.

Initial recognition and measurement

All financial liabilities are initially recognized at fair value. In the case of loans, borrowings, and payables, this value is net of any directly attributable transaction costs. The Company's financial liabilities include trade and other payables, long-term financing, and interest accrued on long-term financing.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate (EIR) method. Gains and losses are recognized in profit or loss when the liabilities are derecognized or when they are amortized through the EIR process. Amortized cost is calculated by accounting for any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss.

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

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if the Company has a legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The Company has applied the simplified approach to measure expected credit losses, which uses a lifetime expected credit loss allowance. Actual credit loss experience over past years is used to base the calculation of expected credit loss.



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4.11 Deferred credit

Amounts received from consumers and Government as contributions towards the cost of extension of electricity distribution network and of providing service connections are deferred and amortized over the estimated useful lives of related assets except for separately identifiable services in which case revenue is recognized upfront upon establishing a connection network. Amortization of deferred credit for the year is recognized as income in the statement of profit or loss.

4.12 Borrowings

Financing and borrowings are initially recognized at fair value of the consideration received, net of transaction costs. These are subsequently measured at amortized cost using the effective interest method.

4.13 Borrowing cost

Interest, mark-up and other charges on long term finances directly attributable to the acquisition, construction and production of qualifying assets are capitalized up to the date of commissioning of respective qualifying assets. All other interest, mark-up and other charges are charged to the statement of profit or loss in the period in which these are incurred.

4.14 Share capital

Ordinary shares are classified as share capital. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction net of tax.

4.15 Trade and other payables

Trade and other payables are initially recognized at fair value plus directly attributable costs. These are subsequently measured at amortized cost.

4.16 Impairment of non-financial assets

Assets with an indefinite useful life are not subject to depreciation and are tested annually for impairment. The carrying amounts of the Company's other non-financial assets are reviewed at each reporting date to assess whether there is any indication of impairment. If such an indication exists, the recoverable amount is estimated.

The recoverable amount of an asset is the higher of its value in use and its fair value less costs to sell. An impairment loss is recognized if the carrying amount of an asset exceeds its recoverable amount.

At each reporting date, previously recognized impairment losses are reviewed to determine whether circumstances have changed and the loss has decreased or no longer exists. 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, had no impairment been recognized.

4.17 Provisions

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

4.18 Earnings / (loss) per share

The Company presents basic and diluted earnings / (loss) per share data for its ordinary shares. Basic earnings / (loss) per share is calculated by dividing the profit attributable to ordinary shareholders or loss for the year of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted earnings / (loss) per share is determined by adjusting the profit attributable to ordinary shareholders or loss for the year and the weighted average number of ordinary shares outstanding for the effect of all dilutive potential ordinary shares.



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4.19 Contingent assets

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 one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognized until their realization becomes certain.

4.20 Contingent liabilities

A contingent liability is disclosed when:

- There is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or;
- There is present obligation that arises from past events but it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

4.21 Related party transactions

Transactions with related parties are conducted at arm's length, using normal commercial rates under the same terms and conditions that apply to third-party transactions.

4.22 Regulatory Deferral Accounts

The Company recognizes regulatory deferral account balances in accordance with IFRS 14 – Regulatory Deferral Accounts. These balances represent amounts of income or expense relating to the current reporting period that are determined by NEPRA to be recoverable from, or refundable to, consumers through future tariffs, but do not otherwise meet the recognition criteria under other IFRS. Regulatory deferral account balances are recognized in the period to which they relate and are presented separately in the financial statements in accordance with IFRS 14.

5 RECLASSIFICATION OF TRADE DEBTORS TO CONTRACT ASSETS

The Company issues invoices to customers prior to the end of each reporting period. For electricity supplied between the billing date and the reporting date, revenue is accrued based on the units delivered. Since an invoice has not yet been issued and an unconditional right to payment does not exist at that stage, these accruals meet the definition of contract assets under IFRS 15 Revenue from Contracts with Customers.

Previously, these balances were presented as trade debtors. In line with the requirements of IFRS 15, management has reclassified them as contract assets. This reclassification has been made in accordance with IAS 1 presentation of financial statement and does not affect the reported profit or equity of the Company.

<u>Description</u>	<u>Reclassified from</u>	<u>Reclassified to</u>	2023 Rupees
Effect on statement of financial position:			
Contract asset	Trade debtors	Contract assets	19,927,180,168
<u>Description</u>	<u>Reclassified from</u>	<u>Reclassified to</u>	2024 Rupees
Effect on statement of financial position:			
Contract asset	Trade debtors	Contract assets	34,660,729,699



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6	SHARE CAPITAL					
6.1	Authorized share capital					
	2025 Numbers	2024 Numbers		Note	2025 Rupees	2024 Rupees
	<u>5,000,000,000</u>	<u>5,000,000,000</u>	Ordinary shares of Rs. 10 each.		<u>50,000,000,000</u>	<u>50,000,000,000</u>
6.2	Issued, subscribed and paid up share capital					
	2025 Numbers	2024 Numbers			2025 Rupees	2024 Rupees
	1,000	1,000	Ordinary shares of Rs. 10 each fully paid in cash to the Government of Pakistan (GoP) and its nominee directors.		10,000	10,000
	1,082,362,604	1,082,362,604	Ordinary shares of Rs. 10 each fully paid issued for consideration other than in cash to WAPDA.		10,823,626,048	10,823,626,048
	<u>1,082,363,604</u>	<u>1,082,363,604</u>			<u>10,823,636,048</u>	<u>10,823,636,048</u>
6.3	There is no change in the issued, subscribed, and paid-up capital of the Company during the year; therefore, a reconciliation of the number of shares outstanding at the beginning and end of the year is not required.					
6.4	There is no shareholder agreement for voting rights, board selection, right of first refusal and block voting.					
7	DEPOSIT FOR SHARES					
				Note	2025 Rupees	2024 Rupees
	Balance as at beginning of the year			7.1 & 7.2	67,728,621,839	61,508,552,556
	Credit notes received against deposit for shares			7.3	19,289,844,711	6,220,069,283
	Balance as at end of the year				<u>87,018,466,550</u>	<u>67,728,621,839</u>
7.1	This represents credit notes received by the Company from Central Power Purchase Agency (Guarantee) Limited (CPPA) in pursuance of letter No. F.1(5)-CF-1/2012-13/1017 dated July 02, 2013 from Ministry of Finance as GoP investment against circular debt of Rs. 341 billion. Hence this was treated as GoP equity investment in the Company.					
7.2	This represents credit notes of Rs. 6,220.07 million received by the Company in financial year 2024 from Central Power Purchase Agency (Guarantee) Limited (CPPA) in pursuance of letters: PF-No.05(02)/2021-24 dated July 12, 2024 against amount of Rs. 229.99 million, PF-No.05(02)/2021-24 dated July 12, 2024 against amount of Rs. 4,714 million, PF-No.05(02)/2021-24 dated June 13, 2024 against amount of Rs. 212.68 million, PF-No.05(02)/2021-24 dated June 13, 2024 against amount of Rs. 202.8 million, PF-No.05(02)/2021-24 dated April 18, 2024 against amount of Rs. 192 million, PF-No.05(02)/2021-24 dated April 09, 2024 against amount of Rs. 384.47 million, PF-No.05(02)/2021-24 dated January 24, 2024 against amount of Rs. 283 million from Ministry of Energy as GoP investment against circular debt and to stabilize equity. Hence this was treated as GoP equity investment in the Company.					
7.3	This represents credit notes of Rs. 19,289.844 million received by the Company in financial year 2025 from Central Power Purchase Agency (Guarantee) Limited (CPPA) in pursuance of letters: PF-5(02)/2021-24 dated August 28, 2024 against an amount of Rs. 217.886 million, PF-5(02)/2021-24 dated January 10, 2025 against an amount of Rs. 751.841 million, PF-5(02)/2021-24 dated January 16, 2025 against an amount of Rs. 173.020 million, F.No.IPPS/10(18)/2020 dated February 4, 2025 against an amount of Rs. 6,183.910 million, F.No.IPPS/10(18)/2020 dated February 17, 2025 against an amount of Rs. 6,297.609 million, PF-5(02)/2021-24 dated February 19, 2025 against an amount of Rs. 161.116 million, F.No.IPPS/5(02)/2024 dated March 27, 2025 against an amount of Rs. 159.264 million, F.No.IPPS/5(02)/2024 dated April 14, 2025 against an amount of Rs. 161.216 million, F.No.IPPS/5(02)/2024 dated June 18, 2025 against an amount of Rs. 160.919 million, F.No.IPPS/5(02)/2024 dated June 24, 2025 against an amount of Rs. 187.712 million, F.No.IPPS/10(107)/2024 dated June 28, 2025 against an amount of Rs. 4,634.970 million, and F.No.IPPS/5(02)/2024 dated July 07, 2025 against an amount of Rs. 200.379 million from the Ministry of Energy as GoP investment against circular debt and to stabilize equity. Hence, this was treated as GoP equity investment in the Company.					



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	Note	2025 Rupees	2024 Rupees
8 LONG TERM FINANCING			
From Government of Pakistan - (foreign re-lent):			
International Bank for Reconstruction and Development - Tranche I	8.1	3,849,036,226	3,849,036,226
International Bank for Reconstruction and Development - Tranche 2	8.2	1,624,914,343	298,021,843
Asian Development Bank - Tranche I	8.3	1,354,866,393	1,354,866,393
Asian Development Bank - Tranche II	8.4	2,168,842,944	2,168,842,944
Asian Development Bank - Tranche III	8.5	3,118,563,244	3,118,563,244
Asian Development Bank - Tranche IV	8.6	2,772,764,983	2,772,764,983
		14,888,988,133	13,562,095,633
Cash Development Loan from GoP - Unsecured	8.7	797,050,000	797,050,000
		15,686,038,133	14,359,145,633
Other loans			
Atlas Solar Limited (Formerly: Zhenfa Pakistan New Energy Company Limited)	8.8	89,762,125	103,722,406
		15,775,800,258	14,462,868,039
Less:			
Current portion shown under current liabilities		(455,422,113)	(834,620,714)
Overdue portion shown under current liabilities		(8,865,001,321)	(8,447,137,700)
		(9,320,423,434)	(9,281,758,414)
		6,455,376,824	5,181,109,625
8.1	This represents re-lent portion of loan obtained by the GoP from International Bank for Reconstruction and Development (IBRD) for electricity distribution and transmission improvement project which is secured against the guarantee by GoP, pursuant to the re-lent agreement between GoP and the Company. This facility carries interest at the rate of 17% per annum which comprises of re-lending interest of 11% per annum and exchange risk cover of 6% per annum payable on half yearly basis. Repayment of principal has to be made on half yearly basis within maximum period of 15 years including grace period of 2 years starting from September 2011. The overdue amounts of principal and mark-up aggregate to Rupees 3,849.036 million (2024: Rupees 3,849.036 million) and Rupees 2,123.327 million (2024: 2,123.327 million) respectively.		
8.2	This represents re-lent portion of loan obtained by GoP from International Bank for Reconstruction and Development (IBRD) for electricity Distribution Efficiency Improvement Project, which is secured against the guarantee by GoP, pursuant to the re-lent agreement between GoP and the Company. The facility carries interest at the rate SOFR + variable spread. Repayment of principal has to be made on half yearly basis within maximum period of 30 years including grace period of 5 years starting from 15 May 2027.		
8.3	This represents re-lent portion of loan obtained by GoP from Asian Development Bank (ADB) for Distribution Enhancement Investment Program which is secured against the guarantee by GoP, pursuant to the re-lent agreement between GoP and the Company. This facility carries interest at the rate of 17% inclusive of relending interest of 11% per annum plus exchange risk cover fee of 6% per annum which shall be charged both on principal amount and interest amount separately. Repayment of principal has to be made on half yearly basis within maximum period of 15 years including grace period of 2 years starting from February 2011. The overdue amounts of principal and mark-up aggregate to Rupees 1,354.866 million (2024: Rupees 1,354.866 million) and Rupees 599.828 million (2024: Rupees 599.828 million) respectively.		
8.4	This represents the re-lent portion of a loan obtained by GoP from ADB for the Distribution Enhancement Investment Program, which is secured against a guarantee by GoP, pursuant to the re-lent agreement between GoP and the Company. This facility carries interest at the rate of 15%, inclusive of re-lending interest of 8.2% per annum, plus an exchange risk cover fee of 6.8% per annum, which shall be charged on both the principal amount and the interest amount separately. Repayment of principal has to be made on a half-yearly basis within a maximum period of 17 years, excluding a grace period of 3 years starting from June 2014. The overdue amounts of principal and mark-up aggregate to Rupees 1,446.256 million (2024: Rupees 1,314.876 million) and Rupees 1,922.444 million (2024: Rupees 1,798.971 million), respectively.		
8.5	This represents re-lent portion of loan obtained by GoP from ADB for Distribution Enhancement Investment Program which is secured against the guarantee by GoP, pursuant to the re-lent agreement between GoP and the Company. This facility carries interest at the rate of 15% inclusive of relending interest of 8.2% per annum plus exchange risk cover fee of 6.8% per annum which shall be charged both on principal amount and interest amount separately. Repayment of principal has to be made on half yearly basis within maximum period of 25 years including grace period of 5 years starting from June 2018. The overdue amounts of principal and mark-up aggregate to Rupees 1,165.195 million (2024: Rupees 1,008.925 million) and Rupees 3,165.005 million (2024: Rupees 2,851.467 million) respectively.		



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- 8.6 This represents the re-lent portion of a loan obtained by GoP from ADB for the Distribution Enhancement Investment Program, which is secured against a guarantee by GoP, pursuant to the re-lent agreement between GoP and the Company. This facility carries interest at the rate of 15%, inclusive of re-lending interest of 8.2% per annum, plus an exchange risk cover fee of 6.8% per annum, which shall be charged on both the principal amount and the interest amount separately. Repayment of principal commenced in June 2019 and is to be made on a half-yearly basis within a maximum period of 25 years, including a grace period of 5 years. The overdue amounts of principal and mark-up aggregate to Rupees 901.148 million (2024: Rupees 762.510 million) and Rupees 2,829.840 million (2024: Rupees 2,530.553 million), respectively.
- 8.7 This represents a loan obtained from the GoP under "Prime Minister's Southern Punjab Development Package" for construction of new grid stations and laying transmission lines. The limit of the loan facility is Rupees 1,228 million. As per instructions of the Finance Division of GoP for loan disbursements, the interest shall be chargeable at a prevailing rate of interest for respective year, which has been assessed as 12.59% for the year 2009-10, 13.61% for 2010-11 and 12.64% per annum for the year 2011-12 till repayment date by the Company. Repayment of principal has to be made on yearly basis within maximum period of 25 years including grace period of 5 years starting from June 2015. The overdue amounts of principal and mark-up aggregate to Rupees 148.499 million (2024: Rupees 122.704 million) and Rupees 1,392.937 million (2024: Rupees 1,305.550 million) respectively.
- 8.8 These include Rupees 89.762 million (2024: Rupees 103.722 million) interest free loan from Atlas Solar Limited (Formerly: Zhenfa Pakistan New Energy Company Limited) under an agreement to meet expenses for grid interconnection. The loan is repayable in 36 equal monthly installments commencing after 18 months of commercial operation date.



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9 STAFF RETIREMENT BENEFITS

	Note	2025 Rupees	2024 Rupees
Free medical benefits	9.1	20,695,385,463	18,875,488,549
Pension	9.1	134,844,478,071	127,054,530,047
Free electricity benefits	9.1	15,461,276,554	11,992,391,209
Compensated absences	9.1	6,137,564,910	5,997,150,856
		<u>177,138,704,998</u>	<u>163,919,560,659</u>

9.1 Movement in the net liabilities recognized in the statement of financial position is as follows:

	Note	June 30, 2025			
		Free medical benefits	Pension	Free electricity benefits	Compensated absences
		Rupees			
Balance as at July 01, 2024		18,875,488,549	127,054,530,047	11,992,391,209	5,997,150,856
Charge for the year	9.2	3,147,984,877	19,583,912,169	2,131,756,507	448,209,427
Remeasurement recognized in OCI	9.3	(1,291,373,279)	5,570,569,519	1,832,463,345	-
Benefits paid		(36,714,684)	(8,506,712,151)	(495,334,507)	(307,795,373)
Contribution made		-	(8,489,609,273)	-	-
Transferred to short term payable		-	(368,212,240)	-	-
Balance as at June 30, 2025		<u>20,695,385,463</u>	<u>134,844,478,071</u>	<u>15,461,276,554</u>	<u>6,137,564,910</u>
					<u>177,138,704,998</u>
Balance as at July 01, 2023		17,168,570,942	105,027,800,069	9,592,270,230	5,953,487,334
Charge for the year	9.2	3,128,222,429	17,648,608,958	1,727,007,650	354,633,439
Remeasurement recognized in OCI	9.3	(1,391,563,910)	14,972,494,749	1,172,551,284	-
Benefits paid		(29,740,912)	(7,717,295,770)	(499,437,955)	(310,969,917)
Contribution made		-	(2,877,077,959)	-	-
Balance as at June 30, 2024		<u>18,875,488,549</u>	<u>127,054,530,047</u>	<u>11,992,391,209</u>	<u>5,997,150,856</u>
					<u>163,919,560,657</u>

9.1.1 The amount of pension obligation recognized in the statement of financial position is as follows:

	Note	June 30, 2025			
		Free medical benefits	Pension	Free electricity benefits	Compensated absences
		Rupees			
Present value of defined benefit obligations	9.4	20,695,385,463	159,790,397,539	15,461,276,554	6,137,564,709
Fair value of plan assets	9.1.1.1	-	(24,945,919,468)	-	-
		<u>20,695,385,463</u>	<u>134,844,478,071</u>	<u>15,461,276,554</u>	<u>6,137,564,709</u>
					<u>177,138,704,797</u>



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9.1.1.1.1 Change in fair value of plan assets

Balance as at beginning of the year	-	13,536,658,869	-	-	-	13,536,658,869
Interest income	-	2,489,404,891	-	-	-	2,489,404,891
Cash flows:						
- Total employer's contributions	-	8,489,609,273	-	-	-	8,489,609,273
(i) Employer's contributions	-	8,506,712,151	-	-	-	8,506,712,151
(ii) Employer's direct benefit payments	-	(8,506,712,151)	-	-	-	(8,506,712,151)
- Benefit payments from Plan	-	430,246,435	-	-	-	430,246,435
Return / (loss) on plan assets	-	24,945,919,468	-	-	-	24,945,919,468
Balance as at end of the year	-		-	-	-	

