ANNUAL INDEXATION / ADJUSTMENT REQUEST UNDER MULTI YEAR TARIFF (MYT) REGIME

FOR THE DETERMINATION OF DISTRIBUTION MARGIN (DM) ALONG WITH PRIOR YEARS' ADJUSTMENTS (PYA)

TO BE INCORPORATED IN THE TARIFF FOR CALENDAR YEAR (CY) 2027

GEPCO

GUJRANWALA ELECTRIC POWER COMPANY LIMITED

Gujranwala Electric Power Company Ltd. GEPCO

Gujranwala Electric Power Company Ltd. GEPCO

APPLICANT:

Gujranwala Electric Power Company Limited (GEPCO) is a Distribution Company (DISCO), formerly operated under the Water and Power Development Authority (WAPDA) and currently owned by the Government of Pakistan. Incorporated as a Public Limited Company on April 25, 1998, GEPCO obtained Company Registration No. L 09498 of 1997-98 under Section 32 of the Companies Ordinance, 1984. The company is tasked with providing electricity to over 5.25 million consumers across seven districts in the Gujranwala and Gujrat Divisions, including Gujranwala, Gujrat, Sialkot, Narowal, Hafizabad, Mandi Bahauddin, and Wazirabad.

GEPCO operates under regulatory authorizations granted by the National Electric Power Regulatory Authority (NEPRA). Its Distribution License No. 04/DL/2023, issued on May 09, 2023, under the NEPRA Act, defines its responsibilities as a Distribution Licensee. Additionally, Electric Power Supply License No. SOLR/04/2023, issued on December 27, 2023, enables the company to undertake the sale of electric power, ensuring compliance with all regulatory requirements.

BACKGROUND:

The Authority determined tariff of Gujranwala Electric Power Company Limited (GEPCO) under Multi Year Tariff (MYT) Regime, for the five-year period spanning from FY 2025-26 to FY 2029-30, vide tariff determination dated January 07, 2026. The tariff so determined was notified by the Federal Government vide SRO 42 (I) / 2026 dated 13.01.2026. Presently, GEPCO, in alignment with the adjustment mechanism stipulated in its aforesaid Multi Year Tariff (MYT) Determination and in strict adherence to the amended NEPRA Act, formally lodges its petition for the adjustment / indexation of different components within its revenue requirements for the Calendar Year (CY) 2027. This petition entails a detailed breakdown of costs linked to Distribution and Supply functions, complemented by all essential supporting documentation, presented for the consideration of the Authority.

The projections and forecasts included in this indexation petition are based on expectations, estimates and assumptions available at the time of submission and may differ from actual outcomes due to business, operational risks, and changes in scope or circumstances. Further, the formula used in the indexation of components of Distribution Margin is that Reference values for FY 2025-26 have been indexed based on indexation parameters set by the Authority to the years FY 2026-27 & FY 2027-28. The values for CY 2027 have been derived by averaging FY 2026-27 and FY 2027-28.

The delineation of the present petition is structured as follows:

A) ADJUSTMENT / INDEXATION OF DISTRIBUTION MARGIN

Rs. in Million

Sr. No.	Description	Determined CY 2026	Indexation / Adjustment Basis	Indexed / Adjusted CY 2027	% Increase / (Decrease)
A.1	Pay & Allowances	17,309	Govt. Statutory Increases & 5% Annual Increment etc.	19,768	14.21%
A.2	Post-Retirement Benefits	11,205	Provision as per Audited Accounts	12,519	11.73%
A.3	O&M Costs	6,409	NCPI	6,602	3.02%
A.4	RORB	10,204	Allowed Investment	12,843	25.87%
A.5	Depreciation	5,341	Allowed Investment	5,872	9.95%
A.6	Other Income	(4,566)	As per Mechanism	(4,668)	(2.24) %
	Total	**45,901**		**52,936**	**15.33%**

CEPCO

B) PRIOR YEARS' ADJUSTMENTS TO BE INCORPORATED IN THE TARIFF FOR CY 2027

Sr. No.	Description	Rs. in Million
B.1	Excess LPS Collected against the Charged by CPPA-G FY 2025-26	(1,740)
B.2	Supplemental Charges FY 2009-15	4,118
B.3	Less-Recovery of Allowed Quarterly Adjustments FY 2025-26	204
B.4	Less-Recovery of Distribution Margin FY 2025-26	849
B.5	Sales Mix Variance FY 2025-26	2,818
B.6	Minimum Tax Paid FY 2025-26	5,840
B.7	Claim for Sales Tax arising from Decisions of Alternate Dispute Resolution Committee (ADRC)	4,134
B.8	Claim for PPMC Management Fee	735
	Total Under Recovery	**16,958**

COMPONENT-WISE EXPLANATION

A. INDEXATION / ADJUSTMENT OF DISTRIBUTION MARGIN FOR CY 2027

A Summary of projected DM for the CY 2027 after indexation / adjustment as per Authority's approved mechanism is given below:

(Rs. in Million)

Sr. No.	Description	Determined CY 2026	Indexation / Adjustment Basis	Indexed / Adjusted CY 2027	% Increase / (Decrease)
A.1	Pay & Allowances	17,309	Govt. Statutory Increases & 5% Annual Increment etc.	19,768	14.21%
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	Total	**45,901**		**52,936**	**15.33%**

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A.1 SALARIES, WAGES AND OTHER BENEFITS (EXCLUDING POST-RETIREMENT BENEFITS):

Salaries, Wages and Other Benefits include employees Pay & Allowances and Post-Retirement Benefits and accounts for over 80% of GEPCO's total O&M costs. Historically, employees of GEPCO were hired on Government pay scales, and any salary increase announced by the Federal Government in the Fiscal Budget is applicable on such employees. However, presently, new hiring if any, is being carried out through lump sum packages or outsourcing arrangements. Therefore, salaries & wages cost of employees hired on Government pay scales can be considered as committed cost for GEPCO as long as they remain in public sector, whereas costs related to lump sum and outsourced staff are determined based on contractual arrangements. The total cost of Salaries & Wages (excluding post-retirement benefits) for both the Distribution and Supply Functions worked out as Rs. 17,114 million has been allowed to GEPCO for FY 2025-26 as reference cost, to be adjusted in the remaining control period as per the adjustment mechanism given in the MYT FY 2025-26 to 2029-30 Determination.

In accordance with the Authority's directions and prescribed mechanism, the Salaries, Wages and Benefits have been indexed / adjusted for CY 2027 to the tune of **Rs. 19, 768** million detailed as below:

Pay & Allowances	Rs. in Millions
Reference FY 2025-26	**17,114**
Combined approximate impact of increases for FY 2026-27 i.e. 7% Ad-hoc + 15% DRA + 5% Increment etc. (Annex-A.1)	10%
FY 2026-27	**18,827**
Combined approximate impact of increases for FY 2027-28 i.e. Budget announcements + Increment etc.	10%
FY 2027-28	**20,709**
50% of FY 2026-27	9,413
50% of FY 2027-28	10,355
Total CY 2027	**19,768**

The projections have been based on the enhancements announced by Federal Government in the Budget FY 2026-27 i.e. are 7% Ad-hoc Relief for FY 2026-27 along with Scales Revisions, 15% Disparity Reduction Allowance for FY 2026-27, revision of rates of Conveyance Allowance and revision of Special Conveyance Allowance to disabled employees. Further, the impact of 5% Annual Increment for December has also been considered. The detailed workings of Salaries, Wages & Other Benefits along with details of replacement hiring of operational staff for smooth operations of the Company to provide uninterrupted power supply to end consumers, have been attached at **Annex-A.1.**

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A.2 POST-RETIREMENT BENEFITS:

The head of post-retirement benefits includes employees 'pension, free electricity and medical facility. The existing employees of GEPCO have been hired on Government pay scales, thus, any pension increase announced by the Federal Government in the Fiscal Budget is also applicable on the retired employees of GEPCO.

Post-retirement benefits would be allowed based on the actuarial valuation report for the year for which assessment is being made or as per the latest available audited financial statements. The Petitioner submits that the audited financial statements for the full year ending June 30, 2026 are not yet available, as the statutory audit is currently in process. However, a special audit of the financial statements for the nine-month period ending March 31, 2026 has been completed, and the Provision for Post-Retirement Benefits as per the said audited nine-month financial statements stands at Rs. 9,389 million.

In order to project the provision for the full financial year, the Petitioner has applied the linear extrapolation methodology and the projected provision for the full year ending June 30, 2026 amounts to **Rs. 12,519** million. The Petitioner accordingly requests the Authority to allow the said amount for CY 2027.

The Actuarial Valuation Report, along with the nine-month audited financial statements, is attached at **Annex-A.2.**

A.3 O & M COSTS:

As per the approved tariff methodology, all other operating expenses are part of Other O&M costs which are to be assessed through the NCPI-X formulae. The assessment for the FY 2025-26 shall be considered as reference for working out the future Other O&M costs to be adjusted based on change in "NCPI-General," and the X factor would be applicable from the 3rd year of the MYT. However, the vehicle running / transportation expenses would be adjusted with "NCPI-Transport."

It is pertinent to mention here that previously, when rebasing was from July to June every year, the Authority used to use the NCPI of December (6 months old). However, now that rebasing has been shifted to January to December, it is more appropriate and prudent to use the NCPI of June (6 months old as per the Authority's mechanism instead of December i.e., 12 months old) for more cost-reflective tariffs.

