

LALPIR POWER LIMITED



LPL-PSX/198

October 28, 2025

The General Manager,
Pakistan Stock Exchange Limited,
Stock Exchange Building,
Stock Exchange Road,
KARACHI.

**SUB: TRANSMISSION OF QUARTERLY REPORT FOR THE PERIOD ENDED
30-09-2025**

Dear Sir,

We have to inform you that the Quarterly Report of the Lalpir Power Limited ("the Company") for the period ended 30-09-2025 have been transmitted through PUCARS and is also available on Company's website.

You may please inform the TRE Certificate Holders of the Exchange accordingly.

Thanking you,

Yours truly,


**KHALID MAHMOOD CHOCHAN
COMPANY SECRETARY**

HEAD OFFICE

: 1-B, AZIZ AVENUE, CANAL BANK, GULBERG V, LAHORE. TEL: +92-42-35717090-96, 35717159-63, FAX: +92-42-35717239, WEBSITE: www.lalpir.com, E-MAIL: lalpir@lalpir.com

REGISTERED OFFICE

: NISHAT HOUSE, 53/A, LAWRENCE ROAD, LAHORE. TEL: 111-113-333 FAX: +92-42-36367414

POWER STATIONS

: LALPIR THERMAL POWER STATIONS, P.O. BOX NO. 89, MUZAFFARGARH. PC-34200, PAKISTAN. TEL: +92-66-2300030 FAX: +92-66-2300260, www.lalpir.com



NISHAT

LALPIR POWER LIMITED

THIRD QUARTERLY

Report

FOR THE PERIOD ENDED
SEPTEMBER 30,

20 25



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COMPANY PROFILE

THE COMPANY

Lalpir Power Limited (“the Company”) was incorporated in Pakistan on 8 May 1994 under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017).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

BOARD OF DIRECTORS

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

CHIEF FINANCIAL OFFICER

Mr. Awais Majeed Khan

COMPANY SECRETARY

Mr. Khalid Mahmood Chohan

BANKERS OF THE COMPANY

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

CHIEF EXECUTIVE OFFICER

Mr. Mahmood Akhtar

AUDIT COMMITTEE

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

HUMAN RESOURCE & REMUNERATION (HR & R) COMMITTEE

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

AUDITOR OF THE COMPANY

Riaz Ahmad & Co.
Chartered Accountants

REGISTERED OFFICE

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

SHARE REGISTRAR

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

LEGAL ADVISOR OF THE COMPANY

Mr. M. Aurangzeb Khan
Advocate High Court

HEAD OFFICE

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

PLANT

Mehmood Kot, Muzaffargarh,
Punjab – Pakistan.

DIRECTORS' REPORT

The Directors of **Lalpir Power Limited** ("the Company") are pleased to present their report together with the Condensed Interim Financial Information for the period ended September 30, 2025.

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

Despite the termination of PPA, the company is in a sound financial position and there are sufficient funds available to meet the day to today expenditure, including plant preservation & maintenance costs. As on September 30, 2025 the Company's investments in Mutual Funds & saving accounts, stand at Rs. 11,286 million.

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

Subsequent to the period end, in order to provide an opportunity of exit to the members of the Company and to enhance the book value of the Company's shares, the Board of Directors, in its meeting held on October 16, 2025, recommended approval from the Members of the Company to purchase/buy-back of up to 100,000,000 (one hundred million) ordinary shares, comprising of 26.33% of the total outstanding shares, having a face value of Rs. 10/- (Rupees ten) each. The Board has recommended this buy-back to be executed at the prevailing spot/current market price during the purchase period. Shareholders' approval will be sought, through a special resolution in an Extra Ordinary General Meeting to be held on November 20, 2025.

In accordance with the provisions of the Companies Act, 2017, the Board has proposed a purchase period commencing from November 27, 2025, and ending on May 15, 2026, or until completion of the proposed buy-back, whichever occurs earlier.