Present value of defined benefit obligations

9.1.1.2

Fair value of plan assets	18,875,488,549	140,591,188,916	11,992,391,209	5,997,150,855	177,456,219,529
	-	(13,536,658,869)	-	-	(13,536,658,869)
	18,875,488,549	127,054,530,047	11,992,391,209	5,997,150,855	163,919,560,660

9.1.1.2 Change in fair value of plan assets

Balance as at beginning of the year	-	8,342,352,499	-	-	-	8,342,352,499
Interest income	-	1,540,490,408	-	-	-	1,540,490,408
Cash flows:						
- Total employer's contributions	-	2,877,077,959	-	-	-	2,877,077,959
(i) Employer's contributions	-	7,717,295,770	-	-	-	7,717,295,770
(ii) Employer's direct benefit payments	-	(7,717,295,770)	-	-	-	(7,717,295,770)
- Benefit payments from Plan	-	776,738,003	-	-	-	776,738,003
Return / (loss) on plan assets	-	13,536,658,869	-	-	-	13,536,658,869
Balance as at end of the year	-		-	-	-	



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9.2 Amounts recognized in the statement of profit or loss against defined benefit schemes are:

	June 30, 2025			
	Free medical benefits	Pension	Free electricity benefits	Compensated absences
	Rupees			
Current service cost	507,986,508	2,986,020,462	644,608,554	104,594,599
Interest cost	2,639,998,369	19,087,296,598	1,487,147,953	818,055,444
Remeasurements of other long term benefits	-	(2,489,404,891)	-	(474,440,616)
Net charge for the year	3,147,984,877	19,583,912,169	2,131,756,507	448,209,427
				25,311,862,980

	June 30, 2024			
	Free medical benefits	Pension	Free electricity benefits	Compensated absences
	Rupees			
Current service cost	426,514,602	1,941,037,378	239,859,697	91,749,648
Interest cost	2,701,707,827	17,248,061,988	1,487,147,953	913,185,374
Remeasurements of other long term benefits	-	(1,540,490,408)	-	(650,301,583)
Net charge for the year	3,128,222,429	17,648,608,958	1,727,007,650	354,633,439
				22,858,472,476

9.3 Remeasurement recognized in other comprehensive income:

	June 30, 2025			
	Free medical benefits	Pension	Free electricity benefits	Compensated absences
	Rupees			
Experience adjustments	(1,291,373,279)	6,000,815,954	1,832,463,345	-
Return on plan assets	-	(430,246,435)	-	-
Total	(1,291,373,279)	5,570,569,519	1,832,463,345	-
				6,111,659,585

Remeasurement recognized in other comprehensive income:

	June 30, 2024			
	Free medical benefits	Pension	Free electricity benefits	Compensated absences
	Rupees			
Experience adjustments	(1,391,563,910)	15,749,232,752	1,172,551,284	-
Return on plan assets	-	(776,738,003)	-	-
Total	(1,391,563,910)	14,972,494,749	1,172,551,284	-
				14,753,482,123



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9.4 Movement in present value of defined benefit obligations:

	June 30, 2025			
	Free medical benefits	Pension	Free electricity benefits	Compensated absences
	Rupees			
Balance as at July 01, 2024	18,875,488,549	140,591,188,916	11,992,391,209	5,997,150,855
Current service cost	507,986,508	2,986,020,462	644,608,554	104,594,599
Interest cost	2,639,998,369	19,087,296,598	1,487,147,953	818,055,444
Benefits paid	(36,714,684)	(8,874,924,391)	(495,334,507)	(307,795,573)
Remeasurements	(1,291,373,279)	6,000,815,954	1,832,463,345	(474,440,616)
Actuarial gains	-	-	-	-
Balance as at June 30, 2025	20,695,385,463	159,790,397,539	15,461,276,554	6,137,564,709
				202,084,624,265

	June 30, 2024			
	Free medical benefits	Pension	Free electricity benefits	Compensated absences
	Rupees			
Balance as at July 01, 2023	17,168,570,942	113,370,152,568	9,592,270,230	5,953,487,333
Current service cost	426,514,602	1,941,037,378	239,859,697	91,749,648
Interest cost	2,701,707,827	17,248,061,988	1,487,147,953	913,185,374
Benefits paid	(29,740,912)	(7,717,295,770)	(499,437,955)	(310,969,917)
Remeasurements	(1,391,563,910)	15,749,232,752	1,172,551,284	(650,301,583)
Actuarial gains	-	-	-	-
Balance as at June 30, 2024	18,875,488,549	140,591,188,916	11,992,391,209	5,997,150,855
				177,456,219,529

9.5 All of the investment of plan assets is in deposit account of a commercial bank along with certain term deposit receipts of commercial banks.

9.6 Principal actuarial assumptions:

	June 30, 2025			
	Free medical benefits	Pension	Free electricity benefits	Compensated absences
	Rupees			
Discount rate (per annum)	12.50%	12.50%	12.50%	12.50%
Inflation rate (per annum)	-	-	12.50%	-
Annual medical claim - Rupees	36,000	-	-	-
Salary increase rate used for year end obligation (per year)	-	12.00%	-	12.50%
Medical / pension / electricity indexation rate	12.50%	6.50%	14.00%	-
Medical exposure rate (per annum)	14.00%	-	-	-
Mortality rates	SLIC 2001-2005 setback 1 year Low	SLIC 2001-2005 setback 1 year Low	SLIC 2001-2005 setback 1 year Low	SLIC 2001-2005 setback 1 year Low
Withdrawal rates	-	-	-	-



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	June 30, 2024		
	Free medical benefits	Pension	Free electricity benefits
	Rupees		

Discount rate (per annum)	14.00%	14.00%	14.00%
Inflation rate (per annum)	-	-	-
Annual medical claim - Rupees	33,029	-	-
Salary increase rate used for year end obligation (per year)	-	13.50%	13.50%
Medical / pension / electricity indexation rate	14.00%	8.00%	14.00%
Medical exposure rate (per annum)	15.75%	-	-
Mortality rates	SLIC 2001-2005 setback 1 year Low	SLIC 2001-2005 setback 1 year Low	SLIC 2001-2005 setback 1 year Low
Withdrawal rates	-	-	-

9.7 Sensitivity analysis for actuarial assumptions:

The sensitivity of the staff retirement benefits to changes in the weighted principal assumption is:

	June 30, 2025		
	Free medical benefits	Pension	Free electricity benefits
	Rupees		

Discount rate	1.00%	1.00%	1.00%
Increase in assumption (Rupees)	(18,534,063,827)	(144,118,579,155)	(13,980,416,345)
Decrease in assumption (Rupees)	23,278,969,883	187,465,626,934	17,329,392,124
Medical exposure rate	1.00%	-	-
Increase in assumption (Rupees)	(22,185,453,216)	-	-
Decrease in assumption (Rupees)	19,412,271,564	-	-
Medical inflation rate	1.00%	-	-
Increase in assumption (Rupees)	23,404,301,815	-	-
Decrease in assumption (Rupees)	(18,395,404,402)	-	-
Withdrawal rates	1.00%	-	10.00%
Increase in assumption (Rupees)	(20,666,411,923)	-	(15,451,999,788)
Decrease in assumption (Rupees)	20,730,567,618	-	15,470,553,320
Future salary increase	-	1.00%	-
Increase in assumption (Rupees)	-	167,663,170,980	-
Decrease in assumption (Rupees)	-	152,835,552,420	-



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	June 30, 2025		
	Free medical benefits	Pension	Free electricity benefits
	Rupees		

Indexation rate	-	1.00%	1.00%
Increase in assumption (Rupees)	-	179,117,477,119	-
Decrease in assumption (Rupees)	-	(150,406,110,882)	-
Mortality setback	1 year	1 year	1 year
Increase in assumption (Rupees)	(19,919,308,508)	(166,308,190,401)	-
Decrease in assumption (Rupees)	(21,477,671,033)	(160,685,447,399)	-
			(6,133,882,370)
			(6,141,247,448)

Sensitivity analysis for actuarial assumptions:

The sensitivity of the staff retirement benefits to changes in the weighted principal assumption is:

	June 30, 2024		
	Free medical benefits	Pension	Free electricity benefits
	Rupees		

Discount rate	1.00%	1.00%	1.00%
Increase in assumption (Rupees)	(126,514,436,814)	(10,762,614,103)	(5,370,378,691)
Decrease in assumption (Rupees)	165,053,785,192	13,459,798,615	(6,731,957,854)
			171,781,625,953
Medical exposure rate	1.00%	-	-
Increase in assumption (Rupees)	(20,234,523,724)	-	-
Decrease in assumption (Rupees)	17,705,208,259	-	-
Medical inflation rate	1.00%	-	-
Increase in assumption (Rupees)	21,391,304,217	-	-
Decrease in assumption (Rupees)	(16,747,604,843)	-	-
Withdrawal rates	10.00%	10.00%	10.00%
Increase in assumption (Rupees)	(18,849,062,865)	11,985,195,774	(6,003,148,006)
Decrease in assumption (Rupees)	18,907,576,879	11,999,586,643	5,991,153,704
			36,898,317,226
Future salary increase	-	1.00%	1.00%
Increase in assumption (Rupees)	-	147,829,714,414	147,829,714,414
Decrease in assumption (Rupees)	-	134,213,464,985	134,213,464,985
Indexation rate	-	1.00%	1.00%
Increase in assumption (Rupees)	-	(13,255,139,665)	(1,875,259,174)
Decrease in assumption (Rupees)	-	(35,948,345,187)	(4,554,892,886)
			(13,316,850,731)
			(37,352,268,073)



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	June 30, 2024			
	Free medical benefits	Pension	Free electricity benefits	Compensated absences
	Rupees			

	1 year	1 year	1 year	1 year
Mortality setback				
Increase in assumption (Rupees)	(2,460,889,425)	(22,685,876,558)	-	(23,940,595,276)
Decrease in assumption (Rupees)	(1,867,545,662)	(27,359,834,633)	-	(27,447,581,308)

The sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the staff retirement benefits to significant actuarial assumptions, the same method (present value of the staff retirement benefits calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the staff retirement benefits liabilities recognized within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis were changed as compared to the previous year due to downward trend in discount rate structure and decrease in inflationary expectations.

9.8 As at June 30, 2025 the average duration of these benefits was 12 years.

9.9 Risks associated with staff retirement benefits

Salary increase risk

The risk that the actual salary increase are higher than the expected salary increase, where benefits are linked with final salary at the time of cessation of service, is likely to have an impact on liability.

Withdrawal risk

Actual withdrawals experience may different from that assumed in the calculation.

Mortality risk

Actual mortality experience maybe different than that assumed in the calculation.

Pension increase risk

The risk that the actual pension increase is higher than the expected, where benefits are being paid in form of monthly pension, is likely to have an impact on the plan liability.

Discount rate risk

The risk of changes in discount rate may have an impact on the plans liabilities.



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	Note	2025 Rupees	2024 Rupees
10 LONG TERM SECURITY DEPOSITS			
Long term security deposits	10.1	<u>16,113,393,863</u>	<u>14,604,383,158</u>
10.1 These represent security deposits received from consumers on account of electricity connections. These are refundable / adjustable on disconnection of electricity supply. Out of the total amount, an amount of Rupees 168.394 million (2024: Rupees 54.381 million) is kept in separate bank accounts while Rupees 15,945 million (2024: Rupees 14,550 million) is kept in Term Deposit Receipts (TDRs).			
11 CONTRACT LIABILITIES			
Consumers demand notices awaiting connections	11.1	<u>3,256,629,479</u>	<u>3,059,504,047</u>
Funds received against deposit works	11.2	<u>27,888,962,105</u>	<u>29,943,060,508</u>
		<u>31,145,591,584</u>	<u>33,002,564,555</u>
11.1 These represent amounts received from consumers against which the related works / jobs have not been completed. These contributions are received in accordance with GoP notified approved rates on every new connection.			
		2025 Rupees	2024 Rupees
11.1.1 Consumers demand notices awaiting connections			
Balance as at beginning of the year		3,059,504,047	6,012,438,551
Add: addition during the year		<u>6,202,154,397</u>	<u>4,652,788,276</u>
		<u>9,261,658,444</u>	<u>10,665,226,827</u>
Less: transferred to deferred credit against completed jobs		(6,005,028,965)	(5,832,942,376)
Less: transferred to other income		-	(1,772,780,404)
Balance as at end of the year		<u>3,256,629,479</u>	<u>3,059,504,047</u>
11.2 These represent amounts received by the Company from government funding and private consumers for electrification of villages, colonies, and other deposit works, against which the related projects have not yet been completed.			
		2025 Rupees	2024 Rupees
11.2.1 Funds received against deposit works			
Balance as at beginning of the year		29,943,060,508	32,540,298,501
Add: addition during the year		<u>8,295,853,825</u>	<u>3,408,464,851</u>
		<u>38,238,914,333</u>	<u>35,948,763,352</u>
Less: transferred to deferred credit against completed jobs		(10,349,952,228)	(3,483,992,844)
Less: transferred to other income		-	(2,521,710,000)
Balance as at end of the year		<u>27,888,962,105</u>	<u>29,943,060,508</u>
12 DEFERRED CREDIT			
Balance as at beginning of the year		116,749,716,373	107,432,781,151
Add: transferred from contract liabilities	12.1	<u>16,354,981,194</u>	<u>9,316,935,222</u>
		<u>133,104,697,567</u>	<u>116,749,716,373</u>
Less: Accumulated amortization			
Balance as at beginning of the year		(41,790,107,899)	(37,874,956,982)
Assets written off		(512,373,504)	-
Amortization for the year		<u>(4,314,522,652)</u>	<u>(3,915,150,917)</u>
		<u>(46,617,004,055)</u>	<u>(41,790,107,899)</u>
Balance as at end of the year		<u>86,487,693,512</u>	<u>74,959,608,474</u>
12.1 This represents the capital contributions received from consumers and grants from Government against which assets are constructed by the Company. These are being amortized over the useful life of the respective assets.			



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13	TRADE AND OTHER PAYABLES	Note	2025 Rupees	2024 Rupees
	Creditors		3,238,640,224	4,385,177,877
	Due to associated companies	13.1	105,442,323,922	140,401,867,817
	Surcharges payable	13.2	7,662,689,198	7,860,473,595
	Duties, charges and taxes	25.5	-	-
	Accrued liabilities		5,690,168,385	7,879,004,349
	Net metering payable		5,566,934,523	505,314,523
	Workers' profit participation fund	13.3	5,249,592,128	4,903,334,435
	Other liabilities		3,391,413,766	3,546,001,515
	Contract liabilities		1,480,902,264	1,480,902,264
	Liquidity damages		1,189,417,522	1,235,966,052
	Retention money payable		560,541,468	567,995,481
			<u>139,472,623,400</u>	<u>172,766,037,908</u>
13.1	Due to associated companies			
	Central Power Purchasing Agency (CPPA-G)	13.1.1	105,173,058,791	140,057,926,768
	Peshawar electric supply company limited (PESCO)		31,646,077	-
	Lahore Electric Supply Company Limited (LESCO)		29,474,602	-
	Gujranwala Electric Power Company Limited (GEPCO)		1,542,369	39,775,347
	Faisalabad Electric Supply Company Limited (FESCO)		116,572,943	250,555,028
	Power Information Technology Company (Private) Limited (PITC)		90,029,140	53,610,674
			<u>105,442,323,922</u>	<u>140,401,867,817</u>
13.1.1	The Company has received various invoices from CPPA representing late payment charges (supplementary charges) being the share of the Company in the mark-up charged to CPPA by Independent Power Producers (IPPs) on account of delayed payments aggregating to Rupees 56,117.40 million (2024: Rupees 56,495.07 million).			
	As mentioned in Para 18 of tariff determination by NEPRA communicated through letter no. NEPRA/TRF-283/MEPCO-2014/4264-4266 dated 27 March 2015 and Para 8.10 and 20 of tariff determination by NEPRA communicated through letter no. NEPRA/TRF-332/MEPCO-2015/2697-2699 dated 29 February 2016, it was mutually agreed by the representatives of CPPA and distribution companies that, as per clause 9.3(d) of electricity supply agreement dated 29 June 1998 between DISCOs and NTDC, the DISCOs are obliged to pay late payment charges (supplementary charges) to CPPA on account of delay payments of invoices.			
	NEPRA has decided that the late payment charges (supplementary charges) recovered from consumers on utility bills shall be offset against the late payment charges (supplementary charges) invoices raised by CPPA and CPPA cannot account for late payment charges (supplementary charges) over and above what is calculated as per agreement. Therefore, no provision for late payment charges (supplementary charges) of Rupees 36,500.05 million (2024: Rupees 33,294.84 million) have been recognized in these financial statements as the management is of the view that supplementary charges have not been allowed as expense by NEPRA in tariff determination.			
	Further, the Company received credit note no. PPA-392/MEPCO-48 dated September 14, 2023 amounting to Rs. 3,018.93 million, credit note no. PPA-290/MEPCO-23 dated April 23, 2025 amounting to Rs. 3,272.06 million, credit note no. PPA-100/MEPCO-09 dated December 17, 2024 amounting to Rs. 286.08 million, credit note no. PPA-310/MEPCO-29 dated May 19, 2025 amounting to Rs. 86.58 million, credit note no. PPA-354/MEPCO-32 dated June 19, 2025 amounting to Rs. 114.24 million, credit note no. PPA-441/MEPCO-40 dated July 16, 2025 amounting to Rs. 7,851.02 million, credit note no. PPA-451/MEPCO-41 dated July 24, 2025 amounting to Rs. 6.89 million from CPPA-G regarding reversal of differential supplemental charges which were previously invoiced by CPPA-G but not recorded by the Company. As a result, after incorporating the effect of these credit notes the unrecorded supplemental charges aggregate to Rs. 21,864.26 million to date.			
13.2	Surcharges payable		2025 Rupees	2024 Rupees
	Equalization surcharge payable		2,240,802,239	2,240,585,099
	Electricity duty payable		563,669,981	-
	Neelum Jhelum surcharge payable		360,000,383	387,818,373
	T.V license fees payable		192,240,217	180,059,337
	Finance cost surcharge		2,446,971,011	3,203,771,094
	Tariff rationalization surcharge		1,859,005,367	1,848,239,692
			<u>7,662,689,198</u>	<u>7,860,473,595</u>