In line with the aforesaid and in compliance with the adjustment mechanism prescribed in the MYT Determination, the Petitioner explicitly requests the Authority to approve the shift to the NCPI for June 2026 for indexation purposes, and allow the O&M Cost indexed to **Rs. 6,602** million as detailed below:

Description	Reference FY 2025-26	June 2026 NCPI %	Indexed for FY 2026-27	FY 2027-28			
				CPI %	Increase on FY 2025-26	30% X Factor	Indexed for FY 2027-28
Vehicle Expenses	1,030	25.75	1,295	10.00	129.52	38.86	1,334
Others O & M	4,689	11.10	5,209	10.00	520.95	156.28	5,366
Total	**5,719**		**6,505**				**6,700**
Indexed for CY 2027 (Average of FY 2026-27 & FY 2027-28)							**6,602**

The NCPI General / Transport for the month of June 2026 have been attached at **Annex-A.3.**

A.4 RETURN ON RATE BASE (RORB) ADJUSTMENT:

As per mechanism prescribed by the Authority in the MYT Determination, an amount of **Rs.12, 843** million has been calculated at the allowed level of investments for the CY 2027 as detailed below:

PKR Million

Description	FY 2024-25 (Audited)	FY 2025-26 (Provisional)	FY 2026-27 (Projected)	FY 2027-28 (Projected)
Fixed Assets O/B	106,985	137,610	159,921	187,084
Addition	30,625	22,311	27,163	23,389
Fixed Assets C/B	137,610	159,921	187,084	210,474
Depreciation	38,436	43,160	48,687	54,904
Net Fixed Assets	99,174	116,761	138,398	155,570
Capital WIP C/B	20,098	23,800	22,462	19,542
Fixed Assets Inc. WIP	119,272	140,560	160,859	175,112
Less: Deferred Credits	41,390	52,596	64,734	77,841
Total	77,882	87,965	96,125	97,271
RAB	**65,697**	**82,923**	**92,045**	**96,698**
WACC			13.61%	13.61%
RORB			**12,526**	**13,156**
RORB FOR CY 2027 (12,526+13,160) / 2				**12, 843**

GEPCO Gujranwala Electric Power Company

WACC:

The KIBOR for July 02, 2026 is 11.74% and spread allowed by Authority is 1.50%, accordingly cost of debt works out to be 13.24%. The allowed cost of equity is 14.47%. With debt equity ratio of 70:30, the resultant WACC is 13.61%.

RAB:

The investments used are as follows:

Description	FY 2025-26	FY 2026-27	FY 2027-28
Allowed in DIIP	14,807	13,687	7,363
Consumer Financing	11,206	12,138	13,107
TOTAL	**26,013**	**25,825**	**20,470**

The above investments are bifurcated as follows:

Description	FY 2025-26	FY 2026-27	FY 2027-28
Additions from Consumer Financing – 100%	11,206	12,138	13,107
Additions from Allowed Investments - 75%	11,105	10,265	5,522
Additions from Existing CWIP – 20%	-	4,759	4,759
Total Additions in Assets	**22,311**	**27,163**	**23,389**
CWIP Balances:			
Opening Balance of CWIP	20,098	23,800	22,462
Addition in CWIP from Allowed Investments – 25%	3,702	3,422	1,841
Transfer of Existing CWIP to Assets -20%	-	(4,759)	(4,759)
Closing Balance of CWIP	**23,800**	**22,462**	**19,542**

The Depreciation balances are taken as follows:

Description	FY 2025-26	FY 2026-27	FY 2027-28
Opening Balance of Depreciation	38,436	43,160	48,687
Depreciation for the year	4,724	5,526	6,217
Closing Balance of Depreciation	**43,160**	**48,687**	**54,904**

Furthermore, the Deferred Credit is updated every year by adding additions from Consumer Financing.

Basis for Assumptions:

The Petitioner clarifies that the percentages of 75% (addition to assets), 25% (addition to CWIP), and 20% (transfer from existing CWIP) have been applied provisionally for projection purposes, as the actual phasing of investments and capitalization of CWIP can only be determined upon completion of the relevant financial year; these notional percentages ensure that the total of allowed investments and consumer financing is fully absorbed in the projection, and any deviation shall be adjusted through the true-up mechanism once the audited accounts become available.

It is pertinent to mention that the RORB calculations have been performed based on the investments already allowed by the Authority. However, GEPCO has filed a review motion with the Authority, upon which hearing has been concluded. In the event that the Authority approves any increase in the allowed investments, the resultant difference shall be claimed as a Prior Year Adjustment (PYA) in accordance with the applicable regulatory mechanism.

A.5 DEPRECIATION:

The Authority has determined 4, 724 million as Depreciation expense for FY 2025-26 in the MYT Determination, which will be considered as reference cost. The reference Depreciation charges would be adjusted every Year as per the following formula.

DEP(Rev) = DEP(Ref) * GFAIO(Rev) / GFAIO(Ref)
Where:
DEP(Rev) = Revised Depreciation Expense for the Current Year
DEP(Ref) = Reference Depreciation Expense for the Reference Year
GFAIO(Rev) = Revised Gross Fixed Assets in Operation for the Current Year
GFAIO(Ref) = Reference Gross Fixed Assets in Operation for the Reference Year

Accordingly, as per Authority's above-mentioned mechanism, by considering the allowed investment for FY 2026-27 & 27-28, the depreciation is indexed to **Rs. 5, 872** million for the CY 2027 as tabulated below:

Depreciation	Rs. in Millions
Reference FY 2025-26	**4,724**
GFAIO Current Year (FY 2026-27)	187,084
GFAIO Reference Year (FY 2025-26)	159,921
Depreciation As per Mechanism - FY 2026-27	**5,526**
GFAIO Current Year (FY 2027-28)	210,474
GFAIO Reference Year (FY 2026-27)	187,084
Depreciation As per Mechanism - FY 2027-28	**6,217**
50% of FY 2026-27	2,763
50% of FY 2027-28	3,109
Total CY 2027	**5,872**

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A.6 OTHER INCOME:

Other income is considered to be a negative cost which may include, but not be limited to, amortization of deferred credit, meter and rental income, profit on bank deposits, sale of scrap, income from non-utility operations, commission on PTV fees and miscellaneous income etc.

The Other Income for CY 2027 has been worked out to **Rs. 4,668** million based on the mechanism prescribed by the Authority as tabulated below:

Other Income	Rs. in Millions
Reference FY 2025-26	**4,967**
Actual / Provisional FY 2025-26	4,445
Difference	522
FY 2026-27(4,967-522)	**4,445**
10% Increase	445
FY 2027-28	**4,890**
50% of FY 2026-27	2,223
50% of FY 2027-28	2,445
Total CY 2027	**4,668**

The actual / provisional figure of Rs. 4,445 million for FY 2025-26 is based on unaudited accounts and is exclusive of profit on receipts against deposit works, in compliance with the Authority's direction in the MYT Determination. The 10% increase applied for FY 2027-28 is based on the Petitioner's future outlook and historical trends, and shall be trued up based on actual audited accounts for the relevant year.

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B. PRIOR YEAR ADJUSTMENT (PYA):

Prior Year Adjustment includes the impact of variation in the following, based on the Authority's allowed benchmarks of T & D losses and recoveries;

- ✓ Under / Over Recovery of allowed Quarterly Adjustments
- ✓ Under / Over Recovery of the assessed DM
- ✓ Under / Over Recovery of previously assessed DM
- ✓ Sales Mix Variance
- ✓ Adjustment of excess LPS over supplemental charges
- ✓ MYT True ups

Regarding MYT True ups of allowed items for FY 2025-26 i.e. Pay & Allowances, Post-Retirement Benefits, O & M Costs, RORB, Depreciation and Other Income, it is submitted that the same will be included in PYA Workings once the Audited Financial Statements for the FY 2025-26 are available. Similarly, under / over recovery of PYA FY 2024-25 amounting to Rs. 32, 546 million have not be calculated as its recovery period ends in December 2026.

However, in line with the aforementioned directives from the Authority, the Prior Year Adjustment (PYA) for the CY 2027 has been worked out to address under / over-recovered costs of other items as outlined below:

Sr. No.	Description	Rs. in Million
B.1	Excess LPS Collected against the Charged by CPPA-G FY 2025-26	(1,740)
B.2	Supplemental Charges FY 2009-15	4,118
B.3	Less-Recovery of Allowed Quarterly Adjustments FY 2025-26	204
B.4	Less-Recovery of Distribution Margin FY 2025-26	849
B.5	Sales Mix Variance FY 2025-26	2,818
B.6	Non-Recovery of Minimum Tax Paid FY 2025-26	5,840
B.7	Claim for Sales Tax Demands arising from Alternate Dispute Resolution Committee	4,134
B.8	Claim for PPMC Management Fee	735
Total Under Recovery		**16,958**

B.1 EXCESS LPS COLLECTED AGAINST CHARGED BY CPPA-G FY 2025-26:

Description	Rs. in Million
LPS Recovered from Consumers	4,620
LPS Charges billed by CPPA-G	2,880
Under / (Over) Recovery	**(1,740)**

The complete month wise details of LPS recovered from the consumers based on unaudited accounts for FY 2025-26 and monthly invoices of LPS charged by CPPA-G are attached as **Annex-B.1.**

B.2 SUPPLEMENTAL CHARGES FY 2009-10 TO 2014-15:

The Petitioner submits that supplemental charges pertaining to the period prior to FY 2009-10 to 2014-15 were disallowed by NEPRA, and accordingly were not being booked by GEPCO. However, the Ministry of Energy (Power Division) vide its Letter No. 14/11/2018-DISCO-I dated October 11, 2024 issued directions that the DISCOs, as per agreement with CPPA-G, are required to book the expenditure on Supplemental Charges in their books of accounts. The Ministry directed a liability has been created which is required to be resolved on an immediate basis, and accordingly the DISCOs were directed to book the aforementioned expenditure in their books of accounts. The supplemental charges since FY 2015-16 and onward are being booked by GEPCO in its books of accounts and have been allowed by NEPRA as per mechanism.