OPERATIONAL FINANCIAL RESULTS:

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

Financial Highlights	PERIOD ENDED	
	30 September 2025	30 September 2024
Revenue (Rs '000')	-	16,305,866
Gross profit (Rs '000')	-	5,948,279
After tax (loss) / profit (Rs '000')	(829,583)	4,734,916
(Loss) / earnings per share (Rs)	(2.18)	12.47

The Company has posted after tax loss of Rs 829.583 million as against after tax profit Rs 4,734.916 million earned in the comparative period. The net loss of the Company demonstrated the loss per share of Rs 2.18 as against earnings per share of Rs 12.47 in the comparable previous period.

As explained in Note 1.2 to the condensed interim financial statements, the Company has taken several cost reduction measures, including but not limited to rationalization of workers and employees through Voluntary Severance Scheme (VSS) and reduction / optimization of plant

maintenance costs, to mitigate the financial impacts arising due to termination of the PPA, consequently, the Power Plant is being kept in preservation mode to ensure that the Power Plant is readily available if the offtake of electricity is required in near future. The Company is fully determined to explore other avenues of income generation including establishment of new businesses, which are under discussions, using funds available with the Company and the same will be placed before the shareholders of the Company for formal approval after the recommendation by the Board of Directors.

COMPOSITION OF BOARD:

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

COMMITTEES OF THE BOARD:

Audit Committee of the Board:

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

Human Resource & Remuneration (HR&R) Committee:

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

DIRECTORS' REMUNERATION:

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

ACKNOWLEDGEMENT:

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

For and on behalf of the Board of Directors



Mr. Mahmood Akhtar
Chief Executive Officer
Lahore: 24 October, 2025



Mian Hassan Mansha
Chairman

لال بیر پاور لمیٹڈ کی کمپنی "کے ڈائریکٹرز 30 ستمبر 2025 چھ ماہ کی رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔ پاور پراجیکٹ ایگریمنٹ ("PPA") گزشتہ سال کے دوران یکم اکتوبر 2024 کو ختم ہو گیا۔ مزید تفصیلات کے لیے، براہ کرم منسلک کنٹریبیوٹوری مالیاتی گوشواروں کا نوٹ 1.2 ملاحظہ کریں۔

PPA کے خاتمہ کے باوجود، کمپنی کی مالی حالت مستحکم ہے اور اس کے پاس پلانٹ کے تحفظ اور دیکھ بھال کے اخراجات سمیت روزمرہ کی ضروریات کو پورا کرنے کے لئے کافی فنڈز دستیاب ہیں۔ 30 ستمبر 2025 تک، کمپنی کی میچول فنڈز اور پچھتے لکھاتوں میں سرمایہ کاری 11,286 ملین روپے ہے۔

حکومت پاکستان (GoP) کی طرف سے نفاذ کے بعد ہم پر اُمید ہیں کہ کمپنی آئندہ مسابقتی تجارتی دو طرفہ کنٹریبیوٹس مارکیٹ (CTBCM) میں شرکت کرے گی، جس سے کمپنی کو وہیلنگ انتظامات کے ذریعے بلک کنزیومر ڈسٹری بیوٹن کمپنیوں (DISCOs) کو مرچنٹ پلانٹ کے طور پر تکلیف فرخت کرنے کی اجازت ہوگی۔

مدت کے اختتام کے بعد، کمپنی کے اراکین کو ایگزٹ کا موقع فراہم کرنے اور کمپنی کے حصص کی بک ویلیو کو بڑھانے کے لیے، بورڈ آف ڈائریکٹرز نے 16 اکتوبر 2025 کو منعقد ہونے والے اپنے اجلاس میں، کمپنی کے اراکین سے ہر ایک - 10/1 روپے (دس روپے) کی بنیادی قیمت کے کل بقایا حصص کا 26.33% پر مشتمل 100,000,000 (ایک سو ملین) عام حصص کی خریداری/بائی بیک کرنے کی منظوری کی سفارش کی۔ بورڈ نے اس بائی بیک کو خریداری کی مدت کے دوران مروجہ موقع / موجودہ مارکیٹ قیمت پر عمل میں لانے کی سفارش کی ہے۔ 20 نومبر 2025 کو منعقد ہونے والے غیر معمولی اجلاس عام میں ایک خصوصی قرارداد کے ذریعے شیئر ہولڈرز کی منظوری لی جائے گی۔