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	2025 Rupees	2024 Rupees
13.3 Workers' profit participation fund		
At the beginning of the year	4,903,334,435	3,156,432,725
Provision for the year	346,257,693	1,746,901,710
At the end of the year	<u>5,249,592,128</u>	<u>4,903,334,435</u>
13.3.1 The Company has not made payment of its contribution towards Workers' Profit Participation Fund (WPPF), being the Company's liability on account of provision of Companies Profit (Workers' Participation) Act, 1968 up till 30 June 2025. This matter is pending for decision with Economic Coordination Committee (ECC) upon recommendation submitted by PEPCO/PPMC to exempt the Ex-WDISCOs from compliance with the requirements of Companies Profit (Workers' Participation) Act, 1968. Due to pending decision with the ECC, no provision for mark-up on WPPF Contribution aggregating to Rupees 5,249 million (2024: Rupees 4,903 million) on unpaid amount has been recognized by the Company in these financial statements as required under Companies Profit (Workers' Participation) Act, 1968.		
	2025 Rupees	2024 Rupees
14 ACCRUED MARK-UP		
Foreign re-lent loans	738,473,855	831,253,001
Cash development loan	87,386,000	90,342,715
) Overdue mark-up on foreign re-lent and cash development loans	<u>11,207,582,622</u>	<u>10,285,986,906</u>
	<u>12,033,442,477</u>	<u>11,207,582,622</u>

15 CONTINGENCIES AND COMMITMENTS

15.1 Contingencies

- 15.1.1** A large number of small cases have been filed against the Company, primarily by employees, customers, and vendors, the financial impact of which cannot be estimated reliably. However, management believes that, in the overall context of these financial statements, no significant liability is expected to arise from these cases.
- 15.1.2** The Company has not established the Workers' Participation Fund as required under Section 3(1)(a) of the Companies Profits (Workers' Participation) Act, 1968 (as amended in 2021). As per Section 5(1) of the Act, non-compliance with this requirement may result in an administrative penalty of up to Rs. 50,000 for directors, managers, or officers responsible for the company's affairs, with an additional Rs. 10,000 per day for continued failure. No provision for this penalty has been recognized in the financial statements, as the enforcement and settlement depend on the regulatory authorities' actions.
- 15.1.3** The Company has not made contributions to the Workers Welfare Fund as required under Section 4 of the Punjab Workers Welfare Fund Act, 2019. In accordance with sub-sections (13) to (15), unpaid amounts may attract recovery and penalties. No provision has been recognized, as settlement depends on future enforcement by the Punjab Revenue Authority.
- 15.1.4** The company has deposited an amount of Rs. 214,383,418/- with Trust Investment Bank Limited. The Securities and Exchange Commission of Pakistan (SECP) has cancelled the NBFC license of the Bank and initiated winding-up proceedings before the Lahore High Court, which remain pending. The recoverability of this balance is dependent upon the outcome of the liquidation proceedings and the availability of assets for distribution. Accordingly, the amount has been disclosed as a contingent asset, and no provision has been recognized in these financial statements.

15.1.2 Income Tax

(i) Minimum Tax – Tax year 2010 and 2013

Additional Commissioner Inland Revenue (ACIR), RTO, Multan amended deemed assessment u/s 120 of the Income Tax Ordinance, 2001 (the "Ordinance") for tax year 2010 and 2013 by passing an order no. 10/07 u/s 122 (5) (A) of the Ordinance dated February 02, 2015 and no. 19/18 dated April 14, 2015 respectively on the grounds that MEPCO had not discharged its liability of minimum tax u/s 113 and 113 C of the Ordinance and created a demand of Rs. 5.63 million for Tax year 2010 and Rs. 109.82 million for Tax year 2013.

Being aggrieved from the impugned orders, MEPCO filed appeals before Commissioner Inland Revenue (Appeals) (CIR (A)) on May 05, 2015. The learned CIR (A) issued an order dated September 23, 2015 and upheld the order of learned ACIR.

MEPCO, being aggrieved, filed second appeal against the order of CIR (A) before honorable Appellate Tribunal Inland Revenue (ATIR) on October 19, 2015, which is still pending for adjudication.



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(ii) Minimum Tax-Tax Year 2014

Additional Commissioner Inland Revenue (ACIR), RTO, Multan amended the deemed assessment for the tax year 2014 vide order bearing bar code no. 10000008089093 dated November 12, 2015 u/s 122 (5A) of the Ordinance on the ground that the minimum tax liability under section 113 of the Ordinance has not been discharged and thereby created a demand of Rs. 1,736 million.

Being aggrieved by the order of ACIR, an appeal was filed with learned CIR (A) dated December 03, 2015 decided the case vide appellate order dated March 29, 2016 and upheld the order of ACIR.

A second appeal filed before ATIR on April 05, 2016 on the basis of the same grounds as used in the case mentioned in sr. 1 for tax year 2010 and tax year 2013 which is pending for adjudication.

(iii) Minimum Tax-Tax Year 2023

Additional Commissioner Inland Revenue (ACIR), LTO, Multan amended the deemed assessment for the tax year 2023 vide order bearing bar code no. 100000220036660 dated 29/11/2024, u/s 122 (5A) of the Ordinance on the ground that the minimum tax liability under section 113 of the Ordinance has not been discharged and thereby created a demand of Rs.1138 million. MEPCO paid turnover tax @ 0.25% and subsidy was not included for turnover calculation for the purpose of charging of minimum tax on turnover u/s 113. LTO issued orders by charging minimum tax u/s 113 on turnover by including subsidy and amortization in the turnover.

Being aggrieved by the order of ACIR, an application is being filed for the constitution of Alternative Dispute Resolution Committee.

(iv) Minimum Tax-Tax Year 2024

Additional Commissioner Inland Revenue (ACIR), LTO, Multan amended the deemed assessment for the tax year 2024 vide order bearing bar code no. 100000242478746 dated 30/05/2025, u/s 122 (5A) of the Ordinance on the ground that the minimum tax liability under section 113 of the Ordinance has not been discharged and thereby created a demand of Rs.1244 million. MEPCO paid turnover tax @ 0.25% and subsidy was not included for turnover calculation for the purpose of charging of minimum tax on turnover u/s 113. LTO issued orders by including Subsidy & amortization.

Being aggrieved by the order of ACIR, an application is being filed for the constitution of Alternative Dispute Resolution Committee.

(v) Proceedings to Recover Super Tax U/S 4C- Tax Year 2023

Show cause notice bearing reference number 10000207236812, dated September 12, 2024, in which it was contended that the subject taxpayer has failed to fulfill its super tax liability under section 4C of the Ordinance, resulting in an intended demand of Rs.556 Million.

Despite the submissions made by MEPCO, the learned officer based on incorrect assumptions and surmises issued the impugned order dated January 24, 2025, alleging a significant tax liability of Rs.556 Million.

Being aggrieved by the order of ACIR, an application is being filed for the constitution of Alternative Dispute Resolution Committee.

(vi) Proceedings u/s 122 (5A) read with section 113C- Tax Year 2015

The learned Assistant Commissioner Inland Revenue (ACIR), RTO Multan, initiated proceedings for the amendment of assessment under Section 122(5A) of the Ordinance for the Tax Year 2015, vide show cause notice bearing barcode number 100000163741619, dated October 12, 2013. Despite the submissions made by MEPCO, the ACIR issued an order under Section 122(5A) of the Ordinance, bearing barcode number 1000001827332297, dated December 28, 2023, resulting in a demand of Rs.599,760,397 against MEPCO.

Being aggrieved by the order of learned ACIR, MEPCO has filed appeal before CIR (A) on January 24, 2024, which is still pending for adjudication.

(vii) Advance Tax U/S 235- Tax Year 2023

The Learned Inland Revenue Audit Officer (IRAO) issued a Show Cause Notice bearing reference No. 659, dated March 31, 2014, for the aforesaid tax year, alleging that the taxpayer had short-paid advance tax under Section 235. The contention was that sales tax should have been included in the computation of income tax on electricity bills for commercial and industrial consumers.

The taxpayer, being a State-Owned Enterprise (SOE), duly responded to the notices issued by the Learned Officer and submitted detailed replies and legal contentions. Additionally, a reference was forwarded to the Member Inland Revenue, Federal Board of Revenue (FBR), with a copy to the Chief Commissioner, Regional Tax Office (RTO) Multan. However, disregarding the taxpayer's submissions, the Learned Officer proceeded to issue the Order-in-Original bearing DCR No. 41/50 along with recovery notices and raised a demand for income tax amounting to Rs.307,144,913/-, along with a



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default surcharge of Rs.45,137,680/-. This action ignored the legal arguments advanced by the taxpayer, resulting in undue hardship.

Being aggrieved by the aforementioned order, the taxpayer preferred an appeal before the Commissioner Inland Revenue (Appeals) [CIR-A]. However, the CIR-A, without due consideration of the established principle of law, as affirmed by various appellate forums that notifications or executive orders that are detrimental or prejudicial to an individual's interest cannot have retrospective effect, dismissed the taxpayer's contentions and upheld the order of the Assessing Officer vide order dated September 25, 2014.

Further, being aggrieved by the order of the CIR-A, the taxpayer availed the statutory remedy by filing an appeal before the Appellate Tribunal Inland Revenue (ATIR), which remains pending adjudication. However, pursuant to the introduction of the new Income Tax Amendment Act, whereby State-Owned Enterprises (SOEs) are mandated to withdraw their appeals from all relevant appellate forums and apply to the Federal Board of Revenue (FBR) for the appointment of an Alternative Dispute Resolution Committee (ADRC), whose decision shall be binding, the taxpayer, being an SOE, has accordingly withdrawn the appeal from ATIR and has filed an application for constitution of the ADRC; however, the committee is yet to be constituted.

(viii) Default surcharge due to the late payment of advance tax under Section 147- Tax Year 2024

Show cause notice bearing reference number 100000207747689 dated September 16, 2024, in which it was required to show cause as to why the default surcharge should not be imposed due to the late payment of advance tax under Section 147 of the Income Tax Ordinance, 2001, for the tax year 2023.

MEPCO paid Turnover tax at normal rate under protest. Therefore default is not applicable. Hearing was on 20/01/25 and reply was submitted. LTO has not passed any order in this regard.

(ix) Minimum Tax-Tax Year 2017

Additional Commissioner Inland Revenue (ACIR), RTO Multan passed the order for tax year 2017 that the Company was liable to pay Rs. 1,303 million being higher of minimum tax under section 113 and 113 (C) of the Ordinance. The assessment already finalized under section 120(1) of the Ordinance, therefore, being erroneous in so far as prejudicial to the interest of revenue, is amended under section 122 of the Ordinance.

Being aggrieved by the impugned order, MEPCO filed appeal before the CIR (A) and the same was upheld by the learned CIR (A).

Second appeal against the order of CIR (A) have been filed before ATIR on May 25, 2021 which is pending for adjudication.

(x) Minimum Tax-Tax Year 2016

Additional Commissioner Inland Revenue (ACIR), RTO Multan passed the order for tax year 2017 that the Company was liable to pay Rs.1294.39 million being higher of minimum tax under section 113 and 113 (C) of the Ordinance. The assessment already finalized under section 120(1) of the Ordinance, therefore, being erroneous in so far as prejudicial to the interest of revenue, is amended under section 122 of the Ordinance.

Being aggrieved by the impugned order, MEPCO filed appeal before the CIR (A). CIR (A) via order dated 10/2/21 annulled the impugned order. Being aggrieved by the order of CIR(A), appeal against the order of CIR (A) has been filed by department before ATIR which is pending for adjudication.

(xi) Income Tax Audit - Tax Year 2011

Assistant Commissioner Inland Revenue (ACIR), RTO, Multan started proceedings by issuing show cause notice u/s 122 of the Ordinance for tax year 2011 vide 1688 dated April 19, 2017. By ignoring all submissions made by MEPCO, the learned ACIR issued an order vide 14/39 dated June 22, 2017 that the taxpayer company was liable to pay Rs. 226 million due to violation of certain provisions of Ordinance.

MEPCO, aggrieved by the impugned order, filed an appeal with the Commissioner Inland Revenue (Appeals) on July 7, 2017. The CIR (A) annulled the original order in a decision dated February 10, 2021. In response, the department filed a second appeal with the Appellate Tribunal Inland Revenue (ATIR) on May 6, 2021. The case is currently pending before the ATIR.

(xii) Withholding income tax u/s 161/205-Tax Year 2017

After initiating proceedings u/s 161/205 vide show cause notice no. 625 dated June 02, 2017, the learned ACIR, RTO, Multan issued an order bearing bar code no. 100000026203200 dated November 09, 2017 u/s 161 of the Ordinance and raised the demand of tax amounting to Rs. 191 million along with default surcharge amounting to Rs.13 million on the ground that income tax was not deducted by MEPCO while making payments to certain parties.

Being aggrieved by the order of ACIR, MEPCO filed an appeal before CIR (A) on December 13, 2017 and CIR(A)



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annulled the order on February 10, 2021. Against the order of CIR (A), the department filed a second appeal before ATIR on May 06, 2021. Now the case is pending before ATIR.

(xiii) Withholding income tax u/s 161/205-Tax Year 2012

The IRAO, RTO, Multan initiated proceedings u/s 161/205 of the Ordinance vide notice no. 291 dated May 09, 2013 regarding discharging of liability to deduct income tax on different heads of account. By ignoring submissions made by MEPCO, the learned IRAO issued an order vide 10/47 dated October 21, 2013 and raised the demand of income tax amounting to Rs. 718 million along with default surcharge amounting to Rs. 161 million.

Being aggrieved by the above said order, MEPCO filed an appeal before CIR (A) on November 19, 2013. The Learned CIR (A) issued an order dated February 24, 2014 and confirmed/upheld the demand of Rs. 379 million.

Being aggrieved by the order issued by CIR (A), a second appeal was filed before ATIR which is decided against MEPCO vide order no. ITA no. 565/LB.2014 dated June 11, 2014 and the order of CIR (A) was maintained by ATIR.

Against the orders of the above mentioned all learned officers, a writ petition vide tax reference no. 27 of 2014 was filed before honorable High court to address the main issue in the above orders of chargeability of income tax u/s 235 on the differential amount of sales tax. The honorable court decided the case on July 02, 2016 in favor of MEPCO, as a result of which the demand of Rs. 301 million is deleted. To give the effect of High Court judgement, the learned ACIR, RTO, Multan issued appeal effect order vide DCR no. 03/51 dated September 20, 2017. To give the effect of High Court judgement, the department through appeal effect order, has raised a demand of income tax amounting to Rs. 77 million along with default surcharge amounting to Rs. 66 million.

Being aggrieved, further appeal was filed before CIR (A) on December 15, 2017, CIR (A) remanded the case back to the department for rehearing on February 22, 2021. Being aggrieved the department has filed a second appeal before ATIR on May 06, 2021. Now the case is pending before ATIR.

(xiv) Proceedings u/s 161 for advance tax u/s 235-Tax Year 2011

The ACIR, RTO, Multan initiated proceedings through show cause notice no. 826798-1 dated May 17, 2018 u/s 161 regarding advance tax collection of the differential amount of sales tax for tax year 2011. Subsequently, the ACIR issued an order no 02/30 dated August 28, 2018 and raised the demand of income tax amounting to Rs. 307 million and default surcharge amounting to Rs. 364 million.

An appeal was filed against the aforementioned order with the Commissioner Inland Revenue (Appeals) on August 26, 2018. The CIR (A) set aside the original order in a decision dated January 29, 2021. In response, the department filed a second appeal with the Appellate Tribunal Inland Revenue (ATIR) on April 7, 2021. The case is currently pending before the ATIR.

(xv) Withholding tax u/s 161/205 - Tax Year 2018

Deputy Commissioner Inland Revenue (DCIR), initiated proceedings u/s 161/205 through show cause notice no. 100000053757151 dated July 07, 2019. The learned DCIR issued an order on March 21, 2021 raising demand of income tax amounting to Rs. 21,334 million on the grounds that MEPCO has not made tax deduction u/s 161/205 of the Ordinance on various payments.

Being aggrieved by the above order, an appeal was filed before CIR (A) against which the learned CIR (A) issued an order favoring MEPCO on June 10, 2021 on withholding of tax u/s 235 and partially confirmed stance of DCIR for non-withholding of tax on various payments on u/s 161 of the ordinance.

Being aggrieved by the order of learned CIR (A), an appeal was filed before ATIR which is still pending for adjudication.

(xvi) Withholding tax u/s 161/205 - Tax Year 2014

Deputy Commissioner Inland Revenue DCIR, initiated proceedings u/s 161/205 through show cause notice no. 22 dated November 11, 2020. The learned DCIR issued an order on November 17, 2020 raising demand of income tax amounting to Rs. 2,801.9 million on the grounds that MEPCO has made not made tax deduction u/s 161 of the Ordinance on various payments.

Being aggrieved by the above order, an appeal was filed before CIR (A) on the grounds that MEPCO is not liable to withheld income tax u/s 161/235 of the Ordinance from the parties having valid exemptions and the case is also time barred. The learned CIR (A) rejected the contentions of MEPCO and issued an order dated March 24, 2021.

Being aggrieved by the order of learned CIR (A), an appeal was filed before ATIR who vide order dated May 03, 2023 decided the matter in the favor of the company and remanded back to DCIR.

(xvii) Minimum Tax-Tax Year 2018

Additional Commissioner Inland Revenue (ACIR), RTO Multan passed the order for tax year 2018 that the Company was liable to pay Rs. 2,269 million being higher of minimum tax under section 113 and 113 (C) of the Ordinance. The



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assessment already finalized under section 120(1) of the Ordinance, therefore, being erroneous in so far as prejudicial to the interest of revenue, is amended under section 122 of the Ordinance.

Dissatisfied with the impugned order, MEPCO filed an appeal with the Commissioner Inland Revenue (Appeals) (CIR(A)), who upheld the original decision. MEPCO then filed a second appeal with the Appellate Tribunal Inland Revenue (ATIR) on March 10, 2022. The ATIR remanded the case to the Large Taxpayer Office (LTO) for a second round of proceedings. The learned Assistant Commissioner Inland Revenue (ACIR) again ruled against MEPCO, not taking into account the presented facts. MEPCO appealed this decision to the CIR(A), who upheld the ACIR's order. Due to the implications of the Income Tax Amendment Act, 2024, MEPCO subsequently filed an appeal with the Alternate Dispute Resolution Committee (ADRC), where the matter remains pending adjudication.