In compliance with the said direction, GEPCO has booked the supplemental charges pertaining to the period the period prior to FY 2009-10 to 2014-15 amounting to Rs. 6,710,928,314/- with the approval of its BOD. Subsequently, CPPA-G has also issued credit notes of Rs. 2,593 million regrading Supplemental Charges. The net claim amounting to Rs. 4,118 million is being submitted as part of PYA.

Description	Rs. in Million
Total Supplemental Charges	6,711
Credit Notes	2,593
Under / (Over) Recovery	**4,118**

The details and copies of all relevant documents, including the Ministry of Energy letter, details of Supplemental Charges and credit notes, are attached as **Annex-B.2.**

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B.3 LESS RECOVERY OF ALLOWED QUARTERLY ADJUSTMENTS:

Description	Rs. In Million
4th Quarter FY 2024-25	(73)
1st Quarter FY 2025-26	77
2nd Quarter FY 2025-26	200
Under Recovery	**204**

The detailed calculations are attached as **Annex B.3**, which contains the allowed amounts, recovered amounts, and units sold for the relevant periods.

B.4 LESS-RECOVERY OF DISTRIBUTION MARGIN FY 2025-26:

Description	Rs. In Million
Allowed Amount FY 2025-26	43, 643
Recovered Amount	42, 794
Under Recovery	**849**

The detailed calculations are attached as **Annex B.4**, which contains the allowed amounts, recovered amounts, and units sold for the year.

B.5 SALES MIX VARIANCE FY 2025-26:

Description	Rs. In Million
Allowed Amount FY 2025-26	374,085
Recovered Amount FY 2025-26	371,266
Under Recovery	**2,818**

The detailed calculations are attached as **Annex B.5**, involving the calculations for allowed amounts and recovered amounts.

B.6 NON-RECOVERY OF MINIMUM TAX PAID FY 2025-26:

Description	Rs. In Million
Minimum Tax FY 2025-26 Paid	**5,840**

The complete details of Minimum Tax paid during the FY 2025-26 along with copies of CPRs has been attached as **Annex-B.6.**

B.7 CLAIM FOR SALES TAX DEMANDS ARISING FROM ALTERNATIVE FYDISPUTE RESOLUTION COMMITTEE (ADRC) DECISIONS AMOUNTING TO RS. 4,134 MILLION:

1. INTRODUCTION AND DISCLOSURE

The Petitioner, GEPCO, respectfully submits that the Alternative Dispute Resolution Committee (ADRC), vide its decisions dated June 4, 2026, has imposed tax liabilities totalling Rs. 4,134 Million upon the Petitioner, comprising: (i) Rs. 102 Million on account of supply of electricity to Azad Jammu & Kashmir; and (ii) Rs. 4,032 Million on account of disallowance of proportionate Input Tax attributable to Tariff Differential Subsidy (TDS). The ADRC decisions are final and binding, and the Petitioner is claiming the said amount as a pass-through cost on the basis of these decisions. The Petitioner, therefore, requests the Authority to allow the total amount of Rs. 4,134 Million as a pass-through cost in the tariff determination, subject to actual payment and true-up. The ADRC decisions are attached as **Annex B.7**.

2. BACKGROUND – THE DISPUTES

2.1 The Tariff Differential Subsidy (TDS) Issue

From 2008 onwards, FBR field formations raised assessments worth billions of rupees on the premise that the Tariff Differential Subsidy ("TDS") formed part of the taxable value of electricity supplied — a position appellate forums consistently rejected. Parliament conclusively settled the matter through the Finance Act, 2022, inserting an Explanation to Section 2(46)(i) of the Sales Tax Act, 1990, clarifying that Government subsidy to electricity consumers has never formed part of the value of taxable supply.

Despite this, the FBR has revived the same financial outcome through a different route: rather than taxing the subsidy directly, FBR Functionaries now treat it as an exempt or non-taxable supply and disallow proportionate input tax under Section 8(2) of the Sales Tax Act, 1990. The net effect is the same i.e. relief-erosion that Section 2(46) was enacted to prevent.

The legal flaw in this approach is that Section 8(2) apportionment presupposes an exempt or non-taxable supply, which is absent here: (i) the subsidy is not a "Supply" under Section 2(33); (ii) it is not an "Exempt Supply" under Section 2(11); and (iii) the Explanation to Section 2(46) is a valuation provision, not an exemption provision. This position is supported by High Court judgments in M/s Pak Gen Power and M/s Fauji Kabirwala Power Company, and by the ADRC in MEPCO's case. It was also affirmed by the Dissenting Member in the GEPCO ADRC decision, who held that the apportionment issue had never featured in sixteen years of prior proceedings and that a valuation exclusion does not create an exempt supply.

2.2 The AJK Supply Issue

The Petitioner supplied electricity to Azad Jammu & Kashmir (AJK) without charging sales tax based on: (i) a Bilateral Agreement/Treaty dated June 2003 between Pakistan and AJK wherein Clause 5.3 provided that sales tax shall not be levied on electricity supplied to AJK; (ii) AJK is not part of the territory of Pakistan as defined in Article 1(2) of the Constitution; and (iii) Supplies to AJK constitute exports and should be zero-rated under Section 4(a) of the Sales Tax Act, 1990. The ADRC reduced the original demand of Rs. 107,810,988 to Rs. 102,465,531.

3. CONFLICTING ADRC OUTCOMES

As 100% owned State-Owned Enterprises (SOEs), DISCOs are largely confined to the ADRC mechanism, with no other effective forum. Yet identical facts have produced sharply divergent outcomes:

DISCO	Period	Outcome	Amount (Rs. Million)
MEPCO	July 2015-June 2016 & Jan 2016-	Decided in favour of taxpayer -	3,592
IESCO	July 2021-June 2022	Decided against taxpayer	2,753
FESCO	July 2021-June 2022	50% payment ordered, 50%	2,934
MEPCO	July 2021-June 2022	50:50 decision	3,738
GEPCO	July 2009-June 2011	Decided against taxpayer (Majority	4,032

B.8 CLAIM FOR POWER PLANNING AND MONITORING COMPANY (PPMC) MANAGEMENT FEE AMOUNTING TO RS. 734.952 MILLION:

The Petitioner, GEPCO, respectfully submits its claim for the inclusion of the Power Planning and Monitoring Company (PPMC) Management Fee, totalling **Rs. 734.952 Million**, as a Prior Year Adjustment (PYA). The amount of Rs. 712.263 Million pertains to the period from FY 2013-14 to FY 2024-25, during which the fee was not allowed by NEPRA in the previous tariff determinations, while the remaining Rs. 22.689 Million pertains to FY 2025-26.

With regard to the PPMC Fee, the Authority, in its decision dated January 07, 2026, decided to consider PPMC as a Prior Year Adjustment (PYA). In compliance with the said direction, the following is submitted for consideration of the Authority:

a. Following approval of the National Electricity Policy, 2021 ("NE Policy") by the Council of Common Interests (CCI) and the National Electricity Plan, 2023–2027 ("NE Plan"), PPMC was entrusted by the Ministry of Energy (Power Division) with the role of the Designated Entity under Sections 5.3.5 and 6.2 of the NE Policy and Clause 3.1(c)(iii) of the NE Plan, framed pursuant to Section 14A read with section 31(1) of the NEPRA Act.

b. The Federal Cabinet also directed that PPMC may continue to charge a fee from the DISCOs for the services rendered, as may be approved by the Board of Directors of PPMC. Furthermore, Clause 3.1(c)(iii) of Part-B of the NE Plan expressly provides that the Designated Entity shall be entitled to charge a regulatory fee for performing its assigned functions, which shall be allowed by the Authority.

c. Accordingly, in pursuance of the Cabinet Decision read with the NE Policy and NE Plan, the Ministry of Energy (Power Division) issued S.R.O. No. 1358(I)/2025 dated July 29, 2025, instructing all stakeholders including XW-DISCOs and CPPA-G, regarding the designation of PPMC and collection of the said fee.

d. Historically, the PPMC fee was treated as part of the O&M expenditure. However, in the absence of a specific regulatory framework for its allowance, the Authority had not incorporated the fee in the O&M expenses of the DISCOs. In view of the subsequent statutory and policy framework, particularly Clause 3.1(c)(iii) of the NE Plan read with Section 14A(5) and section 31(1) of the NEPRA Act, an appropriate legal and regulatory basis now exists for allowing the PPMC fee as part of the O&M expenditure in the revenue requirement of the DISCOs.

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e. For the assistance of the Honourable Authority in appreciating the nature and scope of functions being performed by PPMC as the Designated Entity, the key functions assigned by the Federal Government to PPMC are summarized below. These functions directly benefit all DISCOs, including GEPCO, as they relate to policy formulation, strategic planning, performance monitoring, and technical oversight of the power sector:

PPMC serves as the technical arm of the Ministry of Energy (Power Division) and performs a wide range of functions that directly benefit all DISCOs, including GEPCO. These include:

(i) development and monitoring of DISCOs' strategic roadmaps and performance benchmarks;

(ii) policy analysis, integrated planning, and economic assessments;

(iii) oversight of donor-funded and PSDP projects;

(iv) development of design standards and specifications for distribution network materials;

(v) circular debt management and reporting;

(vi) coordination with provincial governments and parliamentary bodies on power sector matters;

(vii) support in tariff design, subsidy management, and regulatory adjustments;

(viii) facilitation of donor financing and green energy financing; and

(ix) development of frameworks for distributed energy resources and cross-border electricity trade.

(x) These functions are essential for the efficient functioning of the power sector and are directly linked to the services for which the PPMC fee is charged.