کمپنی ایکٹ 2017 کی دفعات کے مطابق، بورڈ نے 27 نومبر 2025 سے شروع اور 15 مئی 2026 کو ختم یا مجوزہ بائی بیک کی تکمیل تک، جو بھی پہلے ہو، خریداری کی مدت تجویز کی ہے۔

آپریٹل مالیاتی نتائج:

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

مالی جھلکیاں	30 ستمبر 2025 چھ ماہ کی مدت	30 ستمبر 2024 چھ ماہ کی مدت
محصولات (000 روپے)	-	16,305,866
مجموعی منافع (000 روپے)	-	5,948,279
بعد از ٹیکس (نقصان) / منافع (000 روپے)	(829,583)	4,734,916
(نقصان) / آمدن فی حصص (روپے)	(2.18)	12.47

کمپنی نے ٹیکس کے بعد نقصان 829,583 ملین روپے درج کیا جبکہ تقابلی مدت میں 4,734,916 ملین روپے منافع حاصل ہوا تھا۔ کمپنی کے خالص نقصان نے گزشتہ تقابلی مدت میں 12.47 روپے فی حصص منافع کے مقابلے 2.18 روپے فی حصص نقصان ظاہر کیا ہے۔

جیسا کہ مجھد عبوری مالیاتی گوشواروں کے نوٹ 1.2 میں وضاحت کی گئی ہے، کمپنی نے لاگت میں کمی لانے کے کئی اقدامات کیے ہیں، جن میں رضا کارانہ علیحدگی اسکیم (VSS) کے ذریعے کارکنوں اور ملازمین کی معقولیت اور پلانٹ کی دیکھ بھال کے اخراجات میں کمی / اصلاح شامل ہیں، تاکہ PPA کی برطرفی کی وجہ سے پیدا ہونے والے مالی اثرات کو کم کیا جاسکے، اس بات کو یقینی بنانے کے لیے کہ پاور پلانٹ کو پہلے سے محفوظ رکھا جائے، اگر مستقبل قریب میں بجلی کی ضرورت پڑے تو پلانٹ آسانی سے دستیاب ہو۔ کمپنی اپنے پاس دستیاب فنڈز کا استعمال کرتے ہوئے کاروباروں کے قیام، جو کہ زیر بحث ہیں سمیت آمدنی پیدا کرنے کی دیگر راہیں تلاش کرنے کے لیے پوری طرح پرعزم ہے اور کمپنی کے بورڈ آف ڈائریکٹرز کی سفارش کے بعد اسے باضابطہ منظوری کے لیے کمپنی کے شیئر ہولڈرز کے روبرو رکھا جائے گا۔

بورڈ کی تشکیل:

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

بورڈ کی کمیٹیاں:

بورڈ کی آڈٹ کمیٹی:

نمبر شمار	نام ڈائریکٹرز
1	جناب ظہیر احمد گھانگرو (رکن / چیئرمین)
2	جناب عنایت اللہ نیازی (رکن)
3	محترمہ ہاجرہ ارم (رکن)

ہیومن ریسورس اینڈ ریمزیشن (HR&R) کمیٹی:

نمبر شمار	نام رکن
1	محترمہ ہاجرہ ارم (رکن / چیئرمین)
2	میاں حسن منشاء (رکن)
3	جناب عنایت اللہ نیازی (رکن)

ڈائریکٹرز کا مشاہرہ:

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

اظہار تشکر

ہم، ایک جدید اور حوصلہ افزاء کام کے ماحول کے قیام اور پاور پلانٹ کے تمام شعبوں میں اعلیٰ سطح کی کارکردگی کو فروغ دینے کے لئے بھی انتظامیہ کی تعریف کرتے ہیں۔ ہم قابل ذکر نتائج کی فراہمی کے لئے کمیٹی کے تمام عملہ کی مسلسل حمایت، سخت محنت اور عزم کو بھی سراہتے ہیں اور ہم کمیٹی کے ساتھ ان کے طویل تعلقات چاہتے ہیں۔

منجانب مجلس نفعاء

Mian Hassan

میاں حسن منشاء
چیئرمین

Jalaluddin

جناب موداسر
چیف ایگزیکٹو آفیسر
لاہور: 24 اکتوبر 2025ء

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (Un-audited)

As at 30 September 2025

	Note	Un-audited 30 September 2025 (Rupees in thousand)	Audited 31 December 2024
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital 500,000,000 (31 December 2024: 500,000,000) ordinary shares of Rupees 10 each		5,000,000	5,000,000
Issued, subscribed and paid-up share capital 379,838,732 (31 December 2024: 379,838,732) ordinary shares of Rupees 10 each		3,798,387	3,798,387
Capital reserve		-	107,004
Revenue reserve - un appropriated profit		10,203,605	10,926,184
Total equity		14,001,992	14,831,575
LIABILITIES			
NON-CURRENT LIABILITIES			
Employee benefit - gratuity		25,832	18,823
CURRENT LIABILITIES			
Trade and other payables		304,609	178,848
Accrued mark-up / profit		-	39,045
Unclaimed dividend		11,059	11,665
		315,668	229,558
Total liabilities		341,500	248,381
CONTINGENCIES AND COMMITMENTS	4		
TOTAL EQUITY AND LIABILITIES		14,343,492	15,079,956

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



CHIEF EXECUTIVE

	Note	Un-audited 30 September 2025 (Rupees in thousand)	Audited 31 December 2024
ASSETS			
NON-CURRENT ASSETS			
Fixed assets	5	2,195,334	2,972,235
Long-term loans to employees		1,603	14,615
Long term security deposit		350	1,850
		<u>2,197,287</u>	<u>2,988,700</u>
CURRENT ASSETS			
Stores, spare parts and other consumables		597,696	667,278
Fuel stock		29,349	526,558
Loans, advances and short-term prepayments		13,037	36,817
Other receivables		185,404	828,800
Accrued interest		754	2,513
Advance income tax and levy - net		34,159	254,897
Short term investment		11,258,095	9,087,720
Cash and bank balances		27,711	686,673
		<u>12,146,205</u>	<u>12,091,256</u>
TOTAL ASSETS		<u><u>14,343,492</u></u>	<u><u>15,079,956</u></u>

[Handwritten Signature]

DIRECTOR

[Handwritten Signature]

CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Un-audited)

For the Three Month And Nine Month Period Ended 30 September 2025

	Note	Nine Month Ended		Quarter Ended	
		30 September 2025	30 September 2024	30 September 2025	30 September 2024
(Rupees in thousand)					
REVENUE FROM CONTRACT WITH CUSTOMER		-	16,305,866	-	2,843,069
COST OF SALES	6	-	(10,357,587)	-	(859,149)
GROSS PROFIT		-	5,948,279	-	1,983,920
PLANT MAINTENANCE AND PRESERVATION COST	7	(1,372,280)	-	(285,555)	-
ADMINISTRATIVE EXPENSES		(98,042)	(204,919)	(28,510)	(85,241)
OTHER EXPENSES		(27,806)	(4,827)	(25,945)	(2,053)
OTHER INCOME		894,225	17,770	270,040	6,933
(LOSS) / PROFIT FROM OPERATIONS		(603,903)	5,756,303	(69,970)	1,903,559
FINANCE COST		(220)	(1,021,387)	(78)	(219,955)
(LOSS) / PROFIT BEFORE LEVY AND TAXATION		(604,123)	4,734,916	(70,048)	1,683,604
LEVY		(57,783)	-	(26,085)	-
(LOSS) / PROFIT BEFORE TAXATION		(661,906)	4,734,916	(96,133)	1,683,604
TAXATION		(167,677)	-	(38,629)	-
(LOSS) / PROFIT AFTER TAXATION		(829,583)	4,734,916	(134,762)	1,683,604
OTHER COMPREHENSIVE INCOME: ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS		-	-	-	-
ITEMS THAT MAY BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS		-	-	-	-
		-	-	-	-
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE PERIOD		(829,583)	4,734,916	(134,762)	1,683,604
(LOSS) / EARNINGS PER SHARE - BASIC AND DILUTED (RUPEES)		(2.18)	12.47	(0.35)	4.43