(xviii) Minimum Tax-Tax Year 2019

Additional Commissioner Inland Revenue (ACIR), RTO Multan passed the order for tax year 2019 that the Company was liable to pay Rs. 2,915 million being higher of minimum tax under section 113 and 113 (C) of the Ordinance. The assessment already finalized under section 120(1) of the Ordinance, therefore, being erroneous in so far as prejudicial to the interest of revenue, is amended under section 122 of the Ordinance.

MEPCO, dissatisfied with the impugned order, filed an appeal with the Commissioner Inland Revenue (Appeals) on April 25, 2022. The learned CIR (A) upheld the original order in a decision dated April 30, 2024.

Subsequently, MEPCO has filed an appeal with the Alternate Dispute Resolution Committee (ADRC) to resolve the dispute, which remains pending adjudication.

(xix) Minimum Tax-Tax Year 2020

Additional Commissioner Inland Revenue (ACIR), RTO Multan passed the order for tax year 2020 that the Company was liable to pay Rs.3,002 million being higher of minimum tax under section 113 and 113 (C) of the Ordinance. The assessment already finalized under section 120(1) of the Ordinance, therefore, being erroneous in so far as prejudicial to the interest of revenue, is amended under section 122 of the Ordinance.

MEPCO, dissatisfied with the impugned order, filed an appeal with the Commissioner Inland Revenue (Appeals). The learned CIR (A) upheld the original order in a decision dated April 30, 2024.

Subsequently, MEPCO has filed an appeal with the Alternate Dispute Resolution Committee (ADRC) to resolve the dispute, which remains pending adjudication.

(xx) Minimum Tax-Tax Year 2021

The learned ACIR, RTO Multan started proceedings for amendment of assessment u/s 122 (5A) of the Ordinance for Tax Year 2021 vide Show cause notice bearing bar code no. 100000155235582 dated July 12, 2024. By ignoring all the submissions, the learned ACIR issued an order u/s 122 (5A) of the Ordinance vide bar code no. 100000186258923 dated January 25, 2024 against MEPCO by raising the demand amounting to Rs. 4,504,207,768.

MEPCO, dissatisfied with the impugned order, filed an appeal with the Commissioner Inland Revenue (Appeals). The learned CIR (A) upheld the original order in a decision dated April 30, 2024.

Subsequently, MEPCO has filed an appeal with the Alternate Dispute Resolution Committee (ADRC) to resolve the dispute, which remains pending adjudication.

Minimum Tax-Tax Year 2022

The learned ACIR, RTO Multan started proceedings for amendment of assessment u/s 122 of the Ordinance for Tax Year 2022 vide Show cause notice bearing bar code no. 100000147387262 dated March 02, 2023. By ignoring all the submissions, the learned ACIR issued an order u/s 122 (5A) of the Ordinance vide bar code no. 100000160144284 dated September 15, 2023 against MEPCO by raising the demand amounting to Rs. 2,331,826,988.

MEPCO, dissatisfied with the impugned order, filed an appeal with the Commissioner Inland Revenue (Appeals). The learned CIR (A) upheld the original order in a decision dated April 30, 2024.

Subsequently, MEPCO has filed an appeal with the Alternate Dispute Resolution Committee (ADRC) to resolve the dispute, which remains pending adjudication.

(xxi) Minimum Tax on Tariff Differential Subsidy-Tax Year 2022

The learned ACIR, RTO Multan started proceedings for amendment of assessment u/s 122 of the Ordinance for Tax Year 2022 vide Show cause notice bearing bar code no. 100000171666717 dated November 21, 2023. By ignoring all the submissions, the learned ACIR issued an order u/s 122 (5A) of the Ordinance vide bar code no. 100000182969849 dated December 29, 2023 against MEPCO by raising the demand amounting to Rs. 3,080,625,708.

MEPCO, dissatisfied with the impugned order, filed an appeal with the Commissioner Inland Revenue (Appeals). The



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learned CIR (A) upheld the original order in a decision dated April 30, 2024.

Subsequently, MEPCO has filed an appeal with the Alternate Dispute Resolution Committee (ADRC) to resolve the dispute, which remains pending adjudication.

15.1.3 Sales Tax:

(i) Sales tax audit proceedings- Tax period July 2010 to June 2011

The Deputy Commissioner Inland Revenue (DCIR), RTO, Multan initiated proceeding through notice no. 532 dated April 28, 2016 and then passed an order vide Audit unit-01/Corporate Zone/TAMS 0763/2010-11/529 dated December 14, 2016 through which demand of sales tax was raised for amounting Rs. 10,054 million.

Being aggrieved by the decision, MEPCO filed appeal before the CIR (A) on January 16, 2017. The learned CIR (A) issued an order u/s 45B of the Sales Tax Act, 1990 (the "Act") against MEPCO and upheld the order of DCIR on August 04, 2017.

Being aggrieved by the order of the learned CIR (A), a second appeal was filed before ATIR on September 18, 2017 who decided the case in favor of MEPCO and remanded the case to the ACIR.

ACIR has once again made demand of sales tax amounting to Rs. 6,095 million and penalty of amounting to Rs. 304.780 million vide order no. 38/2019-ST dated June 23, 2020. Being aggrieved with the decision, an appeal was filed in CIR(A) dated July 29, 2020 which CIR(A) set aside the order on January 06, 2021. Against the order of CIR (A), the department filed a second appeal before ATIR on April 07, 2021. Now the case is pending before ATIR.

(ii) Sales tax Audit-Tax period July 2012 to June 2013

The Deputy Commissioner Inland Revenue (DCIR), RTO, Multan started proceedings against MEPCO by issuing show cause notice vide Audit unit-01/Corp. Zone/TAMS-0389/2012-2013/139 dated December 14, 2016. By ignoring submissions of MEPCO, the learned officer issued an order against MEPCO vide 95/2017 dated April 27, 2017 on the grounds that MEPCO is required to pay Sales Tax on various heads and raised a demand of sales tax amounting to Rs. 17,185.81 million.

Being aggrieved by the decision, MEPCO filed an appeal before the CIR (A) on May 25, 2017. CIR (A) has decided the case by issuing order on July 23, 2018 in favor of MEPCO by annulling the DCIR order. Against the order of CIR (A), the department filed a second appeal before ATIR on April 07, 2021. Now the case is pending before ATIR.

(iii) Sales tax Audit-Tax period July 2016 to June 2017

The Deputy Commissioner Inland Revenue (DCIR), RTO, Multan started proceedings against MEPCO by issuing show cause notice vide 45 dated December 07, 2020. By ignoring submissions of MEPCO, the learned officer issued an order against MEPCO vide 11/2021-22 dated March 03, 2022 on the grounds that MEPCO is required to pay Sales Tax on various heads and raised a demand of sales tax amounting to Rs.2,439.5.

In connection with the aforementioned order, an appeal was filed with the Commissioner (Appeals) on April 29, 2022. The Commissioner (Appeals), through order dated June 16, 2023, partially remanded the case. Subsequently, a further appeal was lodged with the Appellate Tribunal, which, via order dated November 8, 2023, remanded the case back to the department. The case is currently pending adjudication.

(iv) Sales tax on supplies to unregistered persons -Tax period July 2014 to June 2015

The Deputy Commissioner Inland Revenue (DCIR), RTO, Multan initiated proceedings through notice no. 742 dated January 05, 2016 and afterward issued an order vide 19/2016 dated February 05, 2016 alleging that MEPCO has failed to charge sales tax on supplies of electricity made to unregistered persons and raised a demand of sales tax amounting to Rs. 476 million.

Against the above order, the appeal was filed before CIR (A) on November 11, 2016 which is decided against MEPCO and the learned CIR (A) confirmed the order of DCIR. Subsequently, in appeal before ATIR, Hon'ble ATIR decided the case in favor of MEPCO vide order dated April 18, 2018 and remanded back the proceeding to the learned DCIR/ACIR.

In 2nd round of proceedings, ACIR once again issued an order on April 30, 2019 by ignoring the contentions and submissions of MEPCO. Being aggrieved by the order, appeal has been filed before CIR (A), who decided the case in favor of MEPCO and set aside the order of ACIR dated February 22, 2021. Against the order of CIR (A) the department has filed an appeal before ATIR which is still pending.

(v) Extra Tax & Further tax on supplies to unregistered persons-Tax period July 2013 to October 2013

The Deputy Commissioner Inland Revenue (DCIR), RTO, Multan passed an order against MEPCO on March 31, 2014 on the grounds that MEPCO has short paid further tax amounting Rs. 36.8 million and Extra Tax amounting Rs. 23.5 million aggregating to Rs. 60.3 million for the tax period from July 2013 to October 2013.

Being aggrieved by the decision, MEPCO filed appeal before the CIR (A) who upheld the order of DCIR vide order dated



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May 02, 2015.

Subsequently, a second appeal was filed with the Appellate Tribunal on June 6, 2015, which was upheld by an order dated May 9, 2022. MEPCO has filed a reference with the High Court, identified as Case No.19/2023, dated November 10, 2022, and is in the process of pursuing further judicial review.

(vi) Sales tax on retailers-Tax period July to August 2014

The DCIR, RTO, Multan issued notice no. 740 dated January 05, 2016 and subsequently passed the order vide 20/2016 dated May 02, 2016 and raised a demand of sales tax amounting to Rs. 22.27 million on the grounds that MEPCO has not charged and paid sales tax on supplies to retailers during the tax periods of July & August 2014 along with default surcharge and penalty of Rs. 1.11 million.

Being aggrieved by the order of DCIR, MEPCO filed appeal before the CIR (A) who upheld the order of DCIR vide order dated March 27, 2016.

Afterwards, a second appeal was filed before ATIR. ATIR decided the case in favor of MEPCO vide order 85 dated April 18, 2018 and remanded back the case to learned DCIR/ACIR.

In 2nd round of proceedings, ACIR once again issued an order and made demand of sales tax amounting to Rs. 22.27 million along with default surcharge and penalty of Rs. 1.11 million on April 30, 2019 by ignoring the contentions and submissions of MEPCO. Being aggrieved by the order, appeal has been filed before CIR (A) and who decided the case vide appellate order dated June 25, 2021 and upheld the order of ACIR.

Being aggrieved by the impugned order, MEPCO file an appeal before ATIR on August 27, 2021 which is still pending for adjudication.

(vii) Extra tax and Further tax-Tax Period July 2016 to September 2016

The ACIR, RTO Multan issued notice no. 421 dated November 17, 2016. Subsequently, the ACIR passed order vide 84 dated April 07, 2017 and raised a demand of sales tax amounting to Rs. 51.9 million on the ground that MEPCO has failed to charge/pay extra tax and further tax on supply of electricity to unregistered persons during the period from July 2016 to September 2016.

Being aggrieved by the order, MEPCO filed an appeal before CIR (A) on May 05, 2017. The learned CIR (A) issued an order on April 11, 2018 in favor of MEPCO by annulling the case. The case is now pending before learned ACIR.

(viii) GST Withheld-Tax Period July 2014 to June 2016

The ACIR, RTO Multan passed an order against MEPCO on August 28, 2017 in which he raised a demand of sales tax amounting to Rs. 565 million on the ground that MEPCO has failed to deduct the sales tax during the tax period from July 2014 to June 2016.

Being aggrieved by the said order, MEPCO filed appeal before CIR (A) on October 06, 2017. CIR (A) annulled the case on April 11, 2018. Being aggrieved the department has filed a second appeal before ATIR. Now the case is pending before ATIR.

(ix) Short payment of sales tax on supply to retailers -Tax period October 2015

The DCIR, RTO, Multan initiated proceeding through notice no. 651 dated December 18, 2015 and subsequently issued an order vide 09/2016 dated April 15, 2016 on the assumption that MEPCO has failed to charge sales tax on supply of electricity to retailers during the month of October 2015 raising demand of sales tax amounting to Rs. 23 million along with default surcharge amounting to Rs. 1.16 million.

Being aggrieved by the order of DCIR, MEPCO filed appeal before the CIR (A) on the ground that sales tax was not subject to charge on certain retailers under the provision of STGO 66/2014 dated July 21, 2015.

The CIR (A) issued judgement on February 08, 2018 in favor of MEPCO and annulled the order of DCIR. Against the order of CIR (A), the department filed a second appeal before ATIR on June 02, 2018. Now the case is pending before ATIR.

(x) GST Withheld-Tax period July 2016 to June 2017

The ACIR, RTO Multan initiated proceedings vide show cause notice no. 684 dated December 04, 2017 and raised question of withholding of GST withheld (1/5) amounting to Rs. 84 million. After submission made by MEPCO, the learned ACIR accepted the contentions of MEPCO to the extent of GST withheld amounting to Rs. 65 million. However, the learned officer rejected the submission on account of GST withheld amounting to Rs. 19 million and issued an order vide 174/2018 dated February 28, 2018 and raised a demand for sales tax amounting to Rs. 19 million along with default surcharge amounting to Rs. 1.9 million.

Being aggrieved by the order of ACIR, MEPCO filed appeal before the CIR (A) on March 30, 2018. The learned CIR (A) issued an order on July 10, 2018 in favor of MEPCO and annulled the order of ACIR. Being aggrieved, the department



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has filed an appeal before ATIR which is still pending for adjudication.

(xi) Sales tax withholding PRA-Tax period July 2014 to June 2015

The Additional Commissioner PRA (ACPRA), Multan issued an order no. ENF-I, Unit-01, WH/112/2016-17 dated November 28, 2016 by alleging that MEPCO has failed to withhold Punjab sales tax amounting Rs. 1,645 million on payments made on account of services acquired by MEPCO.

Being aggrieved by the order, MEPCO filed an appeal before Commissioner Appeal PRA. The learned Commissioner Appeal PRA issued an order no. 27/2017 dated November 14, 2017 and reduced the tax liability to Rs. 71 million along with penalty of Rs. 3.5 million.

Being aggrieved by the decision of Commissioner Appeal PRA, MEPCO has filed second appeal before Appellate Tribunal PRA on December 22, 2017, who decided the case against MEPCO but deleted the penalty of Rs. 3.5 million. Against the order of Appellate Tribunal PRA, MEPCO has filed a writ petition in High Court which is still pending for adjudication.

(xii) Sales tax withholding PRA-Tax period July 2015 to June 2020

The Additional Commissioner PRA (ACPRA), Multan issued an order no. PRA/MTN/SC/Adc/1798 dated November 03, 2021 by alleging that MEPCO has failed to withhold Punjab sales tax amounting Rs. 10,453 million on payments made on account of services acquired by MEPCO. By ignoring the fact of the case, ACPRA issued an order on April 05, 2022 against MEPCO.

Being aggrieved by the order, MEPCO filed an appeal before Commissioner Appeal PRA on May 12, 2022 which is still pending for adjudication.

(xiii) Sales tax withholding PRA-Tax period July 2022 to June 2023

Show Cause Notice dated 24-08-23 was issued alleging non-withholding of tax amounting to Rs.123,515,746/-. Appellant had submitted responses and attended hearing to the show cause notices and has explained significant legal and factual infirmities in relation to the matters addressed in the show cause notice.

After several hearings and citing non-compliance and failure to furnish documentary evidence, the assessing officer finalized the assessment and imposed tax liability of Rs.67,787,162/- via order No. ADC/MTN/1456/2025 dated May 08, 2025 under Section 14 and Section 52 of the Punjab Sales Tax on Services Act, 2012, read with the Punjab Sales Tax on Services (Withholding) Rules, 2015.

Being aggrieved by the order, an appeal is filed before CIR(Appeals) Lahore which is pending adjudication.

(xiv) Proceedings for wrong claim of input tax on cement - February 2017 to December 2017

The ACIR, RTO Multan initiated proceedings through notice no. 151 dated June 04, 2018 alleging that MEPCO claimed inadmissible input tax amounting to Rs. 33 million on purchase of cement. By ignoring the fact of the case, ACIR issued an order on August 17, 2018 against MEPCO.

Appeal against the ACIR order was filed before CIR (A), which CIR(A) set aside the order on January 29, 2021. Against the order of CIR (A), the department filed a second appeal before ATIR on April 07, 2021. Now the case is pending before ATIR.

(xv) Default surcharge for late filing of sales tax returns for the period from July 2015 to June 2017

The ACIR, RTO Multan initiated proceedings through notice on April 02, 2019 alleging that MEPCO filed sales tax returns after the due date as prescribed in the Act. ACIR subsequently issued an order against MEPCO vide OIO no 47/2019 dated July 23, 2019 and raised a demand of penalty and default surcharge amounting to Rs. 19,800/- and 5,103,383/- respectively.

Appeal against the ACIR order was filed before CIR (A) on August 23, 2019 which is decided in favor of MEPCO on August 06, 2020 by annulling the order of learned ACIR and remanded the case back for review of the facts.

In the second round of proceedings, the Assistant Commissioner Inland Revenue (ACIR) issued a decision against MEPCO vide O.No.5/2021 amounting to Rs.2.7m. MEPCO, aggrieved by this order, filed an appeal with the Commissioner Inland Revenue (Appeals) (CIR(A)), who also ruled against MEPCO in a decision dated June 26, 2021. Subsequently, MEPCO filed a second appeal with the Appellate Tribunal Inland Revenue (ATIR) on August 27, 2021. The ATIR upheld the original order in its decision dated September 5, 2024 (STA No. 77/MB/2021).

Dissatisfied with this outcome, MEPCO has filed an appeal with the Alternate Dispute Resolution Committee (ADRC), which is currently pending adjudication.

(xvi) Sales tax on free electricity supplies to employees- Tax Year 2016 and 2017

The ACIR, RTO Multan issued notice on November 22, 2018 and alleged that MEPCO has not charged sales tax on



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electricity supplied to employees free of cost. Subsequently, ACIR issued an order on March 22, 2019 and raised demand of sales tax amounting to Rs. 1056.59 million.

Being aggrieved, an appeal was filed before CIR (A), who decided the case in favor of MEPCO and set aside the order on February 10, 2021. Against the order of CIR (A), the department has filed an appeal before ATIR dated May 06, 2021. Now the case is pending before ATIR.