The detailed working papers, including the year-wise breakdown of the fee from FY 2013-14 to FY 2025-26, invoices, and debit advices, are attached as **Annex B.8**. In view of the foregoing, it is respectfully requested that the PPMC Fee of Rs. 734.952 Million may kindly be allowed as PYA in CY 2027, in accordance with the Authority's decision dated January 07, 2026.

Gujranwala Electric Power Company Ltd. GEPCO

C. O & M CLAIM AS PER DIP DIRECTIONS - TRANSPORT POLICY VEHICLES (OFFICERS):

The Petitioner, GEPCO, respectfully submits that the Authority, in its Distribution Investment Plan (DIP) Determination for FY 2025-26 to FY 2029-30, has explicitly directed the cost of Transport Policy Vehicles (Officers) shall be treated as Operating Expenditure (O&M) and claimed in the tariff petition. In compliance with these directions, GEPCO requests the following costs:

NEPRA Direction (Para #203):

"The Authority further decided that the GEPCO may continue with the BoD approved Vehicle Policy, however, the cost incurred in this regard shall be claimed under O&M for consideration and approval of the Authority."

Background and Authority's Adjudication:

The Petitioner submits that the Transport Policy is a legacy policy originally introduced during the FY 2015-16 tariff determination and subsequently renewed for the previous DIP control period. The Authority, while adjudicating upon the DIP, has already allowed the Transport Policy, subject to the condition that it shall be claimed under O&M rather than as CAPEX under the DIP. The Authority's decision in Para #203 of the DIP Determination recognizes this cost and directs its reclassification from CAPEX to O&M for the purpose of recovery.

Claim:

The Petitioner requests the Authority to allow upfront the Transport Policy cost of **Rs. 500 million** for FY 2026-27 upfront, as part of O & M in the instant tariff petition, in line with the Authority's direction on this matter. This cost shall be subject to true-up mechanism based on actual audited costs, and no RORB or Depreciation shall be claimed on this allowed cost.

It is respectfully submitted that the first year of the MYT has already lapsed without procurement of Transport Vehicles for Officers, which is creating difficulty in the performance of operational duties and affecting the ability to provide uninterrupted power supply to end consumers. The Petitioner, therefore, requests the Authority's indulgence in allowing this cost to ensure smooth operations.

Gujranwala Electric Power Company Ltd. GEPCO

AGGREGATE REVENUE REQUIREMENT:

Based on the information given in the preceding paragraphs, the estimated Revenue Requirement (RR) for CY 2027 excluding Power Purchase Price on projected Sales of 11,600 MkWh is given here under.

Revenue Requirement	Aggregate	Distribution Business	Power Supply Business
A. DISTRIBUTION MARGIN			(Rupees in Million)
Salaries, Wages & Other Benefits	19,768	14,826	4,942
Provision for Retirement Benefits	12,519	9,389	3,130
O & M Costs	6,602	5,084	1,519
Depreciation	5,872	5,754	117
Return on Rate Base	12,843	12,586	257
Gross Distribution Margin	**57,604**	**47,640**	**9,965**
Less: Other Income	- 4,668	- 1,400	- 3,267
Net Distribution Margin	**52,936**	**46,239**	**6,697**
Units to be sold	**11,429**	**11,429**	**11,429**
Per Unit DM	**4.63**	**4.05**	**0.59**
B. Prior Year Adjustment	**16,958**	**-**	**16,958**
C. O & M as per DIP Direction	**500**	**475**	**25**
Total	**70,394**	**45,592**	**24,803**

The bifurcation / allocation of Total Revenue Requirement has been made in accordance with the basis already endorsed by the Authority in earlier GEPCO MYT Determination & Indexation / Adjustment Determination.

GEPCO

PRAYER / REQUEST:

In view of the considerations and grounds aforesaid, it is respectfully prayed:

(i) The tariff for the Calendar Year 2027 may be determined based on the information provided.

(ii) The Revenue Requirement for the (Power Supply + Distribution) business, inclusive of annual indexation/adjustment of distribution / power supply margins, prior year adjustments and O & M claim as per DIP Directions pertaining to CY 2027, may kindly be approved based on the information provided.

(iii) The Petitioner may be granted an opportunity to be heard in this matter. The Petitioner may also be allowed to submit additional grounds, information, and documents in support of its Petition, if required.

(iv) Any inadvertent omissions, errors, or shortcomings may be condoned, and the Petitioner may be permitted to add, change, modify, or alter this filing, and make submissions as may be required at a future date.

(v) In light of GEPCO's ongoing privatization process, the Authority may allow a reopener mechanism (if needed) for the tariff determination to enable necessary updates to tariff provisions, as and when required, consistent with the framework agreed between the Government of Pakistan and prospective investors.

(vi) Any other relief that may be deemed just and appropriate in this matter may also be granted.

Submitted on behalf of GEPCO by,

Chief Executive Officer
GEPCO Ltd., Gujranwala

Gujranwala Electric Power Company Ltd.
GEPCO

GUJRANWALA ELECTRIC POWER COMPANY

Company Secretariat

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Extract of Minutes

Meeting No	Date	Place
182ND BOD	26-03-2025	Gujranwala

Agenda Item 10	**Any other point with permission of the Chair** (i.e. to consider for approval the following recommendations of 19th Emergent Meeting of Technical Initiatives, Development, Operational Risk Management, Finance and Procurement (TF&P) Committee held on March 25 2025:

10.1. Filing of Multi-Year Tariff Petition for the Financial Year 2025-26 to 2029-30 along with Annual Revenue Requirement before NEPRA

Resolution:

182nd BOD-R- As per recommendation of the Technical Initiatives, Development, Operational Risk Management, Finance & Procurement (TF&P) Committee, the Board unanimously RESOLVED that approval be and hereby is accorded for filing of Multi-Year Tariff petition(s) for determination of Consumer end Tariff of the Gujranwala Electric Power Company (the "Company") along with Revenue Requirement for Financial Years 2025-26 to 2029-30 with National Electric Power Regulatory Authority (NEPRA).

The Board FURTHER RESOLVED THAT the Chief Executive Officer GEPCO, Chief Financial Officer GEPCO and DG (MIRAD) GEPCO be and hereby are authorized to sign individually or jointly the necessary documents for filing of the Multi-Year Tariff petition(s) for Distribution & Power Supply Businesses, file subsequent review / indexation petition(s) after determination of Multi Year Tariff petition(s), if any, appear before the Authority as needed, and take all further actions necessary thereto.

Note:

The above-Board Resolution is based on the following confirmations from the management:

a. *No material information has been withheld and the working papers represent all facts of the case.*
b. *All legal and codal formalities have been complied with,*
c. *There is no conflict of interest of any officer of the GEPCO.*
d. *Concerned official / officer of GEPCO's management would be liable for any omission / misstatement of the facts and figures in the working papers.*

Company Secretary
GEPCO

List of Annexures

Gujranwala Electric Power Company Ltd. GEPCO

A. ANNEXURES RELATING TO INDEXATION			
1	Salaries, wages & Benefits – Basis for Projections and details of hiring	A.1	26 – 27
2	Audited Financial Statements 31.03.2026	A.2	28 – 87
3	Actuarial Valuation Report 31.03.2026	A.2	88 – 112
4	NCPI June 2026 (General & Transport)	A.3	113 – 116

ANNEX-A.1

SALARIES, WAGES AND OTHER BENEFITS (EXCLUDING POST-RETIREMENT BENEFITS)

A CALCULATION OF PAY FOR FY 2026-27:

Description	Rs. in Millions
Reference FY 2025-26	17,115
7% Adhoc (W-1)	490
15% DRA (W-2)	454
Revision of Conveyance Allowance (W-3)	165
Revision of Special Conveyance Allowance (W-4)	5
5% Increment (W-1)	350
Others / Upgradations / Promotions etc.	250
	18,827

(W-1) Calculation of 7% Adhoc Relief and 5% Increments:

(Rs. in Millions)

	31.03.2026	30.06.2026	AR -2022	AR -2025	Basic Pay for Increase	7% Ad hoc 2026	5% increment
	1	2	3	4	5=2+3+4	6=5X7%	7=5X5%
Basic Pay	3,574	4,894	398	983	6,275	439	314
Daily Wages	404	483	-	-	483	34	24
Drivers Salary	107	236	-	-	236	17	12
Sub Total		5,613				490	350

(W-2) Calculation of 15% DRA:

(Rs. in Millions)

Basic Pay as on 30-06-2022	3,025
15% increase	454

(W-3) Calculation Revision of Conveyance Allowance:

BPS	Existing Rate of Conveyance Allowance	Enhanced Rate of Conveyance Allowance	Incremental Effect	No. of Employees	Monthly Financial Impact	Annual Financial Impact	Rs. in Millions
01-04	1,785	2,678	893	365	325,945	3,911,340	3.91
05-10	1,932	2,898	966	5,724	5,529,384	66,352,608	66.35
11-15	2,856	4,284	1,428	3,414	4,875,192	58,502,304	58.50
16 and Above	5,000	7,500	2,500	1,209	3,022,500	36,270,000	36.27
Total						**165,036,252**	**165.04**

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Gujranwala Electric Power Company Ltd.
GEPCO

(W-4) Calculation of Revision of Special Conveyance Allowance:

No. of Eligible Employees	Existing Rate of Conveyance Allowance	Enhanced Rate of Conveyance Allowance	Incremental Effect	Monthly Financial Impact	Annual Financial Impact	Rs. in Millions
99	6,000	10,000	4,000	396,000	**4,752,000**	**4.75**

B DETAILS OF HIRINGS DURING FY 2025-26:

Sr. No.	Details of Recruitment	Year of Recruitment	Count	Pay per Person	Pay per Month	Pay for FY 2025-26	Rs. in Millions
1	Junior Engineer (Electrical)	12-2025	55	150,000	8,250,000	49,500,000	49.50
2	Revenue Officer (RO)	12-2025	4	129,000	516,000	3,096,000	3.10
3	Commercial Assistant	12-2025	53	48,500	2,570,500	15,423,000	15.42
4	Line Superintendent-I	12-2025	49	48,500	2,376,500	14,259,000	14.26
5	Line Superintendent-II	12-2025	117	46,400	5,428,800	32,572,800	32.57
Total			**278**			**114,850,800**	**114.85**

Annex- A. 2.a Audited Financial Statements

31.03.2026

Gujranwala Electric Power Company Ltd.
GEPCO

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Riaz Ahmad & Company
Chartered Accountants

GUJRANWALA ELECTRIC POWER COMPANY LIMITED

FINANCIAL STATEMENTS
SPECIAL AUDIT FOR THE
PERIOD ENDED 31 MARCH 2026

A member of Nexia International

Gujranwala Electric Power Company GEPCO

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Riz Ahmad & Company
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Gujranwala Electric Power Company Limited

Opinion

We have audited the annexed special purpose financial statements of Gujranwala Electric Power Company Limited (the Company), which comprise the special purpose statement of financial position as at 31 March 2026, and the special purpose statement of profit or loss, the special purpose statement of comprehensive income, the special purpose statement of changes in equity, the special purpose statement of cash flows for the nine months then ended, and notes to the special purpose financial statements, including material accounting policy information and other explanatory information (here-in-after referred to as the financial statements).

In our opinion, the accompanying financial statements of the Company for the nine months period ended 31 March 2026 are prepared in all material respects, in accordance with the basis of preparation described in note 2.1 of the financial statements.

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 Matter

We draw attention to the following matters:

(a) Note 2.1 of the financial statements which describes the basis of accounting. The financial statements are prepared by the management with reference to the Government of Pakistan (GoP) ongoing initiative for privatization of the Company. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for the Company and Privatization Commission (PC) and should not be distributed to or used by any parties other than the Company or PC.

(b) Note 26 of the financial statements, which describes various matters regarding tax contingencies the ultimate outcome of which cannot be presently determined hence no provision for the same has been made in accompanying financial statements.

Our opinion is not modified in respect of these matters.

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 basis of preparation described in note 2.1 to the financial statements 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.

Gujranwala Electric Power Company Ltd. GEPCO

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 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.

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

RIAZ AHMAD & COMPANY
Chartered Accountants

Islamabad

Date: 31 JUL 2026

Gujranwala Electric Power Company Ltd. GEPCO

GUJRANWALA ELECTRIC POWER COMPANY LIMITED
SPECIAL PURPOSE STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2026

	NOTE	31 March 2026 Rupees	30 June 2025 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	200,938,999,037	118,620,271,199
Intangible asset under development	5	686,179,564	652,054,564
Long term loans	6	494,550,539	499,736,543
Deferred income tax asset	7	-	-
		202,119,729,140	119,772,062,306
CURRENT ASSETS			
Stores, spares and loose tools	8	13,753,586,724	8,331,374,984
Trade debts	9	44,804,755,413	46,474,073,828
Loans and advances	10	163,052,910	385,272,844
Receivable from Government of Pakistan	11	52,648,559,749	37,814,425,642
Advance taxation and levy	12	2,210,738,510	3,386,051,489
Other receivables	13	874,302,564	2,968,476,172
Short term investments	14	12,319,209,587	11,703,390,200
Bank balances	15	6,110,252,677	7,243,428,256
		132,884,458,134	118,306,493,415
TOTAL ASSETS		335,004,187,274	238,078,555,721
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
5,000,000,000 (30 June 2025: 5,000,000,000) Ordinary shares of Rupees 10 each		50,000,000,000	50,000,000,000
Issued, subscribed and paid up share capital	16	3,018,646,801	3,018,646,801
Accumulated losses		(39,455,516,302)	(46,220,047,621)
Capital reserves			
Deposit for shares	17	44,010,493,867	28,812,919,271
Surplus on revaluation of freehold land		68,527,133,003	-
		112,537,626,870	28,812,919,271
TOTAL RESERVES		73,082,110,568	(17,407,128,350)
TOTAL EQUITY		76,100,757,369	(14,388,481,549)
NON-CURRENT LIABILITIES			
Long term loans	18	4,062,276,826	4,235,609,612
Long term security deposits	19	11,616,922,090	11,017,712,896
Staff retirement benefits	20	82,476,888,886	78,724,366,530
Deferred credits	21	45,747,003,750	41,390,104,541
		143,903,091,552	135,367,793,579
CURRENT LIABILITES			
Trade and other payables	22	98,519,667,115	92,106,389,640
Contract liabilities	23	1,090,028,495	888,031,429
Accrued markup	24	10,828,752,965	15,196,928,002
Sales tax payable	25	296,861,002	4,816,198,630
Current portion of long term loans	18	4,265,028,776	4,091,695,990
		115,000,338,353	117,099,243,691
TOTAL LIABILITIES		258,903,429,905	252,467,037,270
CONTINGENCIES AND COMMITMENTS	26	-	-
TOTAL EQUITY AND LIABILITIES		335,004,187,274	238,078,555,721

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

CHIEF EXECUTIVE OFFICER **DIRECTOR**

Gujranwala Electric Power Company Ltd GEPCO

GUJRANWALA ELECTRIC POWER COMPANY LIMITED
SPECIAL PURPOSE STATEMENT OF PROFIT OR LOSS
FOR THE NINE MONTHS ENDED 31 MARCH 2026

	NOTE	Nine months period ended 31 March 2026 Rupees	Year ended 30 June 2025 Rupees
SALE OF ELECTRICITY - NET	27	234,575,034,556	325,356,106,600
SUBSIDIES FROM THE GOVERNMENT OF PAKISTAN	28	28,330,412,910	37,427,183,495
		262,905,447,466	362,783,290,095
COST OF ELECTRICITY	29	(224,691,682,541)	(311,019,267,751)
GROSS PROFIT		38,213,764,925	51,764,022,344
AMORTIZATION OF DEFERRED CREDIT	21	1,666,248,725	1,870,283,555
		39,880,013,650	53,634,305,899
OPERATING EXPENSES:			
ADMINISTRATIVE EXPENSES	30	(7,061,815,855)	(9,854,097,021)
DISTRIBUTION COST	31	(23,178,783,666)	(27,784,523,654)
		(30,240,599,521)	(37,638,620,675)
PROFIT FROM OPERATIONS		9,639,414,129	15,995,685,224
OTHER INCOME	32	12,044,294,158	8,129,900,392
OTHER OPERATING EXPENSES	33	(2,378,844,552)	(2,396,570,674)
FINANCE COST	34	(2,263,685,814)	(3,062,818,417)
PROFIT BEFORE TAXATION AND LEVY		17,041,177,921	18,666,196,525
LEVY	35	(3,327,000,346)	(4,591,479,874)
PROFIT BEFORE TAXATION		13,714,177,575	14,074,716,651
TAXATION	36	(1,496,361,348)	(412,829,826)
PROFIT AFTER TAXATION		12,217,816,227	13,661,886,825

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

Gujranwala Electric Power Company GEPCO

GUJRANWALA ELECTRIC POWER COMPANY LIMITED

SPECIAL PURPOSE STATEMENT OF COMPREHENSIVE INCOME

FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2026

	Nine months period ended 31 March 2026 Rupees	Year ended 30 June 2025 Rupees
PROFIT AFTER TAXATION	12,217,816,227	13,661,886,825
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified to profit or loss		
Remeasurement of defined benefit plans	(5,453,284,908)	2,621,804,875
Surplus on revaluation of freehold land	68,527,133,003	-
Items that may be reclassified subsequently to profit or loss	-	-
Other comprehensive income for the period / year	63,073,848,095	2,621,804,875
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD / YEAR	75,291,664,322	16,283,691,700

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

Gujranwala Electric Power Company Ltd.
GEPCO

GUJRANWALA ELECTRIC POWER COMPANY LIMITED
SPECIAL PURPOSE STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2026

	SHARE CAPITAL	CAPITAL RESERVES		ACCUMULATED LOSS	TOTAL RESERVES	TOTAL EQUITY
		DEPOSIT FOR SHARES	SURPLUS ON REVALUATION OF FREEHOLD LAND			
	------- Rupees -------					
Balance as at 30 June 2024	10,000	25,684,491,166	-	(62,503,739,321)	(36,819,248,155)	(36,819,238,155)
Share capital issued against deposit for shares	3,018,636,801	(3,018,636,801)	-	-	(3,018,636,801)	-
Non-cash settlement against deposit for shares	-	6,147,064,906	-	-	6,147,064,906	6,147,064,906
Profit for the year	-	-	-	13,661,886,825	13,661,886,825	13,661,886,825
Other comprehensive income for the year	-	-	-	2,621,804,875	2,621,804,875	2,621,804,875
Total comprehensive income	-	-	-	16,283,691,700	16,283,691,700	16,283,691,700
Balance as at 30 June 2025	3,018,646,801	28,812,919,271	-	(46,220,047,621)	(14,388,491,549)	(14,388,481,549)
Non-cash settlement against deposit for shares	-	15,197,574,596	-	-	15,197,574,596	15,197,574,596
Profit for the period	-	-	-	12,217,816,227	12,217,816,227	12,217,816,227
Other comprehensive income for the period	-	-	68,527,133,003	(5,453,284,908)	63,073,848,095	63,073,848,095
Total comprehensive income	-	-	68,527,133,003	6,764,531,319	75,291,664,322	75,291,664,322
Balance as at 31 March 2026	3,018,646,801	44,010,493,867	68,527,133,003	(39,455,516,302)	76,100,747,369	76,100,757,369