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



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-audited)

For the Nine Month Period Ended 30 September 2025

SHARE CAPITAL	RESERVES		TOTAL EQUITY
	Capital	Revenue	
	Retained payments reserve	Un-appropriated profit	

(-----Rupees in thousand-----)

Balance as at 31 December 2023 - audited 3,798,387 107,004 11,934,073 15,839,464

Transaction with owners :

First interim dividend for the year ended 31 December 2024 @ Rupees 2 per share	-	-	(759,678)	(759,678)
Second interim dividend for the year ended 31 December 2024 @ Rupees 2 per share	-	-	(759,678)	(759,678)

- - (1,519,356) (1,519,356)

Profit for the period ended 30 September 2024	-	-	4,734,916	4,734,916
Other comprehensive income for the period ended 30 September 2024	-	-	-	-
Total comprehensive income for the period ended 30 September 2024	-	-	4,734,916	4,734,916

Balance as at 30 September 2024 - un-audited 3,798,387 107,004 15,149,633 19,055,024

Balance as at 31 December 2024 - audited 3,798,387 107,004 10,926,184 14,831,575

Transfer of 'retained payments reserve' to 'un-appropriated profit' - (107,004) 107,004 -

Loss for the period ended 30 September 2025 - - (829,583) (829,583)

Other comprehensive income for the period ended 30 September 2025 - - - -

Total comprehensive loss for the period ended 30 September 2025 - - (829,583) (829,583)

Balance as at 30 September 2025 - un-audited 3,798,387 - 10,203,605 14,001,992

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



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF CASH FLOWS (Un-audited)

For the Nine Month Period Ended 30 September 2025

	Note	Nine Month Ended 30 September 2025 (Rupees in thousand)	30 September 2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	8	1,525,650	1,837,089
Finance cost paid		(39,265)	(1,055,502)
Net decrease in long term security deposits		1,500	-
Net decrease / (increase) in long term loans to employees		13,012	(30,830)
Income tax paid		(4,722)	(2,331)
Net cash generated from operating activities		1,496,175	748,426
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on fixed assets		-	(30,746)
Interest income received		5,666	9,343
Proceeds from disposal of short term investment		-	849,995
Proceeds from disposal of operating fixed assets		10,178	2,014
Net cash generated from investing activities		15,844	830,606
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(606)	(1,518,137)
Net cash used in financing activities		(606)	(1,518,137)
Net decrease in cash and cash equivalents		1,511,413	60,895
Cash and cash equivalents at beginning of the period		9,774,393	(4,847,550)
Cash and cash equivalents at end of the period		11,285,806	(4,786,655)
CASH AND CASH EQUIVALENTS			
Cash in hand		933	754
Cash at banks		26,778	26,745
Short term investment		11,258,095	-
Short-term borrowings		-	(4,814,154)
		11,285,806	(4,786,655)

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



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited)