(xvii) Sales tax on Government Subsidy-Tax period July 2010 to June 2011

The Deputy Commissioner Inland Revenue (DCIR), RTO, Multan passed an order against MEPCO on November 19, 2012 by incorrectly treating the "Subsidy" aggregating to Rs. 24,739.75 million as taxable supplies under the Act and also taxed another item namely unexplained difference amounting to Rs.925.29 million and has created a demand of Rs. 4,363 million on these accounts.

Being aggrieved by the order, MEPCO filed appeal before the CIR (A) on December 26, 2012 who upheld the order of DCIR on February 12, 2013.

Afterwards, second appeal was filed before ATIR and vide its order no. STA 247/LB/2013 dated December 19, 2014 the point of unexplained income was remanded back to DCIR and point of the subsidy was upheld against which MEPCO.

Being aggrieved by the decision of ATIR, an appeal was filed before Honorable Lahore High Court who remanded back the case to the full bench of ATIR to decide the case. The full bench of ATIR vide its order dated March 04, 2021 has now decided in favor of MEPCO that sales tax is not applicable on amount of subsidy received from the Government. Against the order of ATIR, the department has filed an appeal before Honorable High court which is still pending.

(xviii) Sales tax on Tariff Differential Subsidy - Tax Year 2017

The ACIR, RTO Multan issued notice on November 22, 2018 and alleged that MEPCO has not charged sales tax on Tariff Differential Subsidy (TDS). By ignoring the facts of the case, ACIR subsequently issued an order on March 18, 2019 and raised demand of sales tax amounting to Rs. 4,516.7 million.

Being aggrieved, an appeal was filed before CIR (A), who decided the case in favor of MEPCO and set aside the order on February 22, 2021. Against the order of CIR (A), the department has filed an appeal before ATIR dated May 06, 2021. Now the case is pending before ATIR.

(xix) Sales tax on Tariff Differential Subsidy - Tax Year 2019

The ACIR, RTO Multan issued notice no. 188 on April 05, 2021 and alleged that MEPCO has not charged sales tax on Tariff Differential Subsidy (TDS) and MEPCO has no specific exemption regarding withholding of tax on advertisement expense as per Sales Tax Special Procedure (Withholding) Rules, 2007. By ignoring the facts of the case, ACIR subsequently issued an order on June 15, 2021 and raised demand of sales tax amounting to Rs. 10,683 million.

Being aggrieved by the above order, an appeal was filed before CIR (A) against which the learned CIR (A) issued an order in favor of MEPCO on TDS on and confirmed action of DCIR on advertisement expense.

Being aggrieved by the order of learned CIR (A), an appeal was filed before ATIR which is still pending for adjudication.

(xx) Sales tax on Tariff Differential Subsidy - Tax Year 2018 & 2020

The ACIR, RTO Multan issued notice no. 289 on June 14, 2021 and alleged that MEPCO has not charged sales tax on Tariff Differential Subsidy (TDS) and MEPCO has no specific exemption regarding withholding of tax on advertisement expense as per Sales Tax Special Procedure (Withholding) Rules, 2007. By ignoring the facts of the case, ACIR subsequently issued an order on August 23, 2021 and raised demand of sales tax amounting to Rs. 18,300 million.

Being aggrieved by the above order, an appeal was filed before CIR (A) against which the learned CIR (A) issued an order in favor of MEPCO on TDS on and confirmed action of DCIR on advertisement expense.

Being aggrieved by the order of learned CIR (A), an appeal was filed before ATIR which is still pending for adjudication.

(xxi) Inadmissible input tax-January 2016 to June 2020

The ACIR, RTO Multan initiated proceedings alleging that MEPCO claimed inadmissible input tax amounting to Rs. 7.7 million. By ignoring the reply and supporting documents, ACIR issued an order against MEPCO and raised a demand of sales tax amounting to Rs. 7.7 million.

Following the above order, MEPCO filed an appeal with the Commissioner Inland Revenue (Appeals) (CIR(A)), who issued a decision unfavorable to MEPCO on August 5, 2021. MEPCO then filed an appeal with the Appellate Tribunal Inland Revenue (ATIR) on October 8, 2021. The ATIR ruled in favor of MEPCO in its order dated June 15, 2022 (Order No. 191) and remanded the case to the Deputy Commissioner Inland Revenue (DCIR)/Assistant Commissioner Inland Revenue (ACIR).

Subsequently, the DCIR/ACIR issued a new order on December 12, 2022. Aggrieved by this order, MEPCO appealed to



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the CIR(A) on January 20, 2023. The CIR(A) upheld the DCIR/ACIR's order in a decision dated December 7, 2023.

Dissatisfied with the CIR(A)'s decision, MEPCO filed an appeal with the ATIR. However, due to changes introduced by the Income Tax Amendment Act, 2024, MEPCO withdrew this appeal and subsequently filed a new appeal with the Alternate Dispute Resolution Committee (ADRC). This appeal remains pending adjudication.

(xxii) Inadmissible input tax-July 2016 to June 2017

The ACIR, LTO Multan initiated proceedings via show cause notice bearing reference no No.1035 Dated 23/11/2018 alleging that MEPCO claimed inadmissible input tax amounting to R.s 2.5 million because MEPCO has engaged some firms for erection of poles and these are not construction services and Input tax is not allowed on Const. Services. By ignoring the reply and supporting documents, ACIR issued an order against MEPCO bearing reference no 39/2019/20 ST dated 23/06/2020 and raised a demand of sales tax amounting to Rs. 2.5 million.

Following the above order, MEPCO filed an appeal with the Commissioner Inland Revenue (Appeals) CIR(A), who issued a decision favorable to MEPCO and annulled the order dated 08-01-21.

(xxiii) Inadmissible input tax on steel melters -July 2017 to June 2019

The ACIR, RTO Multan initiated proceedings alleging that MEPCO claimed inadmissible input tax on supply to steel melters of amounting to R.s 464 million. By ignoring the reply and supporting documents, ACIR issued an order against MEPCO and raised a demand of sales tax amounting to Rs. 126 million.

Being aggrieved by the above order, an appeal was filed before CIR (A) on October 08, 2021 who decided the matter in favor of the company.

(xxiv) Inadmissible input tax on steel melters -July 2015 to June 2019.

The ACIR, RTO Multan initiated proceedings alleging that MEPCO claimed inadmissible input tax on supply to steel melters of amounting to R.s 420 million. By ignoring the reply and supporting documents, ACIR issued an order against MEPCO and raised a demand of sales tax amounting to Rs. 331 million.

Dissatisfied with the above order, MEPCO filed an appeal with the Commissioner Inland Revenue (Appeals) (CIR(A)). The CIR(A) upheld the original order.

A second appeal was filed against the Commissioner Inland Revenue (Appeals) (CIR(A))'s order before the Appellate Tribunal Inland Revenue (ATIR). The ATIR ruled against MEPCO, and the case is now under review by the High Court. Additionally, due to changes introduced by the Income Tax Amendment Act, 2024, MEPCO has also filed the case with the Alternate Dispute Resolution Committee (ADRC), where it is currently pending adjudication.

(xxv) Short payment on sale of scrap – Tax year 2021

The ACIR/DCIR, LTO Multan initiated proceedings through Show Cause Notice No. 135, dated September 15, 2022, alleging a short payment of sales tax on scrap sales and creating a demand of PKR 14 million. Following review of the submissions, the demand was revised to PKR 3 million, as per Order No. 10, dated December 2023. Dissatisfied with this decision, MEPCO filed an appeal with the Commissioner (Appeals) on January 23, 2023, which was upheld by the Commissioner (Appeals) on December 7, 2023.

A second appeal was subsequently filed with the Appellate Tribunal Inland Revenue (ATIR). However, pending adjudication, changes introduced by the Income Tax Amendment Act, 2024, led to the withdrawal of the appeal from the ATIR. The matter has now been filed with the Alternate Dispute Resolution Committee (ADRC) and is currently awaiting resolution.

(xxvi) Default on Sales Tax Payment- Tax year 2023-24

The learned officer issued a show cause notice bearing C.No.337 dated January 25, 2024, requiring the aforementioned registered person to show cause as to why penalty provisions and default surcharge should not be levied under sections 33(1), 33(5), and 34(1) of the Sales Tax Act, 1990, for the alleged non-filing of the sales tax return and delayed payment of sales tax for the above- captioned tax period.

The registered person duly complied with the requirements of the said notice through submissions made via letters dated February 06, 2024, and March 05, 2024. However, without acknowledging the registered person's contentions, the learned officer issued an order-in-original bearing No.23/2023- 24 dated April 25, 2024.

Application was filed for constitution of ADRC committee and Committee was Established vide.180919R dated 28/08/2024. ADRC failed to decide the case and was resultantly dissolved vide letter dated June 03, 2025 and subsequently appeal to be filed in relevant forum.

(xxvii) Default on Sales Tax Payment- Tax year 2020-21

The learned officer issued a show cause notice requiring the aforementioned registered person to show cause as to why



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penalty provisions and default surcharge should not be levied under sections 33(1), 33(5), and 34(1) of the Sales Tax Act, 1990, for the alleged non-filing of the sales tax return and delayed payment of sales tax for the above-captioned tax period.

The registered person duly complied with the requirements of the said notice. However, without acknowledging the registered person's contentions, the learned officer issued an order-in-original bearing No. 44/2024-25 dated 23/04/2025. Further application for the constitution of ADRC committee is to be filed.

(xxviii) Inadmissible Input-Tax year 2022-23

The Learned Officer, in show cause notice C.NO.578 dated May 15, 2024, asserts that the registered entity received a tariff differential subsidy from the Government amounting to Rs.70,283,937,519/-, which represents the difference between the rates determined by the National Electric Power Regulatory Authority (NEPRA) and the rates charged to consumers during the tax year 2022. The Officer alleges that this amount was not accounted for as part of the taxable supply in the Sales Tax returns, resulting in the disallowance of an input tax amounting to Rs.7,475,239,582/- under Section 8(1)(a) of the Sales Tax Act, 1990.

The State-Owned Enterprise (SOE), functioning as the registered entity, has conscientiously addressed the aforementioned show cause notice issued by the Learned Officer. This was accomplished by submitting all pertinent documents alongside a written submission through a letter dated July 08, 2024.

The Learned Officer, in issuing Order-in-Original No. 02/2024-25, entirely disregarded the submissions made by the registered person and failed to acknowledge the key contentions presented by the taxpayer. This oversight reflects a fundamental misunderstanding of the underlying facts. Consequently, the Officer proceeded to issue the contested order, which compels the registered entity to remit an amount of Rs.7,475,239,582/-, in addition to a penalty of Rs.373,761,979/..

In light of the Section 47A of the Ordinance as amended vide Tax Laws (Amendment) Act, 2024 the taxpayer filed an application to constitute an Alternative Dispute Resolution Committee (ADRC) to resolve the matter and stay the recovery proceedings pending the ADRC's decision. ADRC decided the case to deposit 50% amount involved.

(xxix) Sales Tax Audit under section 72B – Tax year 2021

The ACIR/DCIR, LTO Multan initiated proceedings via show cause notice no. 68 dated April 4, 2023 alleged short payment of sales tax amounting to Rs. 5191m. The ACIR passed the order via No. 09/2023-2024 dated September 27, 2023. Being aggrieved by the decision of ACIR/DCIR, MEPCO filed an appeal before CIR(A) and the matter is still pending for adjudication.

(xxx) Default surcharge for late filing of sales tax returns for the period from July 2021 to April 2022

The ACIR/DCIR, LTO Multan initiated proceedings via show cause notice no. 246 dated December 20, 2022 alleging that MEPCO filed sales tax returns after the due date as prescribed in the Act. ACIR subsequently issued an order against MEPCO vide OIO no 13/2022-2023 dated May 26, 2023. Being aggrieved by the decision of ACIR/DCIR, MEPCO filed an appeal before CIR(A) and the same was upheld by the learned CIR (A) on December 07, 2023.

A second appeal against the Commissioner Inland Revenue (Appeals) (CIR(A))'s order was filed with the Appellate Tribunal Inland Revenue (ATIR). This appeal was pending adjudication when changes introduced by the Income Tax Amendment Act, 2024, prompted its withdrawal from the ATIR. The case has since been filed with the Alternate Dispute Resolution Committee (ADRC) and is currently pending adjudication.

(xxxi) Short payment of supplies mentioned in Annexure-G - Tax Period February & March 2023

The ACIR/DCIR, LTO Multan initiated proceedings through Show Cause Notice No. 138, dated December 8, 2023, alleging a short payment of sales tax amounting to PKR 1,925 million. The ACIR ruled against MEPCO in Order No. 08/2023-24, dated September 22, 2023, creating a demand of PKR 324 million. MEPCO has filed an appeal with the Commissioner (Appeals), and the appeal is currently under consideration, with an order pending.

15.2 Commitments

Letters of credit for capital expenditure and other than capital expenditure are of Rupees 807.230 million (2024: Rupees 497.475 million). Keeping in view the nature of Company's business, segregation of capital expenditure and other than capital expenditure is not possible at this stage.



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	Note	2025 Rupees	2024 Rupees
16 PROPERTY, PLANT AND EQUIPMENT			
Capital work-in-progress	16.1	17,018,890,336	26,267,884,192
Operating fixed assets	16.2	153,013,407,663	128,240,564,876
		<u>170,032,297,999</u>	<u>154,508,449,068</u>
16.1 Capital work-in-progress			
Civil works		11,166,466	162,399,881
Distribution equipment		17,007,723,870	26,105,484,311
		<u>17,018,890,336</u>	<u>26,267,884,192</u>
16.1.1 Movement in capital work-in-progress			
Balance as at beginning of the year - gross		26,552,872,883	22,688,467,832
Add: Additions during the year		22,461,364,813	20,728,996,501
		49,014,237,696	43,417,464,333
Less: Transferred to operating fixed assets	16.1.3	(31,663,998,000)	(16,864,591,450)
Balance as at end of the year - gross		17,350,239,696	26,552,872,883
Provision for capital work-in-progress			
Balance as at beginning of the year		(284,988,691)	(283,119,093)
Add: Impairment for the year	32	(46,360,668)	(1,869,598)
		(331,349,359)	(284,988,691)
Balance as at end of the year		<u>17,018,890,337</u>	<u>26,267,884,192</u>
16.1.2 Depreciation capitalized related to capital work-in-progress was Rupees 13.094 million (2024: Rupees 13.10 million). Moreover operating expenses of Rupees 710.603 million (2024: Rupees 1,086 million) have also been included in capital work-in-progress.			
		2025 Rupees	2024 Rupees
16.1.3 Opening CWIP projects transferred to operating fixed assets		17,734,455,657	5,276,915,393
CWIP projects started during the year and transferred to operating fixed assets		13,929,542,343	11,587,676,057
Total CWIP projects transferred to operating fixed assets		<u>31,663,998,000</u>	<u>16,864,591,450</u>
16.1.4 The borrowing cost incurred specifically to finance the construction of distribution equipment is Nil. (2024: Nil).			



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16.2 OPERATING FIXED ASSETS

	Land Freehold	Land Leasehold	Buildings on freehold land	Office equipment	Distribution equipment	Other plant and equipment	Vehicles	Total
Rupees								
As at June 30, 2023								
Cost	401,196,784	2,277,338	5,549,159,709	684,155,316	177,288,307,911	1,081,672,160	1,401,951,242	186,408,720,460
Accumulated depreciation	-	(790,164)	(1,443,608,660)	(534,691,361)	(65,122,502,753)	(945,388,556)	(1,082,946,420)	(68,829,927,914)
	401,196,784	1,487,174	4,105,551,049	149,463,955	112,165,805,158	436,283,604	319,004,822	117,578,792,546
For the year ended June 30, 2024								
Opening net book value	401,196,784	1,487,174	4,105,551,049	149,463,955	112,165,805,158	436,283,604	319,004,822	117,578,792,546
Additions	80,084,789	-	197,963,062	40,491,900	16,779,109,948	27,683,631	201,304,308	17,326,637,638
Assets retired - cost	-	-	-	-	(78,001,054)	-	-	(78,001,054)
Assets retired - Accumulated depreciation	-	-	-	-	35,437,085	-	-	35,437,085
Disposals/Adjustments	-	-	-	-	(42,563,968)	-	-	(42,563,968)
Depreciation charge	-	-	(108,334,474)	(52,215,302)	(6,327,089,369)	(76,418,651)	(58,273,545)	(6,622,301,341)
Closing net book value	481,281,573	1,487,174	4,195,179,637	137,740,553	122,532,727,600	387,548,584	462,035,586	128,198,000,307
As at June 30, 2024								
Cost	481,281,573	2,277,338	5,747,122,769	724,647,216	193,889,416,804	1,109,355,790	1,603,255,551	203,657,357,041
Accumulated depreciation	-	(790,164)	(1,551,943,132)	(586,906,663)	(71,414,125,035)	(721,807,206)	(1,141,219,965)	(75,416,792,165)
Net book value	481,281,573	1,487,174	4,195,179,637	137,740,553	122,532,727,600	387,548,584	462,035,586	128,240,564,876
Year ended June 30, 2025								
Opening net book value	481,281,573	1,487,174	4,195,179,637	137,740,553	122,532,727,600	387,548,584	462,035,586	128,240,564,876
Additions	17,566,080	-	409,671,392	135,499,769	30,842,929,403	43,253,852	1,455,112,487	33,003,032,983
Assets retired - cost	-	-	-	(82,125)	(1,264,331,634)	-	(531,435)	(1,264,945,194)
Assets retired - Accumulated depreciation	-	-	-	9,125	534,911,423	-	531,435	535,451,983
Depreciation charge	-	-	(126,661,032)	(45,201,162)	(7,098,582,488)	(78,084,087)	(152,168,217)	(7,500,696,980)
Closing net book value	498,847,653	1,487,174	4,477,189,997	227,966,160	145,690,218,473	352,718,349	1,764,979,856	153,013,407,663
As at June 30, 2025								
Cost	498,847,653	2,277,338	6,155,794,160	860,064,860	223,668,014,573	1,152,609,642	3,057,836,603	235,395,444,830
Accumulated depreciation	-	(790,164)	(1,678,604,164)	(632,098,700)	(77,977,795,100)	(799,891,293)	(1,292,856,747)	(82,382,037,169)
Net book value	498,847,653	1,487,174	4,477,189,996	227,966,160	145,690,218,473	352,718,349	1,764,979,856	153,013,407,663
Annual rate of depreciation (%)								
	-	-	2	10	3.5	10	10	

16.2.1 The property and rights in the above assets were transferred to the Company on July 01, 1998 by WAPDA in accordance with the terms and conditions of the Business Transfer Agreement (BTA) executed between WAPDA and the Company.