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

Gujranwala Electric Power Company Ltd. GEPCO

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GUJRANWALA ELECTRIC POWER COMPANY LIMITED

SPECIAL PURPOSE STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2026

	NOTE	Nine months period ended 31 March 2026 Rupees	Year ended 30 June 2025 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	38	7,588,276,891	32,887,868,224
Security deposits received - net		599,209,194	1,131,249,011
Receipts against deposit works - net		1,235,870,844	(947,910,036)
Payment of staff retirement benefits		(5,673,233,290)	(7,674,428,652)
Finance cost paid	34	(699,572)	(1,441,077)
Income tax paid		(3,648,048,715)	(8,360,896,774)
		(7,486,901,539)	(15,853,427,528)
Net cash generated from operations		101,375,352	17,034,440,696
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions in property, plant and equipment - net	4.1	(17,547,076,980)	(30,896,225,095)
Additions in intangible asset under development		(34,125,000)	(50,901,889)
Additions in plan asset		(5,500,000,000)	(6,100,600,000)
Decrease / (increase) in long term loans - net		5,186,004	(43,801,733)
Capital contribution received against deposit works		6,023,147,934	9,063,661,175
Increase in short term investments - net		(615,819,387)	(254,547,949)
Interest income received	32	1,236,561,902	1,820,159,759
Net cash used in investing activities		(16,432,125,527)	(26,462,255,732)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from equity injection from GOP - net		15,197,574,596	6,147,064,906
Net cash from financing activities		15,197,574,596	6,147,064,906
NET DECREASE IN CASH AND CASH EQUIVALENTS		(1,133,175,579)	(3,280,750,130)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD / YEAR		7,243,428,256	10,524,178,386
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD / YEAR	15	6,110,252,677	7,243,428,256

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

Gujranwala Electric Power Company Ltd. GEPCO

GUJRANWALA ELECTRIC POWER COMPANY LIMITED

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED 31 MARCH 2026

1. THE COMPANY AND ITS OPERATIONS

1.1 Gujranwala 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 properties, rights, assets, obligations and liabilities of Gujranwala Area Electricity Board owned by Water and Power Development Authority (WAPDA), and such other assets and liabilities as agreed. The Company was incorporated on April 02, 1998 and commenced commercial operations on July 01, 1998. The principal activity of the Company is the distribution of electricity within defined geographical territory of Gujranwala, Sialkot, Narowal, Gujrat, Mandi Baha Uddin and Hafiz Abad. The registered office of the Company is situated at 565-A Model Town GT Road, Gujranwala.

1.2 The Company took over certain properties, assets, rights, obligations and liabilities relating to distribution of electricity from Pakistan Water and Power Development Authority (WAPDA) under Business Transfer Agreement (BTA) dated 29 June 1998. The details of assets, liabilities and related matters as provided under clause 1.1 of the BTA were finalized with WAPDA through a Supplementary Business Transfer Agreement (SBTA).

Head Office

The Head office of the Company is situated at 565-A, Model Town, G.T Road, Gujranwala.

1.3 The Council of Common Interest (CCI) in its meeting held on 12 September 1993 approved the privatization of thermal power generation units (GENCOs) and power distribution companies (DISCOs) in a phased program. Cabinet Committee on Privatization (CCOP) in its meeting held on 17 February 2009 approved privatization of certain GENCOs and DISCOs, this decision was ratified by Federal Cabinet in its meeting, held on 06 January 2010. President and Prime Minister of Pakistan also approved privatization of GENCOs and DISCOs including the Company during a presentation given to them by Ministry of Privatization on 22 November 2010. Decision of President and Prime Minister had also been subsequently ratified by the CCI during its meeting held on 28 April 2011.

Since October 2013, the CCOP approved 68 Public Sector Enterprises (PSEs) for inclusion in the privatization program. The Company had been approved by CCOP for early implementation. The Privatization Commission (PC) on behalf of the Government of Pakistan (GoP) invited Expression of Interest (EOI) from prospective private sector strategic partner(s) to acquire seventy-four percent (74%) shareholding in the Company, currently owned by the GoP, together with management control on 02 November 2015.

However, protests against privatization were started by the opposition parties and by labor unions. In order to give the union a chance to perform, the GoP has reconsidered the privatization mode of the power sector by shifting it from strategic sale to divestment through capital markets. CCOP in its meeting held on 14 July 2016 considered proposals regarding divestment of Power Sector Entities and PC to initiate process for listing of shares of the Company on the stock exchange through Initial Public Offering (IPO). It was also decided that GoP would retain the control of the Company as well as management.

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The PC in its meeting held on 02 October 2017, had discussion on volume of circular debt and nature of losses being accrued in GENCOs and DISCOs and decided that the PC would seek approval of the Government to privatize the Company as strategic sale. In notification 12(03)/2023-CA-I dated 30 July 2024, the Ministry of Energy (Power Division) affirmed the Government's intention to privatize GENCOs and DISCOs as part of its ongoing energy sector privatization efforts and further in correspondence No. 14(11)/2018-DISCO-1 dated 28 August 2024, the Company along with Faisalabad Electric Supply Company Limited (FESCO) and Islamabad Electric Supply Company Limited (IESCO) were asked to compile preliminary information for privatization. Moreover the Company received directions from Ministry of Energy (Power Division) and PC through letters dated 17 June 2025, 19 June 2025 and 08 August 2025 with reference numbers 37(1)DISCOS/PS/PC/2020, 14(19)/2025-DISCO-III and 14(19)/2025-DISCO-III respectively, to complete the finalization and approval of audited financial statements for the year ended 2025 and complete other legal formalities by the end of August 2025 for continuation of privatization process.

In reference to the Government of Pakistan's (GoP) ongoing initiative for the privatization of the Company, the Company has been directed to finalize and obtain approval of its audited financial statements for the nine months period ending 31 March 2026, through letter dated 02 April 2026 with reference number 37(1)DISCOS/PS/PC/2020 within the stipulated timelines to facilitate the privatization process.

2. MATERIAL ACCOUNTING POLICY INFORMATION

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

2.1 Basis of preparation

a) Statement of compliance

These non-statutory special purpose financial statements (financial statements) have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan, except that the corresponding figures in the special purpose statement of profit or loss, the special purpose statement of comprehensive income, the special purpose statement of cash flows and the related notes to and forming part of the special purpose statements are for the year ended 30 June 2025 and, therefore are not entirely comparable. The accounting and reporting standards as applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRSs) 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 and the State-Owned Enterprises (Governance and Operations) Act, 2023.

Where provisions of and directives issued under the Companies Act, 2017 and the State-Owned Enterprises (Governance and Operations) Act, 2023 differ from the IFRSs, the provisions of and directives issued under the Companies Act, 2017 and the State-Owned Enterprises (Governance and Operations) Act, 2023 have been followed.

These financial statements have been prepared by the management with reference to the Government of Pakistan's (GoP) ongoing initiative for the privatization of the Company. As a result, these financial statements may not be suitable for another purpose.

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b) Accounting convention

These financial statements have been prepared under the historical cost convention, except as otherwise stated in the respective accounting policies.

c) Critical accounting estimates and judgments

The preparation of these financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the 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. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgments were exercised in the application of accounting policies are as follows:

Financial instruments – fair value

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques based on assumptions that are dependent on conditions existing at the reporting date.

Useful lives, patterns of economic benefits and impairments of property, plant, equipment and intangible assets

The Company reviews appropriateness of rates of depreciation, useful lives and residual values used in calculation of depreciation on items of property, plant and equipment on regular basis. Further, where applicable, an estimate of recoverable amount of assets is made for possible impairment on an annual basis. In making these estimates, the Company uses technical resources available inside / outside the Company, as appropriate. Any change in these estimates in the future might affect the carrying amount of items of property, plant and equipment with a corresponding effect on the depreciation charge, impairment and amortization of deferred credit.

Provision for obsolescence of stores, spares and loose tools

The Company reviews the carrying amount of stores, spares and loose tools on a regular basis and provision is made for obsolescence if there is any change in usage pattern and physical form of related stores, spares and loose tools.

Income tax and levy

In making the estimates for income tax currently payable by the Company, the management takes into account the current income tax law and the decisions of appellate authorities on certain issues in the past. Instances where the Company's views differ from the views taken by the income tax department at the assessment stage and where the Company considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

Deferred tax assets are recognized for all unused tax losses and credits to the extent that it is probable that future taxable profit will be available against which such losses and credits can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

Allowance for expected credit losses

Financial assets due from public sector consumers and tariff differential claims

The Company assesses the recoverability of these financial assets if there is objective evidence that the Company will not be able to collect all the amounts due according to the original terms. Judgment by the management is required in estimation of the amount and timing of future cash flows when determining the level of provision required and in determining the debts that are not recoverable and are to be written off.

Other financial assets

The Company uses default rates based on provision matrix for large portfolio of customers who have similar characteristics to calculate Expected Credit Loss (ECL) for trade debts.

The rates in provision matrix are based on days past due for various customer segments that have similar loss patterns. The provision matrix is initially based on the Company's historical observed default rates which is then adjusted for forward looking information.

The assessment of the correlation between historically observed default rates and the forecast economic conditions and ECL are significant estimates. The amount of ECL is sensitive to changes in circumstances and forecasts of economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of the customer's actual default in the future.

Revenue from contracts with customers involving sale of electricity

When recognizing revenue in relation to the sale of goods to customers, the key performance obligation of the company is considered to be the point of delivery of the goods to the customer, as this is deemed to be the time that the customer obtains control of the promised good and therefore the benefits of unimpeded access.