For the Nine Month Period Ended 30 September 2025

1. THE COMPANY AND ITS OPERATIONS

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

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

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

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

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

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

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

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

- There is no impediment in the ability of the Company to generate electricity, subject to certain regulatory and formal legal formalities;
- The management of the Company shall participate in the Competitive Trading Bilateral Contracts Market (CTBCM) once it is implemented by the Government of Pakistan (GoP), which will allow the Company to sell electricity as a Merchant Plant to Bulk Consumers / Distribution Companies (DISCOs) through wheeling arrangements;
- The Company has taken several cost reduction measures, including but not limited to rationalization of workers and employees through Voluntary Severance Scheme (VSS) [note 7 to these financial statements] and reduction / optimization of plant maintenance costs, to mitigate the financial impacts arising due to termination of the Agreements;
- The Company has Rupees 11,285.806 million surplus funds available as on 30 September 2025 which are invested in mutual funds, term deposit receipt and cash and banks to generate sufficient income to support the operations of the Company;
- The management of the Company is fully determined to explore other avenues of income generation including establishment of new businesses, which are under discussions, using funds available with the Company and the same will be placed before the shareholders of the Company for formal approval after the recommendation by the Board of Directors of the Company.

Notwithstanding, as elaborated above, the Company has sound financial position and as per the management's forecasts, the Company has enough liquidity and reserves to meet the operational expenditures and discharge its liabilities for the foreseeable future. Therefore, the management is confident that the Company will continue as a going

concern in the foreseeable future. Thus, these condensed interim financial statements have been prepared on a going concern basis and consequently, do not require adjustment relating to the realization of its assets and liquidation of liabilities.

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

2. BASIS OF PREPARATION

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

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

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

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

3. MATERIAL ACCOUNTING POLICY INFORMATION

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

3.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

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

4. CONTINGENCIES AND COMMITMENTS

4.1 Contingencies

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

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

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

4.1.3 On 03 November 2017, the Company challenged before the Honorable Lahore High Court (the Court), the legality of enhancement of canal water rates from Rupees 86.52 per 10,000 cubic feet to Rupees 100 per 1,000 cubic feet as notified by the Punjab Irrigation Department (the Department). On 27 March 2018, the said notification of the Department was set aside by the Court. Against the order of the Court, the Department filed an appeal before a division bench of Honorable Lahore High Court, Lahore on 13 January 2021. On 19 June 2025, the Honorable Lahore High Court, Lahore decided the appeal in favor of the Department. Being aggrieved with the order of the Honorable Lahore High Court, Lahore, the Company has filed appeal before Supreme Court of Pakistan. However, as a matter of prudence, the management has fully provided for an amount of Rupees 20.751 million relating to canal water charges in line with the decision of the Honorable Lahore High Court, Lahore in these condensed interim financial statements.

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

	Un-audited 30 September 2025 (Rupees in thousand)	Audited 31 December 2024
4.2 Commitments		
For other than capital expenditure	-	13,588
5. FIXED ASSETS		
Operating fixed assets (Note 5.1)	2,195,334	2,972,235
	<u>2,195,334</u>	<u>2,972,235</u>
5.1 Operating fixed assets		
Opening book value	2,972,235	3,981,123
Add: Cost of additions during the period / year (Note 5.1.1)	-	38,727
Less: Book value of disposals/ derecognitions during the period / year (Note 5.1.2)	1,640	671
Less: Book value of fixed assets written-off during the period / year (Note 5.1.3)	-	4
Less: Depreciation charged during the period / year	775,261	1,046,940
Closing book value	<u>2,195,334</u>	<u>2,972,235</u>
5.1.1 Cost of additions		
Plant and machinery	-	177
Furniture and fittings	-	544
Vehicles	-	30,413
Office equipment	-	5,816
Electric equipment and appliances	-	1,777
	<u>-</u>	<u>38,727</u>
5.1.2 Book value of disposals/ derecognitions during the period/ year		
Cost		
- Plant and machinery	11,130	-
- Furniture and fittings	289	-
- Vehicles	5,825	3,688
- Office equipment	4,812	2,422
- Electric equipment and appliances	2,816	616
	<u>24,873</u>	<u>6,726</u>
Less: Accumulated depreciation	23,232	6,055
	<u>1,640</u>	<u>671</u>

	Un-audited 30 September 2025 (Rupees in thousand)	Audited 31 December 2024
5.1.3 Book value of fixed assets written off during the period/ year		
Cost		
- Plant and machinery	-	11,788
- Vehicles	-	2,086
- Office equipment	-	927
- Electric equipment and appliances	-	5,620
- Clinical equipment	-	625
	-	21,046
Less: Accumulated depreciation	-	21,042
	-	4