16.2.2 Title of some of freehold land has not been transferred with the name of the Company. Book value of such freehold land is not available separately.

16.2.3 On March 01, 2019, the Company entered into an Authorization and Interest agreement with Power Holding (Private) Limited (PHPL), in which the Company authorized PHPL to carry out "Certain Actions" in relation to Relevant Transaction Assets representing freehold land at Bahawalpur, Khanpur, Dera Ghazi Khan, Jampur, Bahawalnagar, Mullan, Tounsa Shareef, Arifwala and Sahiwal having combined area of 1181 kanal and 14 marla of Rupees 256.94 million. Certain actions include selling the Relevant Transaction Assets to MBL and creating security interest over the same for the purpose of enabling PHPL to raise financing through the Sukuk issue. In addition to this agreement, PHPL entered into an Asset Purchase Agreement relating the Relevant Transaction Assets to MBL which include the land of the Company and of other distribution and generation companies for a total purchase price of Rupees 200,000 million. The Sukuk certificates have been issued by PHPL for a period of ten years.



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	Note	2025 Rupees	2024 Rupees		
16.3 DEPRECIATION ALLOCATION					
Depreciation charge for the year has been allocated as follows:					
Operating cost		7,487,549,805	6,609,200,596		
Transfer to capital work-in-progress	16.1.2	13,147,181	13,100,745		
		<u>7,500,696,986</u>	<u>6,622,301,341</u>		
17 INTANGIBLE ASSETS					
Computer Software's					
Opening book value		-	-		
Amortization charged during the year		-	-		
Closing book value		-	-		
Cost		86,476,981	86,476,981		
Accumulated amortization		(86,476,981)	(86,476,981)		
Net book value		-	-		
Amortization rate (per annum)		20%	20%		
17.1 These include SAP software, Dongle Software and Global Positioning System (GPS). All intangible assets have been fully amortized.					
18 LONG TERM LOANS TO EMPLOYEES					
House building / purchase of plots		412,102,303	421,933,599		
Vehicles		17,291,785	17,624,061		
		<u>429,394,088</u>	<u>439,557,660</u>		
Less: Current portion	24	(91,585,414)	(79,805,606)		
		<u>337,808,674</u>	<u>359,752,054</u>		
18.1 These represent long term loans given to employees for purchase / construction of houses, plots, cars, motor-cycles and bicycles. House building and plot loans are repayable in 10 years, car and motor-cycle loans in 5 years and bicycle loans in 4 years. These loans are repayable in equal monthly installments. Loans are secured by a mortgage of immovable property and hypothecation of vehicles. As per Company's policy, for employees of BPS 16 and above interest is applicable equal to the profit rate applied on 'General Provident Fund' which is 12.46% (2024: 14.22%) per annum. Loan to employees have not been discounted as required by IFRS 9 Financial Instruments as its effect is immaterial.					
19 LONG TERM DEPOSITS					
These represent security deposits with utility companies against connections.		<u>49,185</u>	<u>49,185</u>		
20 DEFERRED TAX ASSET					
Deferred tax liability arising in respect of:					
Property, plant and equipment		(26,567,040,674)	(22,868,120,192)		
Deferred tax asset arising in respect of:					
Allowance for expected credit losses		6,473,913,501	6,166,128,121		
Provision for slow moving and obsolete items of stores and spare parts		134,103,965	121,791,298		
Staff retirement benefits		19,959,023,208	16,580,200,773		
Unused tax losses and credit		-	-		
		<u>26,567,040,674</u>	<u>22,868,120,192</u>		
20.1 Analysis of change in deferred tax					
	Property, plant and equipment	Allowance for expected credit losses	stores and spare parts	Staff retirement benefits	Unused tax losses and credit
	(22,868,120,192)	6,166,128,121	121,791,298	16,580,200,773	-
Balance as on July 01, 2024					
Deferred tax asset / (liability)	(3,698,920,481)	307,785,380	12,312,667	3,833,551,859	1,762,026,541
Total deferred tax asset / (liability)	(26,567,040,673)	6,473,913,501	134,103,965	20,413,752,632	1,762,026,541
(Charge) / credit to profit or loss	(3,698,920,481)	307,785,380	12,312,667	3,378,822,435	-
Unrecognized deferred tax asset	(26,567,040,674)	6,473,913,501	134,103,965	19,959,023,208	-

20.2 Deferred income tax asset has not been recognized in these financial statements due to uncertainty in availability of sufficient future taxable profits as these temporary differences are not likely to reverse in the foreseeable future.



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20.3 The unused tax losses would expire as follows:

Accounting year to which the un-used tax losses relates	Amount of un-used tax losses	Accounting year in which unused tax losses will expire
Rupees	Rupees	Rupees
2020	66,877,530,644	2026
2021	50,658,533,373	2027
2022	82,230,034,628	2028
2023	85,229,507,277	2029
2024	25,876,386,118	2030
2025	-	2031
	<u>310,871,992,040</u>	

20.4 The minimum tax would expire as follows:

Accounting year to which the minimum tax relates	Amount of minimum tax	Accounting year in which minimum tax will expire
Rupees	Rupees	Rupees
2023	4,662,039,603	2026
2024	1,307,231,358	2027
2025	1,099,178,025	2028
	<u>7,068,448,986</u>	

	Note	2025 Rupees	2024 Rupees
21 STORES AND SPARE PARTS			
Stores		10,063,886,284	14,124,406,099
Spare parts		324,592,247	310,099,872
		<u>10,388,478,531</u>	<u>14,434,505,971</u>
Less: Provision for stores and spare parts	21.1	(462,427,466)	(419,969,994)
		<u>9,926,051,065</u>	<u>14,014,535,977</u>
21.1 Provision for slow moving and obsolete items			
Balance as at beginning of the year		(419,969,994)	(665,622,239)
Add: Provision for the year	32	(42,457,472)	-
Less: Provision reversed during the year		-	245,652,245
Balance as at end of the year		<u>(462,427,466)</u>	<u>(419,969,994)</u>
22 TRADE DEBTS			
Considered good		101,300,401,857	107,608,594,447
Considered doubtful		22,323,839,657	21,262,510,761
		<u>123,624,241,514</u>	<u>128,871,105,208</u>
Less: Allowance for expected credit losses	22.1	(22,323,839,657)	(21,262,510,761)
Less: Surcharges yet not realized		(52,581,386,992)	(51,674,002,087)
		<u>48,719,014,866</u>	<u>55,934,592,360</u>
22.1 Allowance for expected credit losses			
Balance as at beginning of the year		21,262,510,761	18,492,495,377
Add: Expected credit loss allowance for the year		1,675,233,168	2,770,015,384
		<u>22,937,743,929</u>	<u>21,262,510,761</u>
Less: Trade debts written off during the year		(613,904,272)	-
Balance as at end of the year		<u>22,323,839,657</u>	<u>21,262,510,761</u>
22.2 Trade debts are partially secured to the extent of corresponding consumers' security deposits. Trade debts as at the reporting date are classified into domestic, commercial, industrial, agriculture, public lights, residential colonies and others.			

	Note	2025 Rupees	2024 Rupees
22.3 Aging analysis of these trade debts is as follows:			
Not past due		40,374,833,440	48,229,047,265
Due up to 1 months		6,218,685,909	9,761,780,336
1 to 2 months		1,313,403,808	1,244,263,551
2 to 3 months		1,295,143,959	1,331,955,525
3 to 6 months		3,535,403,565	3,092,817,729
6 months to 1 year		5,847,608,472	3,897,476,543
1 year to 3 years		12,547,989,074	6,600,688,453
3 years and above		8,084,762,903	9,112,114,301
Deferred arrears (1 year to 3 years)		3,244,522,054	5,497,479,503
Balances due from Government		41,161,888,330	40,103,482,002
		<u>123,624,241,514</u>	<u>128,871,105,208</u>



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	Note	2025 Rupees	2024 Rupees
23 CONTRACT ASSET			
Spill over adjustment		32,371,857,808	14,070,122,753
Fuel Price adjustment		(1,536,979,303)	9,809,606,946
AQTA adjustment		(15,335,596,028)	10,781,000,000
		<u>15,499,282,477</u>	<u>34,660,729,699</u>
24 LOANS AND ADVANCES			
Unsecured - Considered goods			
Advances to Employees against expenses		37,681,382	29,356,568
Advances to suppliers		607,674,490	360,046,567
Current portion of long term loans and advances	18	<u>91,585,414</u>	<u>79,805,606</u>
		<u>736,941,286</u>	<u>469,208,741</u>
25 OTHER RECEIVABLES			
Due from associated companies / undertakings	25.1 & 25.2 & 25.3	6,476,257,466	7,006,805,151
Sales tax receivable from consumers		6,332,451,152	7,737,196,497
Subsidies receivable from Government	25.4 & 25.4.1	80,121,281,389	68,767,214,261
Duties, charges and taxes	25.5 & 25.5.1	-	-
Receivable against damaged items during warranty period		19,240,209	20,088,940
Welfare fund		258,510,149	199,266,176
Others		75,025,863	80,005,296
		<u>93,282,766,228</u>	<u>83,810,576,321</u>
25.1 Due from associated companies / undertakings			
Jamshoro Power Company Limited (GENCO-I)		8,289,311	6,868,211
Guddu Power Generation Company Limited (GENCO-II)		487,593,400	418,954,765
Northern Power Generation Company Limited (GENCO-III)		1,689,079,182	1,396,584,859
Lakhra Power Generation Company Limited (GENCO-IV)		22,346,822	882,762
Lahore Electric Supply Company Limited (LESCO)		-	323,629,131
Quetta Electric Supply Company Limited (QESCO)		33,290,502	94,547,755
Islamabad Electric Supply Company Limited (IESCO)		2,299,653	82,921,860
Peshawar Electric Supply Company Limited (PESCO)		-	432,761,593
Sukkur Electric Power Company Limited (SEPCO)		3,903,748	41,298,608
Hyderabad Electric Supply Company (HESCO)		10,438,803	2,950,611
National Transmission and Dispatch Company Limited (NTDCL)		528,415,381	368,693,700
Tribal Area Electric Supply Company (TESCO)		125,427	119,026
WAPDA Current Account	25.1.1	3,512,606,907	3,634,504,364
WAPDA Welfare Fund		<u>177,868,330</u>	<u>202,087,906</u>
		<u>6,476,257,466</u>	<u>7,006,805,151</u>
25.1.1 This includes balances amounting to Rs. 2,390 million and Rs. 817 million. With respect to the amount of Rs. 2,390 million, which relates to the sharing of obligation of post-retirement benefits of employees who retired from ex-WAPDA formations/schemes before the unbundling of WAPDA's power wing, it was decided by the Ministry of Water and Power in its meeting dated March 13, 2017, that Director Pension WAPDA will transfer the files of such employees to the respective DISCOs, and WAPDA will adjust the liability amount so worked out by the actuarial consultant against Deposit for Shares of the Company. In pursuance of the said decision, the Company has recognized an amount of Rs. 2,390 million as determined by the actuary.			
With respect to the amount of Rs. 817 million, various claims were lodged by MEPCO against payment of pension to ex-WAPDA retired employees, in pursuance of the decision of the Ministry of Water and Power vide its letter MFI.76/462-92 dated May 13, 2016, in which the Company was directed that all costs of pension paid to ex-WAPDA employees till June 30, 2014, will be borne by WAPDA. In compliance with the above decision, the Company filed its claims via letter No. Manager/Pension/Imprest/MEPCO/359 dated June 27, 2023, and letter No. FDM/Pension/17044 dated January 06, 2021. However, WAPDA has shown both amounts in their reconciliation.			
25.2 The aging analysis of amount due from associated companies / undertakings is as follows:			
Upton 6 months		969,385,554	478,929,005
6 months to 1 year		454,045,811	54,887,806
1 year to 3 years		4,494,094,495	2,771,444,768
3 years and above		558,731,606	3,701,543,572
		<u>6,476,257,466</u>	<u>7,006,805,151</u>
25.3 The maximum aggregate amount due from associates / undertakings at the end of any month during the year are as follows:			
Jamshoro Power Company Limited (GENCO-I)		717,613	588,194
Guddu Power Generation Company Limited (GENCO-II)		36,804,726	31,061,324
Northern Power Generation Company Limited (GENCO-III)		60,561,606	63,268,958
Lakhra Power Generation Company Limited (GENCO-IV)		21,464,970	56,092
Lahore Electric Supply Company Limited (LESCO)		-	8,539,198
Quetta Electric Supply Company Limited (QESCO)		4,593,786	4,484,000
Islamabad Electric Supply Company Limited (IESCO)		<u>43,471,200</u>	<u>117,056,000</u>



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	Note	2025 Rupees	2024 Rupees
Peshawar Electric Supply Company Limited (PESCO)		-	11,469,186
Sukkur Electric Power Company Limited (SEPCO)		2,950,734	23,917,183
Hyderabad Electric Supply Company (HESCO)		9,859,097	13,570,000
National Transmission and Dispatch Company Limited (NTDC)		3,056,562,871	6,267,905,117
Tribal Area Electric Supply Company (TESCO)		99,016	95,190
WAPDA Current Account		38,451,962	20,131,662
WAPDA Welfare Fund		953,820	833,767
25.4 Subsidies receivable from Government			
GST subsidy	25.4.2	33,470,004,432	33,470,004,432
Agriculture subsidy receivable from Government of Punjab		150,006,763	150,006,763
Tariff differential subsidy receivable	25.4.3	45,537,111,960	34,183,044,832
Industrial Support Package		964,158,234	964,158,234
		80,121,281,389	68,767,214,261
25.4.1 The aging analysis of amount due from associated companies / undertakings is as follows:			
Upto 6 months		15,050,615,266	9,960,558,896
6 months to 1 year		-	718,000,000
1 year to 3 years		-	17,317,209,287
3 years and above		65,070,666,123	40,771,446,078
		80,121,281,389	68,767,214,261
25.4.2 These include balances of Rupees 31,696.8 million (2024: Rupees 31,696.8 million) receivable from Government of Punjab and Rupees 1,773.32 million (2024: Rupees. 1,773.32 million) receivable from Government of Pakistan.			
25.4.3 National Electric Power Regulatory Authority (NEPRA) determines the tariff for the Company to be charged to consumers. However, the Government of Pakistan (GoP) sometime notifies lesser rate to be charged to the consumers. The difference of determined rate by NEPRA and notified rate by GoP is given to the Company in the shape of subsidies. This includes tariff differential subsidy and subsidy on Applicable Quarterly Tariff Adjustment (AQTA).			
25.5 Duties, charges and taxes	Note	2025 Rupees	2024 Rupees
Receivables not yet realized:			
Electricity duty		812,520,924	829,868,369
Income tax		1,281,283,573	1,304,181,398
Other taxes		6,424,407	579,061,691
Neelum Jhelum surcharge		142,041,325	152,040,292
Debt service surcharge		6,200,572,319	5,611,877,278
Universal obligation surcharge		84,781,295	84,378,595
T.V license fee		207,087,084	180,315,044
Equalization surcharge		2,308,820	3,833,392
		8,737,019,747	8,745,556,059
Payables not yet realized:			
Electricity duty		(812,520,924)	(829,868,369)
Income tax		(1,281,283,573)	(1,304,181,398)
Other taxes		(6,424,407)	(579,061,691)
Neelum Jhelum surcharge		(142,041,325)	(152,040,292)
Debt service surcharge		(6,200,572,319)	(5,611,877,278)
Universal obligation surcharge		(84,781,295)	(84,378,595)
T.V license fee		(207,087,084)	(180,315,044)
Equalization surcharge		(2,308,820)	(3,833,392)
		(8,737,019,747)	(8,745,556,059)
25.5.1 These represent the amounts billed to the customers on behalf of the respective authorities and are receivable at year end which have been netted off against their respective payables.			
26 DUE FROM GOVERNMENT	Note	2025 Rupees	2024 Rupees
Income tax refundable		13,680,508,804	7,757,132,820
Sales tax refundable	26.1	6,111,443,447	6,302,528,110
		19,791,952,251	14,059,660,930
26.1 SALES TAX REFUNDABLE			
This includes Rupees 4,139.03 million against sales tax refunds due from the Government relating to financial years from 2009-10 to 2011-12. An application for request to allow input tax carry forward by cancelling the applications for refund claims was filed by the Company on			



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April 26, 2018. The Company also filed Writ Petition No. 589/2019 dated July 11, 2019 before the High Court, Multan Bench, which is pending adjudication.