Staff retirement benefits

The Company operates funded pension scheme, free electricity scheme and free medical facility scheme for all its employees along with entitlement for accumulated compensated absences which are encashed at the time of retirement up to maximum limit of 365 days. The calculation of the benefits requires assumptions to be made of future outcomes, the principal ones being in respect of increase in salary and the discount rates used to convert future cash flows to current values. The assumptions used for the plans are determined by independent actuary on annual basis. The amount of the expected return on plan assets is calculated using the expected rate of return for the year. Calculations are sensitive to changes in the underlying assumptions. The figure of staff retirement benefit liabilities primarily represents the increase in actuarial present value of the obligations for benefits earned on employee service during the year and the interest on the obligations in respect of employee service in previous years, net of the respected return on plan assets.

Provisions

As the actual outflows can differ from estimates made for provisions due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are reviewed at each reporting date and adjusted to take account of such changes. Any adjustments to the amount of previously recognized provision is recognized in the statement of profit or loss unless the provision was originally recognized as part of cost of an asset.

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Impairment

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amount is estimated and impairment losses are recognized in the statement of profit or loss. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. The increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit or loss.

Deferred credit

Amounts received from consumers and the Government as contributions towards the cost of extension of the distribution network and of providing service connections are deferred for amortization 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.

Contingencies

The Company reviews the status of all pending litigations and claims against the Company. Based on the judgment and the advice of the legal advisors for the estimated financial outcome, appropriate disclosure or provision is made. The actual outcome of these litigations and claims can have an effect on the carrying amounts of the liabilities recognized at the statement of financial position date.

Tariff adjustment determination

As per the mechanism laid out in the Multi Year Tariff (MYT) decision, the Company seeks adjustments for fuel price, cost of power purchase, operation and maintenance cost and unrecovered cost including non-recoverable dues written-off, as per NEPRA's determination on a monthly / quarterly / annual basis. The monthly / quarterly / annual determinations of the tariff adjustment are approved by NEPRA on a time to time basis, resulting in provisional amounts being recognized by the Company based on its judgments and interpretation of MYT decision, till the determination from NEPRA is received.

Leases

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Company has the option, under its lease arrangements to lease the assets for additional terms. The Company applies judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., a change in business strategy). Any change is accounted for as a change in estimate and applied prospectively with corresponding change in the right-of- use assets and lease liabilities.

Revaluation of freehold land (Note 40)

d) Amendments to approved accounting standards that are effective in current period and are relevant to the Company

Following amendments to published approved accounting standards are mandatory for the Company's accounting periods beginning on or after 01 July 2025:

- Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates

The above-mentioned amendments to approved accounting standards did not have any impact on the amounts recognized in prior period and are not expected to significantly affect the current or future periods.

e) Amendments to published approved accounting standards that are effective in current period but not relevant to the Company

There were amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2025 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

f) Standards, amendments and improvements to published approved accounting standards that are not yet effective but relevant to the Company

Following standards and amendments to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 01 April 2026 or later periods:

IFRS S1 'General Requirements for Disclosure of Sustainability-related Financial Information'. IFRS S1 sets out overall requirements for sustainability-related financial disclosures with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

IFRS S2 'Climate-related Disclosures'. IFRS S2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

As the Company is non-listed public interest company, therefore as per the guidelines from Securities and Exchange Commission of Pakistan (SECP) dated 11 December 2025, the effective date of these two sustainability standards is for annual reporting periods beginning on or after 01 July 2031.

The International Accounting Standards Board (IASB) has published 'Annual Improvements to IFRS Accounting Standards — Volume 11'. The amendments are effective for annual reporting periods beginning on or after 01 January 2026. It contains amendments to following standards relevant to the Company, as result of the IASB's annual improvements project:

- IFRS 7 Financial Instruments: Disclosures;
- IFRS 9 Financial Instruments; and
- IAS 7 Statement of Cash flows.

Amendment to IFRS 7 — 'Financial Instruments: Disclosures' and IFRS 9 — 'Financial Instruments – Classification and Measurement of Financial Instruments' (effective for annual reporting periods beginning on or after 01 January 2026). These amendments 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 SPPI criterion; add new disclosures for certain instruments with contractual terms that can change cash flows; and make updates to the disclosures for equity instruments designated at FVTOCI.

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Amendment to IFRS 7 — 'Financial Instruments: Disclosures' and IFRS 9 — 'Financial Instruments – Contracts Referencing Nature dependent Electricity' (effective for annual reporting periods beginning on or after 01 January 2026). These amendments change the 'own use' and hedge accounting requirements of IFRS 9 and include targeted disclosure requirements to IFRS 7.

IFRS 18 'Presentation and Disclosure in Financial Statements' (effective for annual periods beginning on or after 01 January 2027) with a focus on updates to the statement of profit or loss. The objective of IFRS 18 is to set out requirements for the presentation and disclosure of information in general purpose financial statements to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses. The key concepts introduced in IFRS 18 relate to: the structure of the statement of profit or loss; required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its 'operating profit or loss'.

The above standards, amendments and improvements are likely to have no significant impact on the financial statements apart from certain additional disclosures.

g) Standards and amendments to published approved accounting standards that are not yet effective and not considered relevant to the Company

There are other standards and amendments to published approved accounting standards that are mandatory for accounting periods beginning on or after 01 April 2026 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

2.2 Staff retirement benefits

Defined benefit plans

The Company operates funded pension, post-retirement free electricity, medical benefits and compensated absences schemes for its employees. The Company's obligations under these schemes are determined by a qualified actuary using the Projected Unit Credit Actuarial Cost Method.

The latest actuarial valuation was carried out as at 31 March 2026. The Company's net obligation in respect of defined benefit 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.

Remeasurements of the net defined benefit liability, which comprise 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 by applying the discount rate used to measure the defined benefit obligation at the beginning of the reporting period to the then net defined benefit liability, taking into account any changes during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

General / Employees' Provident Fund and WAPDA Welfare 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 fund 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 figures related to the Company cannot be segregated from the whole General / Employees' Provident Fund.

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2.3 Taxation

Current

Provision for current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year, if enacted. Except for the tax (minimum tax) levied under the Income Tax Ordinance, 2001 and any excess over the amount designated as levy charged as income tax in the statement of profit or loss. The charge for current tax and levy also includes adjustments, where considered necessary, to provision for tax and levy made in previous years arising from assessments framed during the year for such years.

Deferred

Deferred tax is accounted for using the liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited in the statement of profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

2.4 Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the functional currency). The financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency.

2.5 Foreign currency transactions and translation

All monetary assets and liabilities in foreign currencies are translated into Pak Rupees at exchange rates prevailing at the reporting date. Transactions in foreign currencies are translated into Pak Rupees at exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are charged or credited to statement of profit or loss. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated into Pak Rupees at exchange rates prevailing at the date of transaction. Non-monetary assets and liabilities denominated in foreign currency that are stated at fair value are translated into Pak Rupees at exchange rates prevailing at the date when fair values are determined.

2.6 Provisions

Provisions are recognized when the Company has a 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.

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2.7 Property, plant, equipment and depreciation

Operating fixed assets

Operating fixed assets except freehold land are stated at cost less accumulated depreciation and accumulated impairment losses if any. Cost of operating fixed assets consists of historical cost, borrowing cost pertaining to erection / construction period of qualifying assets and other directly attributable cost of bringing the asset to working condition. Freehold land is stated at revalued amount less any identified impairment loss.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to statement of profit or loss during the period in which they are incurred.

Increases in the carrying amounts arising on revaluation of freehold land are recognized, in other comprehensive income and accumulated in revaluation surplus in shareholders' equity. To the extent that increase reverses the decrease previously recognized in the statement of profit or loss, the increase is first recognized in the statement of profit or loss. Decreases that reverse previous increases of the same asset are first recognized in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to the statement of profit or loss.

During the current year, the Company has changed its accounting policy for measurement of freehold land from cost model to revaluation model. Freehold land is now stated at revalued amount less any identified impairment loss. Previously, freehold land was stated at cost less any identified impairment loss. The effect of revaluation of freehold land has been dealt with in accordance with the requirements of International Accounting Standard (IAS) 16 "Property, Plant and Equipment". Had there been no change in this accounting policy, property, plant and equipment would have been lower by Rupees 68,527.133 million. This change in accounting policy has not impact on profit or loss.

Depreciation

Depreciation on operating fixed assets is calculated by applying the straight-line method so as to write off the cost / depreciable amount of the asset over their estimated useful lives at the rates given in Note 4.1. Depreciation on additions is charged from the month the assets are available for use while no depreciation is charged in the month in which the assets are disposed of. Depreciation on operating fixed assets is charged to the statement of profit or loss except for depreciation provided on vehicles during the period of construction of operating fixed assets that is capitalized as part of the cost of operating fixed assets. The residual values and useful lives of assets are reviewed by the management, at each financial year end and adjusted if impact on depreciation is significant.

De-recognition

An item of operating fixed assets 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.

Capital work-in-progress

Capital work-in-progress is stated at cost less identified impairment losses, if any. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to operating fixed assets as and when these are available for use.

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2.8 Intangible assets

Intangible assets, which are non-monetary assets without physical substance, are recognized at cost, which comprise purchase price, non-refundable purchase taxes and other directly attributable expenditure relating to their implementation and customization. After initial recognition an intangible asset is carried at cost less accumulated amortization and impairment losses, if any. Intangible asset under development is stated at cost less any recognized impairment loss.