	Un-audited Nine Month Period Ended		Un-audited Quarter Ended	
	30 September 2025 (Rupees in thousand)	30 September 2024	30 September 2025 (Rupees in thousand)	30 September 2024
6. COST OF SALES				
Fuel cost	-	7,855,257	-	2,494
Operation and maintenance costs	-	630,892	-	233,288
Insurance	-	1,098,597	-	366,208
Depreciation	-	772,272	-	256,867
Liquidated damages to CPPA-G	-	569	-	292
	-	10,357,587	-	859,149
7. PLANT MAINTENANCE AND PRESERVATION COSTS				
Salaries, wages and other benefits	98,584	-	14,549	-
Employees' Voluntary Severance Scheme (VSS)	56,649	-	-	-
Fuel cost - in house consumed	1,622	-	-	-
Plant and community maintenance	75,158	-	12,840	-
Store and spare parts consumed	1,966	-	636	-
Insurance	377,051	-	4,827	-
Depreciation	761,249	-	252,702	-
	1,372,280	-	285,555	-

	Un-audited Nine Month Period Ended	
	30 September 2025	30 September 2024
	(Rupees in thousand)	
8. CASH GENERATED FROM OPERATIONS		
(Loss)/ profit before levy and taxation	(604,123)	4,734,916
Adjustments for non-cash charges and other items:		
Depreciation on operating fixed assets	775,261	785,052
Provision for gratuity	7,008	17,359
Interest income	(3,907)	(11,141)
Gain on disposal of operating fixed assets	(8,538)	(2,014)
Finance cost	220	1,021,387
Cash flows from operating activities before working capital changes	165,922	6,545,559
Working capital changes:		
Decrease / (Increase) in current assets:		
Stores, spare parts and other consumables	69,582	(98,945)
Fuel stock	497,209	(216,460)
Trade debts	-	(4,698,898)
Loans, advances and short-term prepayments	23,780	(17,534)
Other receivables	643,396	706,896
	1,233,967	(4,324,941)
Increase/(decrease) in trade and other payables	125,761	(383,529)
	<u>1,525,650</u>	<u>1,837,089</u>

9. TRANSACTIONS WITH RELATED PARTIES

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

i) Transactions:

		Un-audited		Un-audited	
		Nine Month Period Ended		Quarter Ended	
Relationship with the Company	Nature of transaction	30 Sept. 2025	30 Sept. 2024	30 Sept. 2025	30 Sept. 2024
		(Rupees in thousand)			
Associated companies	Insurance premium paid	386,051	1,344,296	102	610,010
	Insurance claims received	250	641	4	232
	Dividend paid	-	597,760	-	246,877
	Boarding lodging services	488	850	35	-
	Purchase of vehicles	-	30,186	-	6,549
	Repair and maintenance of vehicles	-	872	-	150
	Sale of goods	623,686	-	1,340	-
	Profit on bank deposits	3,164	7,300	645	2,485
Other related parties	Dividend paid	-	104,006	-	52,003
Key management personnel	Remuneration	1,085	25,504	385	6,580
Staff retirement benefits plans	Contribution to provident fund	4,902	20,903	268	6,844
	Benefit paid on behalf of gratuity fund	7,008	17,359	-	5,786

(ii) Period end balances:

Payable to related companies

	Un-audited 30 September 2025	Audited 31 December 2024
- Entities on the basis of common directorship	1,097	589
- Group entity	524	655

Balances with bank

- Group entity	26,548	64,620
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Staff retirement benefit plans

	25,832	18,823
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10. RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

(i) Fair value hierarchy

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

Company for the year ended 31 December 2024.

12. CORRESPONDING FIGURES

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

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

13. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorized for issue on October 24, 2025 by the Board of Directors of the Company.

14. GENERAL

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



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER



N I S H A T

LALPIR POWER LIMITED

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