	Note	2025 Rupees	2024 Rupees												
27 SHORT TERM INVESTMENTS															
Investment in TDR	27.1	15,011,520,548	15,889,763,884												
Investment in treasury bills	27.2	<u>5,310,943,735</u>	<u>-</u>												
		<u>20,322,464,283</u>	<u>15,889,763,884</u>												
27.1 Investment in TDR	27.4	15,000,000,000	14,060,000,000												
Accrued profit		<u>11,520,548</u>	<u>1,829,763,884</u>												
		<u>15,011,520,548</u>	<u>15,889,763,884</u>												
27.2 Investment in treasury bills		5,000,000,000	-												
Accrued profit		<u>310,943,735</u>	<u>-</u>												
		<u>5,310,943,735</u>	<u>-</u>												
27.3															
<table border="1"> <tr> <th>Bank</th><th>Investment type</th><th>Maturity period</th><th>Rate</th></tr> <tr> <td>Bank Al-Falah Limited</td><td>Treasury bill</td><td>one year</td><td>12.01%</td></tr> <tr> <td>Habib bank limited</td><td>Term deposit receipt</td><td>one year</td><td>17.60%</td></tr> </table>	Bank	Investment type	Maturity period	Rate	Bank Al-Falah Limited	Treasury bill	one year	12.01%	Habib bank limited	Term deposit receipt	one year	17.60%			
Bank	Investment type	Maturity period	Rate												
Bank Al-Falah Limited	Treasury bill	one year	12.01%												
Habib bank limited	Term deposit receipt	one year	17.60%												
27.4															
Out of these term deposit receipts of Rs. 200 million is marked as lien with bank for issuance of bank guarantee. Further, this also include Rupees 15,945 million of long term security deposits received from consumers as disclosed in Note 10.															
28 CASH AND CASH EQUIVALENTS															
Current accounts		6,258,920,355	4,551,334,600												
Deposit accounts	28.1	<u>4,139,525,158</u>	<u>4,608,936,205</u>												
Short term investment		<u>13,877,534,099</u>	<u>11,985,236,116</u>												
		<u>24,275,979,612</u>	<u>21,145,506,921</u>												
28.1															
This includes deposit with various banks and the rate of profit on these deposit accounts ranges between 9% to 17.6% (2024: 18% to 24%) per annum.															
29 SALE OF ELECTRICITY - NET															
Gross sales	29.1	531,406,276,357	618,938,364,582												
Less: Sales tax		<u>(91,735,066,200)</u>	<u>(96,045,821,533)</u>												
		<u>439,671,210,157</u>	<u>522,892,543,049</u>												
29.1															
This amount includes adjustment of Rs 5,061.62 million (2024: 1,009 million) on account of excess units received from net metering consumers as on 30th June, 2025.															
30 TARIFF DIFFERENTIAL SUBSIDIES															
These represent the tariff subsidies claimed from the Government of Pakistan as the difference between rates determined by NEPRA and rates charged to the consumers as notified by the Government of Pakistan from time to time.															
31 COST OF ELECTRICITY															
The Company purchased electricity from CPPA and other private power producers. The electricity purchased during the year has been accounted for according to invoices issued by CPPA.															
32 DISTRIBUTION COST EXCLUDING DEPRECIATION															
Salaries, wages and other benefits		15,059,224,160	14,235,569,880												
Staff retirement benefits	9.2	<u>23,269,201,351</u>	<u>19,573,624,857</u>												
Repair and maintenance		<u>2,017,526,784</u>	<u>1,584,999,993</u>												
Travelling and conveyance		<u>1,085,967,068</u>	<u>1,138,127,885</u>												
Transportation		<u>683,956,521</u>	<u>824,675,205</u>												
Advertising and publicity		<u>47,176,471</u>	<u>29,007,375</u>												
Office supplies and other expenses		<u>132,259,777</u>	<u>111,399,534</u>												
Legal and professional charges		<u>41,914,763</u>	<u>38,441,895</u>												
Auditors' remuneration	32.1	<u>2,049,000</u>	<u>4,975,000</u>												
Power, light and water		<u>261,780,137</u>	<u>215,330,307</u>												
Computer and outsource services		<u>568,973,682</u>	<u>373,265,079</u>												
Telephone and postage		<u>85,053,187</u>	<u>76,563,799</u>												
Management fees		<u>229,826,475</u>	<u>176,628,412</u>												
Rent, rates and taxes		<u>42,062,752</u>	<u>32,311,828</u>												
Insurance		<u>61,455,784</u>	<u>61,185,000</u>												



MULTAN ELECTRIC POWER COMPANY LIMITED
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	Note	2025 Rupees	2024 Rupees
Impairment of capital work in progress	16.1.1	46,360,668	1,869,598
Provision stores and spare parts	21.1	42,457,472	-
Workers' profit participation fund		346,257,693	1,746,901,710
Late payment charges (supplementary charges)	32.2	8,033,984,292	7,852,127,645
Other charges		47,133,896	28,220,480
Miscellaneous. Losses		710,000	-
		52,105,331,932	48,105,225,482
Less: Transferred to Capital Work-in-Progress	16.1.2	(710,603,334)	(1,066,818,359)
		51,394,728,598	47,038,407,123
32.1 Auditor's remuneration			
Audit fee		2,049,000	2,000,000
Tax consultancy fee		-	2,700,000
Reimbursable expenses		-	275,000
		2,049,000	4,975,000
32.2			
These represents supplemental charges of Rupees 8,033.984 million (2024: Rupees 7,851.20 million) passed on the Company, which comprise re-allocation of mark-up on late payments imposed by Independent Power Producers (IPPs) to CPPA on the basis of average outstanding balance.			
33 CUSTOMER SERVICES COST	Note	2025 Rupees	2024 Rupees
Salaries, wages and other benefits		2,920,132,101	955,918,238
Staff retirement benefits	9.2	2,042,661,629	3,284,847,618
Repair and maintenance		28,936,590	33,399,866
Travelling and conveyance		162,879,753	166,423,445
Electricity bills collection charges		624,569,857	677,482,072
Transportation		28,978,264	33,232,137
Office supplies and other expenses		363,115,202	307,153,511
Power, light and water		54,142,628	44,222,355
Fees and subscriptions		538,567,808	435,733,615
Telephone and postage		83,581,282	75,215,794
Rent, rates and taxes		3,727,750	149,718
Other charges		2,753,075	2,750,009
		6,854,045,939	6,016,528,378
34 OTHER INCOME			
Income from financial assets:			
Profit on bank deposits and term deposit receipts		5,685,876,296	7,727,225,856
Late payment surcharge		8,033,984,292	7,852,127,645
		13,719,860,588	15,579,353,501
Income from non-financial assets:			
Commission on T.V license fee services		63,356,494	60,398,488
Meter / service rent		77,298,375	71,536,313
Service charges		166,796,849	182,717,472
Reconnection fees		126,087,497	136,937,730
Contract liabilities transferred to other income		-	4,294,490,404
Sale of scrap		-	12,640,256
Reversal of provision stores and spare parts		-	245,652,245
Miscellaneous		1,639,133,814	930,558,567
		2,072,673,029	5,934,931,475
		15,792,533,617	21,514,284,976
35 FINANCE COST AND OTHER CHARGES			
Mark-up on long term financing		825,859,855	920,846,709
Bank charges and commission		3,178,172	4,009,309
		829,038,027	924,856,018
36 LEVIES			
Minimum tax	36.1	1,105,349,674	1,312,063,237
		1,105,349,674	1,312,063,237

36.1 This represents minimum tax provision under section 113 of the Income Tax Ordinance, 2001 @ 0.25% of total turnover considering electricity as Fast Moving Consumer Goods (FMCG). The provision for minimum tax has been recognised as levies in these financial statements as per the requirements of IFRIC 21 / IAS 37 and guide on IAS 12 issued by ICAP.



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	Note	2025 Rupees	2024 Rupees
36.2 Income tax			
Current tax - for the year		561,927,835	-
37 Earning Per Share - Basic and Diluted			
Basic earnings per share			
Profit after taxation		5,257,741,346	31,879,069,262
Weighted average number of ordinary shares		1,082,363,604	1,082,363,604
Earnings per share - Basic		5	29

37.1 There is no dilutive effect on basic earning per share of the Company.

38 CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefit for other shareholders and to maintain an optimal capital structure to reduce the cost of capital. As public interest entity, financial support is available to the Company from Federal Government and WAPDA in the form of delayed settlement of CPPA against electricity purchase, tariff revision and subsidy on purchases.

Consistent with industry practices, the Company monitors its capital structure using the gearing ratio, calculated as borrowings divided by total capital employed. Borrowings include both long-term financing and short-term borrowings, while total capital employed comprises total equity (as shown in the statement of financial position) plus borrowings. The Company's strategy has remained unchanged from the previous year.

	2025 Rupees	2024 Rupees
The gearing ratios is as follows:		
Long term financing	15,775,800,258	14,462,868,039
Accrued mark-up	12,033,442,477	11,207,582,622
Total debt	27,809,242,735	25,670,450,661
Total equity	(76,722,794,915)	(95,158,721,387)
Total capital employed	(48,913,552,180)	(69,488,270,726)
Gearing ratio	-57%	-37%

39 RECONCILIATION OF MOVEMENT OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

	2025			
	Long term financing	Long term security deposits	Contract Liabilities and deferred credit	Total
	Rupees			
Balance as at July 01, 2024	14,164,846,196	14,604,383,158	107,962,173,029	136,731,402,383
Financing obtained	298,021,843	-	-	298,021,843
Repayment of financing	(34,218,310)	-	-	(34,218,310)
Security deposits received	-	1,509,010,705	-	1,509,010,705
Receipts against deposit works	-	-	(1,856,972,971)	(1,856,972,971)
Amortization of deferred credit	-	-	11,528,085,038	11,528,085,038
	283,803,533	1,509,010,705	9,671,112,067	11,443,926,305
Balance as at June 30, 2025	14,428,649,729	16,113,393,863	117,633,285,096	148,175,328,688
Balance as at July 01, 2023	14,199,064,506	13,593,750,786	108,110,561,221	135,903,376,513
Financing obtained	-	-	-	-
Repayment of financing	(34,218,310)	-	-	(34,218,310)
Security deposits received	-	1,010,632,372	-	1,010,632,372
Receipts against deposit works	-	-	3,766,762,725	3,766,762,725
Amortization of deferred credit	-	-	(3,915,150,917)	(3,915,150,917)
	(34,218,310)	1,010,632,372	(148,388,192)	828,025,870
Balance as at June 30, 2024	14,164,846,196	14,604,383,158	107,962,173,029	136,731,402,383

40 NUMBER OF EMPLOYEES

	2025 Number	2024 Number
Number of employees at the year end	13,705	14,221
Average number of employees during the year	13,963	14,461



MULTAN ELECTRIC POWER COMPANY LIMITED
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41 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company has exposure to the following risks from financial instruments:

- a) Credit risk
- b) Market Risk
- c) Liquidity risk

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is responsible 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. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board of Directors of the Company oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

41.1 Credit Risk

Credit risk is the risk which arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. Concentrations of credit risk arise when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. Keeping in view short term and long-term outlook of each sector, management has taken into consideration the factors while calculating expected credit losses against trade debts and other receivables.

The Company monitors the credit quality of its financial assets with reference to the historical performance of such assets and available external credit ratings. The carrying values of the financial assets exposed to credit risk are as follows:

	2025 Rupees	2024 Rupees
Trade debts	48,719,014,866	55,934,592,360
Accrued interest	63,315,829	96,240,631
Deposits	49,185	49,185
Other receivables	13,161,484,839	15,043,362,060
Short term investment	20,322,464,283	15,889,763,884
Bank balances	24,275,979,612	21,145,506,921
	<u>106,542,308,614</u>	<u>108,109,515,041</u>

To manage exposure to credit risk in respect of trade debts, management takes into account the long standing business relationships with these counterparties, and after giving due consideration to their strong financial standing, including obtaining security deposits from them, the management does not expect non-performance by these counter parties on their obligations to the Company. Accordingly, credit risk is minimal.

The Company applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade debts. Management uses actual historical credit loss experience, credit risk characteristics and past days due, adjusted for forward-looking factors specific to the debtors and the economic environment to determine expected credit loss allowance.

Based on the past experience and deliberations management has recognized expected credit losses in respect of trade debts as given in Note 22 to the financial statements.

The Company maintains balances with scheduled banks and the Pakistan Post Office. The balance held with the Pakistan Post Office amounts to Rs. 5,200,888,454 (2024: Rs. 2,209,455,051) and carries very low credit risk, as the Post Office is backed by the Government of Pakistan.

The Company also has a balance of Rs. 214,383,418/- (2024: Rs. 214,383,418/-) deposited with Trust Investment Bank Limited, which is under liquidation proceedings. The recoverability of this balance depends on the outcome of the liquidation and is disclosed as a contingent asset in note 15.

The credit quality of the Company's bank balances can be assessed with reference to external credit ratings.

	Rating			2025	2024
	Short Term	Long Term	Agency	(Rupees)	(Rupees)
Allied Bank Limited	A1+	AAA	PACRA	113,143,908	1,026,759,782
United Bank Limited	A1+	AAA	JCR-VIS	2,055,979,704	254,687,889
MCB Bank Limited	A1+	AAA	PACRA	16,401,128	145,615,305
Habib Bank Limited	A1+	AAA	JCR-VIS	1,093,274,383	15,172,475,143
National Bank of Pakistan	A1+	AAA	PACRA	1,998,019,402	258,943,168
The Bank of Punjab	A1+	AA+	PACRA	522,839,160	727,843,787
Bank Alfalah Limited	A1+	AAA	PACRA	65,959,427	16,241,282
Bank Al-Habib Limited	A1+	AAA	PACRA	443,784,541	8,906,684
Meezan Bank Limited	A1+	AAA	JCR-VIS	770,561	3,862,601
Sonari Bank Limited	A1+	AA-	PACRA	417,711	3,882,976
Askari Bank Limited	A1+	AA+	PACRA	40,528,313	20,199,443



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	Rating			2025	2024
	Short Term	Long Term	Agency	(Rupees)	(Rupees)
Faysal Bank Limited	A1+	AA	PACRA	12,209,433,351	666,787,270
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	84,698,135	79,773,240
Standard Chartered Bank Limited	A1+	AAA	PACRA	454,600	454,600
Zarai Taraqati Bank Limited	A1+	AAA	JCR-VIS	124,415,484	135,765,149
JS Bank Limited	-	AA-	PACRA	7,191,808	13,542,855
First Women Bank	A2	A-	PACRA	6	6
Dubai Islamic Bank Pakistan Limited	A1+	AA	JCR-VIS	766,433	3,194,517
Bank Islami Pakistan Limited	A1	AA-	PACRA	289,280	84,976
Bank of Khyber	A1	A+	PACRA	78,654	78,654
Punjab Provincial Cooperative Bank Limited	BBB+	A2	PACRA	81,830,830	182,138,206
Silk Bank Limited	Suspended		JCR-VIS	430,921	430,921
				18,860,707,740	18,721,668,454

41.2 Market Risk

Market risk is the risk that the value of the financial instruments may fluctuate as a result of change in foreign exchange rates and interest rates. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

41.2.1 Foreign currency risk

Foreign currency risk is the risk that the future cash flows of financial asset or a liability will fluctuate due to a change in foreign exchange rates. It arises mainly where receivables and payables exist due to transactions entered into in foreign currencies. The Company is not exposed to any foreign currency risk as there was no foreign party transaction during the year and no receivable and payable balance in foreign currency at the year end.

41.2.2 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. The Company mitigates its risk against exposure by maintaining adequate bank balances. Majority of the interest rate exposure arises from long term financing, long term advances, bank balances in saving accounts and term deposit receipts. Financial instruments at variable rates expose the Company to cash flow interest rate risk. Financial instruments at fixed rate expose the Company to fair value interest rate risk. Interest rates are mostly dependent upon Karachi Inter Bank Offered Rate ("KIBOR") as indicated in respective notes.

At the reporting date the interest rate profile of the Company's interest bearing financial instruments was:

	2025 Rupees	2024 Rupees
Fixed rate instruments		
Financial assets		
Long term loans to employees	429,394,088	439,557,660
Short term investment	20,322,464,283	15,889,763,884
Financial liabilities		
Long term financing	15,686,038,133	14,359,145,633
Floating rate instruments		
Financial assets		
Bank balances - deposit accounts	4,139,525,158	4,608,936,205

Fair value sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

The following analysis demonstrates the sensitivity to a change in interest rates, with all other variables held constant, of the Company's profit before tax. This analysis is prepared assuming the amounts of floating rate instruments outstanding at statement of financial position dates were outstanding for the whole year.

	Changes in interest rate	Effects on profit before tax
Bank balance - deposit / saving account	+1%	41,395,252
	-1%	(41,395,252)



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41.2.3 Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is not exposed to equity price risk since there are no investments in equity securities. The Company is also not exposed to commodity price risk since it does not hold any financial instrument based on commodity price.

41.3 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in raising funds to meet commitments associated with the financial instruments. The management is closely monitoring the Company's liquidity and cash flow position through its treasury function and ensures availability of funds by maintaining credit facilities available from financial institutions. The liquidity management also involves monitoring of liquidity ratios and maintaining debt financing plans.

Table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted cash flows:

	June 30, 2025				
Carrying amount	Contractual cash flows	6 months or less	6-12 months	More than 3 years	
(Rupees)					
Non-derivative financial liabilities:					
Long term financing	15,775,800,258	14,462,868,039	1,071,518,264	8,674,832,168	4,716,517,607
Long term security deposits	16,113,393,863	16,113,393,863	-	-	16,113,393,863
Trade and other payables	132,742,129,008	132,742,129,008	132,742,129,008	-	-
Accrued mark-up	12,033,442,477	12,033,442,477	12,033,442,477	-	-
	176,664,765,606	175,351,833,387	145,847,089,749	8,674,832,168	20,829,911,470
Non-derivative financial liabilities:					
Long term financing	14,462,868,039	14,462,868,039	1,071,518,264	8,674,832,168	4,716,517,607
Long term security deposits	14,604,383,158	14,604,383,158	-	-	14,604,383,158
Trade and other payables	166,381,801,209	166,381,801,209	166,381,801,209	-	-
Accrued mark-up	11,207,582,622	11,207,582,622	11,207,582,622	-	-
	206,656,635,028	206,656,635,028	178,660,902,095	8,674,832,168	19,320,900,765

41.3 Financial instruments by category

Financial assets as per statement of financial position:

Trade debts
Loans and advances
Accrued interest
Deposits
Other receivables
Short term investments
Bank balances



	2025	2024
Rupees	Rupees	Rupees
At amortized cost		
	48,719,014,866	55,934,592,360
	429,394,088	439,557,660
	63,315,829	96,240,631
	49,185	49,185
	13,161,484,839	15,043,362,060
	20,322,464,283	15,889,763,884
	<u>24,275,979,612</u>	<u>21,145,506,921</u>
	<u>106,971,702,702</u>	<u>108,549,072,701</u>

Financial liabilities as per statement of financial position:		
	2025	2024
	Rupees	Rupees
	At amortized cost	
Long term financing	15,775,800,258	14,462,868,039
Long term security deposits	16,113,393,863	14,604,383,158
Trade and other payables	139,472,623,400	172,766,037,908
Accrued mark-up	12,033,442,477	11,207,582,622
	<u>183,395,259,998</u>	<u>213,040,871,727</u>

Aggregate amount charged in these financial statements in respect of remuneration including all benefits to the Chief Executive Officer, directors and executives of the Company are as follows:

42.1 All executives are provided free electricity and some of the executives are also provided unfurnished accommodation, free use of the Company's maintained vehicle and telephone facility as per the Company's rules.

42.2 No remuneration was paid to any director, and only a meeting fee of Rs. 60,000 (2024: 60,000) per meeting was paid to each director.



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43 TRANSACTIONS WITH RELATED PARTIES

Related parties comprise associated companies / undertakings and key management personnel. Detail of transactions with related parties, other than those which have been disclosed elsewhere in these financial statements, are as follows:

43.1	Name of related party	Nature of transaction	Note	2025 Rupees	2024 Rupees
	National Electric Regulatory Authority	Power Management fee		229,826,475	176,628,412
	National Transmission and Despatch Company Limited	cash received		(48,064,622)	-
		Adjustment during the year		(276,943,939)	(246,173,143)
		Pension paid to employees of associated company		(956,936)	(260,636)
		Free supply of electricity provided to employees		283,960,411	252,163,528
		Adjustment against use of system charges		190,795,547	279,000,203
		Adjustment by MEPCO		(278,928,905)	-
		Adjustment by CPPA-G		(978,323)	-
		Adjustment by CPPA-G		875,028,661	(341,084,677)
		Adjustment by CPPA-G		(585,097,236)	-
	Central Power Purchasing Agency (Guaranteee) Limited	Purchase of electricity		(478,270,186,667)	(535,980,598,014)
		Net metering credit note		-	(158,045,521)
		Market operation fee		(114,871,797)	(200,873,664)
		Fuel cost recovery		(630,944,623)	214,742,387
		Cash settlement		449,990,147,773	505,454,330,670
		Market operation fee		(503,954,845)	(132,862,762)
		Cash settlement for market operation fee		503,954,845	132,862,762
		Credit / Debit notes received by CPPA-G		73,036,538,563	70,340,467,159
		Small power producer		-	(10,894,864)
		Miscellaneous debit note		586,862,038	-
		PHL markup reversal entry		-	(7,687,658)
		Adjustments		4,874,997,467	539,270,000
		Use of system charges		(25,843,535,373)	(39,497,054,159)
		Supplemental charges		(8,033,984,292)	(7,852,127,645)
		GOP Equity credit note		19,289,844,711	6,220,069,283
	Lahore Electric Supply Company Limited (LESCO)	Adjustment of payable by CPPA-G		224,228,689	-
		Adjustment of receivable by CPPA-G		(91,702,118)	-
		Pension paid to employees of associated company		41,394,937	42,845,991
		Pension received by employees of company by associated company		(166,550,030)	(156,165,061)
		Amount paid by associated undertaking		67,692,115	11,704,090
		Adjustment during the year		29,235,402	7,730,515
		Free supply of electricity provided to employees of associated company		36,210,950	35,602,102
		Free supply of electricity received by employees of company from associated company		(29,669,647)	(39,221,569)
		Ebill received by the associated undertaking		1,339,266	1,262,975
		Ebill received on behalf of associated undertaking		(2,514,384)	(1,803,924)
		Global adjustment by CPPA-G		(462,768,913)	-



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Name of related party	Nature of transaction	Note	2025 Rupees	2024 Rupees
Lakhra Power Generation Company Limited (GENCO-IV)	Pension received by employees of company by associated company Debit note received Free supply of electricity provided to employees of associated company Free supply of electricity received by employees of company from associated company		(910) 21,464,970 -	- 57,751 (108,622)
Quetta Electric Supply Company Limited (QESCO)	Adjustment of receivable by CPPA-G Reimbursement by the associated company Pension paid to employees of associated company Free supply of electricity provided to employees of associated company Free supply of electricity received by employees of company from associated company Ebill received on behalf of associated associated undertaking Global adjustment by CPPA-G		(32,965,056) (29,513,062) 46,286,365 16,251,668 (579,973) (11,364) (60,275,831)	- (16,473,941) 37,830,755 12,598,199 1,404,145 1,749 -
Islamabad Electric Supply Company Limited (IESCO)	Adjustment of payable by CPPA-G Adjustment of receivable by CPPA-G Pension paid to employees of associated company Pension received by employees of company by associated company Cash settlement Adjustment of payable with receivable Adjustment of receivable with payable cash received Global adjustment by CPPA-G		42,897,317 (29,772,028) 27,730,891 (39,344,273) 8,943,199 14,187,132 (14,187,132) (417,168) (92,698,265)	- - 20,842,555 (37,567,030) 6,288,944 7,274,404 (7,274,404)
Peshawar Electric Supply Company Limited (PESCO)	Adjustment of payable by CPPA-G Adjustment of receivable by CPPA-G Pension paid to employees of associated company Pension received by employees of company by associated company Cash settlement Free supply of electricity provided to employees of associated company Free supply of electricity received by employees of company from associated company Ebill received by the associated undertaking Ebill received on behalf of associated associated undertaking		32,670,814 (1,219,985) 4,338,025 (45,053,137) -	19,382,606 (5,214,783) 2,688,759 (9,037,859) 1,412,159 (1,412,159) 2,689,519 (34,206,326) 26,091,312 2,747,334 4,166,079 -
Hyderabad Electric Supply Company Limited (HESCO)	Adjustment of payable by CPPA-G Adjustment of receivable by CPPA-G Pension paid to employees of associated company Pension received by employees of company by associated company Free supply of electricity provided to employees of associated company Free supply of electricity received by employees of company from associated company Global adjustment Ebill received on behalf of associated associated undertaking Ebill received by the associated undertaking		4,096,595 (4,679,849) (454,474,895) (85,238) -	12,056
	Adjustment of payable by CPPA-G Adjustment of receivable by CPPA-G Pension paid to employees of associated company Pension received by employees of company by associated company Free supply of electricity provided to employees of associated company Free supply of electricity received by employees of company from associated company Ebill received by the associated undertaking Global adjustment		29,039,344 (42,078,142) 21,770,108 (17,994,039) 2,248,610 (22,098,131) 73,536 (526,898)	21,022,763 (9,555,194) 1,848,512 (2,671,370) 81,032 (43,970)



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FOR THE YEAR ENDED JUNE 30, 2025

Name of related party	Nature of transaction	Note	2025 Rupees	2024 Rupees
Sukkur Electric Company Limited (SEPCO)	Power Adjustment of payable by CPPA-G		22,743,991	-
	Adjustment of receivable by CPPA-G		(26,319,047)	-
	Reimbursement by associated undertaking		(26,019,064)	-
	Pension paid to employees of associated company		14,323,549	12,993,589
	Pension received by employees of company by associated company		(10,824,932)	(7,648,421)
	Adjustment in current year		180,964	(454,781)
	Free supply of electricity provided to employees of associated company		1,939,860	33,151,504
	Free supply of electricity received by employees of company from associated company		(5,521,913)	(3,519,419)
	Ebill received by the associated undertaking		(459,848)	(305,378)
	Ebill received on behalf of associated associated undertaking		-	339,226
	Global adjustment		(7,438,420)	-
Faisalabad Electric Supply Company Limited (FESCO)	Adjustment of payable by CPPA-G		244,566,944	-
	Adjustment of receivable by CPPA-G		(53,885,921)	-
	Pension paid to employees of associated company		43,537,759	34,595,923
	Pension received by employees of company by associated company		(204,097,068)	(194,282,558)
	Amount paid to associated undertaking		57,609,155	42,479,595
	Amount adjusted with receivable		14,777,166	10,100,553
	Amount adjusted from payable		(14,777,166)	(10,100,553)
	Free supply of electricity provided to employees of associated company		14,452,712	18,104,162
	Free supply of electricity received by employees of company from associated company		(34,968,757)	(29,657,715)
	Ebill received by the associated undertaking		9,778,429	602,635
	Ebill received on behalf of associated associated undertaking		(2,920,030)	(10,842,438)
	Global Adjustment		76,376,639	-
Gujranwala Electric Power Company Limited (GEPCO)	Adjustment of payable by CPPA-G		90,223,090	-
	Adjustment of receivable by CPPA-G		(16,258,942)	-
	Pension paid to employees of associated company		10,720,047	8,192,449
	Pension received by employees of company by associated company		(69,390,001)	(47,095,822)
	Cash settlement		38,651,550	-
	Adjustment of payable with receivable		7,994,167	-
	Adjustment of receivable with payable		(7,994,167)	-
	Free supply of electricity provided to employees of associated company		8,915,379	8,754,732
	Free supply of electricity received by employees of company from associated company		(4,432,478)	(3,585,989)
	Ebill received by the associated undertaking		593,937	70,255
	Ebill received on behalf of associated associated undertaking		(972,294)	(1,884,184)
	Global Adjustment		(19,817,310)	-
Water and Power Development Authority (WAPDA)	Payment received by company from associated company		103,762,498	229,907,929
	Cash received from WAPDA in respect of WAPDA welfare fund		(172,619,349)	(155,338,013)
	Free supply of electricity provided to employees of associated company		131,580,730	-
	Cash received from WAPDA in respect of free electricity provided		(184,631,336)	-
Tribal Area Electric Supply Company (TESCO)	Free supply of electricity provided to employees of associated company		125,426	119,025
	Global adjustment		(119,025)	-
Power Information Technology Company	Services received during the year		261,237,693	-
	Amount paid during the year		224,819,227	-



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Name of related party	Nature of transaction	Note	2025 Rupees	2024 Rupees
Jamshoro Power Company Limited (GENCO-I)	Pension paid to employees of associated company		7,124,437	6,713,618
	Amount received from associated company		(6,659,335)	(5,445,607)
	Pension received by employees of company by associated company		1,168,208	-
	Pension received by employees of company by associated company		(212,210)	-
	Free supply of electricity provided to employees of associated company		-	975,218
	Free supply of electricity received by employees of company from associated company		-	(256,935)
Central Power Generation Company Limited (GENCO-II)	Pension paid to employees of associated company		609,586,291	347,632,232
	Amount received from associated company		(603,563,166)	(448,043,242)
	Free supply of electricity provided to employees of associated company		65,166,799	71,903,001
	Free supply of electricity received by employees of company from associated company		(2,551,289)	(1,859,501)
Northern Power Generation Company Limited (GENCO-III)	Pension paid to employees of associated company		680,069,477	508,124,101
	Amount received from associated company		(608,869,545)	(789,015,310)
	Free supply of electricity provided to employees of associated company		230,179,933	218,269,513
	Free supply of electricity received by employees of company from associated company		(8,885,542)	(2,157,954)
43.2			2025 Rupees	2024 Rupees
Name of related party	Closing balance	Note		
Jamshoro Power Company Limited (GENCO-I)	Due from associated companies / undertakings		8,289,311	6,868,211
Guddu Power Generation Company Limited (GENCO-II)	Due from associated companies / undertakings		487,593,400	418,954,765
Northern Power Generation Company Limited (GENCO-III)	Due from associated companies / undertakings		1,689,079,182	1,396,584,859
Lakhra Power Generation Company Limited (GENCO-IV)	Due from associated companies / undertakings		22,346,822	882,762
Lahore Electric Supply Company Limited (LESCO)	Due from associated companies / undertakings		-	323,629,131
Quetta Electric Supply Company Limited (QESCO)	Due from associated companies / undertakings		33,290,502	94,547,755
Islamabad Electric Supply Company Limited (IESCO)	Due from associated companies / undertakings		2,299,653	82,921,860
Peshawar Electric Supply Company Limited (PESCO)	Due from associated companies / undertakings		-	432,761,593
Sukkur Electric Power Company Limited (SEPCO)	Due from associated companies / undertakings		3,903,748	41,298,608
Hyderabad Electric Supply Company (HESCO)	Due from associated companies / undertakings		10,438,803	2,950,611
National Transmission and Dispatch Company Limited (NTDCL)	Due from associated companies / undertakings		528,415,381	368,693,700
Tribal Area Electric Supply Company (TESCO)	Due from associated companies / undertakings		125,427	119,026
WAPDA Current Account	Due from associated companies / undertakings		3,512,606,907	3,634,504,364
WAPDA Welfare Fund	Due from associated companies / undertakings		177,869,330	202,087,906
Central Power Purchasing Agency (Guarantee) Limited (CPPA)	Due to associated companies		105,173,058,791	140,057,926,768
Peshawar electric supply company limited (PESCO)	Due to associated companies		31,646,077	-
Lahore Electric Supply Company Limited (LESCO)	Due to associated companies		29,474,602	-
Gujranwala Electric Power Company Limited (GEPCO)	Due to associated companies		1,542,369	39,775,347
Faisalabad Electric Supply Company Limited (FESCO)	Due to associated companies		116,572,943	250,555,028
Power Information Technology Company (Private) Limited (PITC)	Due to associated companies		90,029,140	53,610,674

43.3 Detail of compensation to key management personnel comprising of Chief Executive Officer, directors and executives is disclosed in Note 42.



MULTAN ELECTRIC POWER COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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43.4 Associated companies / undertakings with whom the Company have transactions during the year:

Name of the related party	% of shareholding
Jamshoro Power Company Limited (GENCO-I)	Not applicable
Central Power Generation Company Limited (GENCO-II)	Not applicable
Northern Power Generation Company Limited (GENCO-III)	Not applicable
Lakhta Power Generation Company Limited (GENCO-IV)	Not applicable
National Transmission and Dispatch Company Limited (NTDC)	Not applicable
Central Power Purchasing Agency (Guarantee) Limited (CPPA)	Not applicable
Lahore Electric Supply Company Limited (LESCO)	Not applicable
Quetta Electric Supply Company Limited (QESCO)	Not applicable
Islamabad Electric Supply Company Limited (IESCO)	Not applicable
Peshawar Electric Supply Company Limited (PESCO)	Not applicable
Hyderabad Electric Supply Company Limited (HESCO)	Not applicable
Sukkur Electric Power Company Limited (SEPCO)	Not applicable
Faisalabad Electric Supply Company Limited (FESCO)	Not applicable
Gujranwala Electric Power Company Limited (GEPCO)	Not applicable
Water and Power Development Authority (WAPDA)	Not applicable
Tribal Area Electric Supply Company (TESCO)	Not applicable
Power Information Technology Company (Private) Limited (PITC)	Not applicable

43.4.1 The Company and all of the above mentioned companies / undertakings are under common control of the Government of Pakistan with the Ministry of Water and Power.



MULTAN ELECTRIC POWER COMPANY LIMITED
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44 RECOGNIZED FAIR VALUE MEASUREMENTS

Fair value hierarchy

Certain financial assets and financial liabilities are 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. Judgments and estimates are made in determining the fair values of the financial instruments that are recognized and measured at fair value in these financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company classifies its financial instruments into following three levels. However, as at the reporting date, the Company has no such type of financial instruments which are required to be grouped into these levels. These levels are explained as under:

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, 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 maximize 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.

45 CLIMATE RELATED DISCLOSURES

a) Governance

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework, which includes climate-related risks and opportunities. Oversight of environmental and social compliance is embedded within the Company's governance structure.

b) Strategy

The Company implements national regulatory requirements and project(s) financed by international lenders. To operationalize this commitment, Company has established an Environment and Social Safeguard Section within Project Management Unit (PMU) to ensure compliance with national regulatory requirements through the Punjab Environmental Protection Agency (EPA) and simultaneously adhering to the safeguard policies of international financing agencies including the Asian Development Bank (ADB) and the World Bank.

Both institutions require compliance with their respective environmental and social safeguard policies/standards. Which are designed to address social, environmental, and climate-related impacts. These requirements are integrated in project design, thereby supporting the company's resilience to climate-related risks.

c) Risk Management

Company recognizes that climate change poses both risks and opportunities to its long-term sustainability and accordingly identify, assesses and manage climate related risks to its distribution network and development projects. These assessments include Environmental and Social Impact Assessment (ESIA), Environmental Impact Assessment (EIA)/Initial Environmental Examination (IEE), Resettlement Action Plan (RAP) and Environment Management Plan (EMP). These environment and social assessments carried out to:

- Evaluate physical risks such as extreme weather events (heat waves, floods, and storms) that may affect both infrastructure and workforce.
- Embedded risk mitigation measures into project design and construction phases.
- Monitoring compliance and preparing periodic safeguard reports for submission to international financiers and regulatory agencies.

d) Metrics and Targets

Greenhouse Gas Emissions

As an electricity distribution company, the Company does not operate generation facilities and therefore does not produce greenhouse gas emissions from power production. Scope 1 emissions are limited to auxiliary activities such as vehicles and standby generators, which are immaterial. Scope 2 emissions relate mainly to energy consumed in offices and operational facilities, while Scope 3 emissions are not material given the nature of the Company's business model.



MULTAN ELECTRIC POWER COMPANY LIMITED
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Climate-related Transition Risks

The Company is asset-intensive, with substantial investment in distribution infrastructure. While transition risks could impact such assets, the depreciation policy is designed to reflect the expected pattern of benefits derived from their use. Accordingly, no additional disclosure is considered necessary beyond the information already provided in the Property, Plant and Equipment note.

Targets

The Company has not established quantitative climate-related targets. Its approach is based on compliance with the requirements of international lenders, such as the Asian Development Bank and the World Bank, and with the Environmental Protection Agency Punjab, which together form the basis of environmental performance monitoring and reporting.

Transition Relief under IFRS S1

The Company has adopted the IFRS Sustainability Disclosure Standards for the first time in the current reporting period. In accordance with the transition relief provided in IFRS S1, paragraph E5, the Company has disclosed information only in relation to climate-related risks and opportunities as required by IFRS S2.

46 SIGNIFICANT EVENTS

Subsequent to the year end, Institute of Chartered Accountant of Pakistan (ICAP) issued a clarification dated August 04, 2025 on the adoption of accounting framework particularly in Section 25(2), which mandates the preparation of financial statements in accordance with IFRS Accounting Standards. The language used in SOE Act, 2023 does not make any reference to "IFRS as notified by SECP" or allow for local exemptions. This signifies a deliberate legislative intent to ensure full compliance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB), without deviation or adaptation through national notification processes. Consequently, application of IFRS Accounting Standards with exemptions, whether by SECP or otherwise, would fall short of the statutory requirements prescribed under the SOE Act, 2023

47 CORRESPONDING FIGURES

Corresponding figures have been reclassified wherever necessary to reflect more appropriate presentation of events and transactions for the purpose of comparison in accordance with the accounting and reporting standards as applicable in Pakistan. Other than the reclassification shown in Note 5 of the financial statements, following reclassification has been made.

Particulars	Reclassification		2024 Rupees
	From	To	
Current asset	Accrued interest	Short term investment	322,464,283
Current asset	Advance income tax	Due from government	7,757,132,820
Current asset	Sale tax receivable	Due from government	6,302,528,110

48 DATE OF AUTHORIZATION

These financial statements were authorized for issue by the Board of Directors of the Company in their meeting held on

06 OCT 2025

49 GENERAL

Figures have been rounded off to the nearest Rupee unless otherwise stated.

CHIEF EXECUTIVE OFFICER



DIRECTOR