2.9 Investments and other financial assets

a) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortized cost

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Company reclassifies debt investments when and only when its business model for managing those assets changes.

b) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on de-recognition is recognized directly in profit or loss and presented in other income / (other expenses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

Fair value through other comprehensive income (FVTOCI)

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment losses (and reversal of impairment losses), interest income and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is de-recognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss and recognized in other income / (other expenses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other income / (other expenses) and impairment losses are presented as separate line item in the statement of profit or loss.

Fair value through profit or loss (FVTPL)

Assets that do not meet the criteria for amortized cost or FVTOCI are measured at FVTPL. A gain or loss on a debt instrument that is subsequently measured at FVTPL is recognized in profit or loss and presented net within other income / (other expenses) in the period in which it arises.

Equity instruments

The Company subsequently measures all equity investments at fair value for financial instruments quoted in an active market, the fair value corresponds to a market price (level 1). For financial instruments that are not quoted in an active market, the fair value is determined using valuation techniques including reference to recent arm's length market transactions or transactions involving financial instruments which are substantially the same (level 2), or discounted cash flow analysis including, to the greatest possible extent, assumptions consistent with observable market data (level 3).

Fair value through other comprehensive income (FVTOCI)

Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

Fair value through profit or loss (FVTPL)

Changes in the fair value of equity investments at fair value through profit or loss are recognized in other income / (other expenses) in the statement of profit or loss as applicable.

Dividends from such investments continue to be recognized in profit or loss as other income when the Company's right to receive payments is established.

2.10 Financial liabilities - classification and measurement

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense

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and foreign exchange gains and losses are recognized in statement of profit or loss. Any gain or loss on de-recognition is also included in profit or loss.

2.11 Impairment of financial assets

The Company recognizes loss allowances for ECLs on:

- Financial assets measured at amortized cost; and
- Contract assets.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the bank balances, which is measured at 12-month ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

The Company has elected to measure loss allowances for trade debts using IFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs.

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

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering of a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt securities at FVTOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

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2.12 De-recognition of financial assets and financial liabilities

a) Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such de-recognized financial assets that is created or retained by the Company is recognized as a separate asset or liability.

b) Financial liabilities

The Company derecognizes a financial liability (or a part of financial liability) from its statement of financial position when the obligation specified in the contract is discharged or cancelled or expires.

2.13 Offsetting of financial instruments

Financial assets and financial liabilities are set off and the net amount is reported in the financial statements when there is a legal enforceable right to set off and the Company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

2.14 Stores, spare parts and loose tools

These are valued at the lower of cost or net realizable value. Cost is determined on a weighted average basis, comprising invoice values and the related charges that have been incurred in bringing the inventories to their present locations and condition. 100% provision is made for inactive stores and spares over 3 years.

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

2.15 Trade and other receivables

Trade receivables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, less any allowance for expected credit losses.

Securities and Exchange Commission of Pakistan (SECP) through SRO 1784(I)/2024 dated 4 November 2024 has notified that, in respect of companies holding financial assets due or ultimately due from the Government of Pakistan in respect of circular debt, the requirements contained in IFRS 9 "Financial Instruments" with respect to application of Expected Credit Losses (ECL) method shall not be applicable for the financial years ending or before 31 December 2025, provided that such companies shall follow relevant requirements of IAS 39 "Financial Instruments: Recognition and Measurement" in respect of above referred financial assets during the exemption period. Accordingly, the same continue to be reported as per the following accounting policy:

A provision for impairment is established when there is objective evidence that the Company will not be able to collect all the amount due according to the original terms of the receivable.

The Company assesses at the end of each reporting period whether there is objective evidence that the financial asset is impaired. The financial asset is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset that can be reliably estimated. Evidence of impairment may include indications that the debtor is experiencing

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significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization, and where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults. The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognized in the profit or loss. When the financial asset is uncollectible, it is written off against the provision. Subsequent recoveries of amounts previously written off are credited to the profit or loss. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the reversal of the previously recognized impairment loss is recognized in the profit or loss.

Other receivables are recognized at amortized cost, less any allowance for expected credit losses.

2.16 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 commences upon completion of related work which is taken to the statement of profit or loss each year corresponding to the depreciation charge of relevant asset for the year.

2.17 Borrowings

Financing and borrowings are recognized initially at fair value and are subsequently stated at amortized cost. Any difference between the proceeds and the redemption value is recognized in the statement of profit or loss over the period of the borrowings using the effective interest method.

2.18 Borrowing cost

Interest, mark-up and other charges on long term loans are capitalized up to the date of commissioning of respective qualifying assets acquired out of the proceeds of such long-term loans. All other interest, mark-up and other charges are recognized in statement of profit or loss.

2.19 Trade and other payables

Liabilities for trade and other amounts payable are initially recognized at fair value, which is normally the transaction cost and subsequently measured at amortized cost using the effective interest method.

2.20 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at banks on current 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.

2.21 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.

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2.22 Revenue recognition

Sale of electricity

Revenue from the sale of electricity is recognized on supply of electricity to consumers at the rates determined by NEPRA and notified by the Government of Pakistan in official gazette from time to time.

Tariff differential subsidy

Tariff differential subsidy on electricity announced by the Government of Pakistan for consumers is recognized under revenue on an accrual basis.

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 hourly rate.

Interest

Interest income is recognized as interest accrues using the effective interest method. This is a method of calculating the amortized cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Late payment surcharge

Surcharge on late payment is accounted for after the due date of payment has passed.

Fuel price adjustment

Fuel price adjustment is recognized on the basis of rates notified by the NEPRA on accrual basis.

Gain on installation of new connections

Gain / loss on installation of new connections / deposit works is recognized up to 10% of variation between receipts against deposit works and actual expenditure incurred on the project.

Service charges on collection of Pakistan Television (PTV) license fee and electrical duty

Service charges on collection of PTV license fee and electrical duty is recognized on the basis of actual billing collections from consumers.

Dividend

Dividend on equity investments is recognized when right to receive the dividend is established.

Other revenue

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

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2.23 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.

2.24 Customer acquisition costs

Customer acquisition costs are capitalized as an asset where such costs are incremental to obtaining a contract with a customer and are expected to be recovered. Customer acquisition costs are amortized on a straight-line basis over the term of the contract.

Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained or which are not otherwise recoverable from a customer are expensed as incurred to profit or loss. Incremental costs of obtaining a contract where the contract term is less than one year is immediately expensed statement of profit or loss.

2.25 Customer fulfillment costs

Customer fulfillment costs are capitalized as an asset when all the following are met: (i) the costs relate directly to the contract or specifically identifiable proposed contract; (ii) the costs generate or enhance resources of the Branch that will be used to satisfy future performance obligations; and (iii) the costs are expected to be recovered. Customer fulfillment costs are amortized on a straight-line basis over the term of the contract.

2.26 Right of return assets

Right of return assets represents the right to recover inventory sold to customers and is based on an estimate of customers who may exercise their right to return the goods and claim a refund. Such rights are measured at the value at which the inventory was previously carried prior to sale, less expected recovery costs and any impairment.

2.27 Contract liabilities

Contract liability is the obligation of the Company to transfer goods 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. Contract liabilities are recognized as revenue when the Company performs its performance obligations under the contract.

2.28 Refund liabilities

Refund liabilities are recognized where the Branch receives consideration from a customer and expects to refund some, or all, of that consideration to the customer. A refund liability is measured at the amount of consideration received or receivable for which the Branch does not expect to be entitled and is updated at the end of each reporting period for changes in circumstances. Historical data is used across product lines to estimate such returns at the time of sale based on an expected value methodology.

2.29 Derivative financial instruments

Derivatives are initially recognized at fair value. Any directly attributable transaction costs are recognized in the statement of profit or loss as incurred. They are subsequently remeasured at fair value on regular basis and at each reporting date as a minimum, with all their gains and losses, realized and unrealized, recognized in the statement of profit or loss.

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2.30 Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognized wherever the carrying amount of the asset exceeds its recoverable amount. Impairment losses are recognized in statement of profit or loss except for impairment loss on revalued assets, which is adjusted against the related revaluation surplus to the extent that the impairment loss does not exceed the surplus on revaluation of that asset.

2.31 Government grants

Government grants are recognized when there is reasonable assurance that entity will comply with the conditions attached to it and grant will be received.

2.32 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.

2.33 Contingent liabilities

Contingent liability is disclosed when the Company has a possible obligation as a result of past events 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 liabilities are not recognized, only disclosed, unless the possibility of a future outflow of resources is considered remote. In the event that the outflow of resources associated with a contingent liability is assessed as probable, and if the size of the outflow can be reliably estimated, a provision is recognized in the financial statements.

3 SUMMARY OF OTHER ACCOUNTING POLICIES

3.1 IFRS 16 "Leases"

Right-of-use assets

A right-of-use asset is recognized at the commencement date of a lease. The right-of-use asset is measured at cost less accumulated depreciation and accumulated impairment losses (if any).Cost comprises of the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is shorter. Where the Company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is charged over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any re-measurement of lease liabilities.

The Company has elected not to recognize a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are charged to statement of profit or loss as incurred.

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Lease liabilities

A lease liability is recognized at the commencement date of a lease. The lease liability is initially recognized at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

The lease liability is subsequently measured at amortized cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in fixed lease payments or an index or rate, change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. The corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of right of use asset has been reduced to zero.

3.2 Dividend and other appropriations

Dividend distribution to the Company's shareholders is recognized as a liability in the Company's financial statements in the period in which the dividends are declared and other appropriations are recognized in the period in which these are approved by the Board of Directors.

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4 PROPERTY, PLANT AND EQUIPMENT

	NOTE	31 March 2026 Rupees	30 June 2025 Rupees
Operating fixed assets	4.1	177,882,729,320	99,173,914,917
Capital work-in-progress	4.3	23,056,269,717	19,446,356,282
		200,938,999,037	118,620,271,199

4.1 Operating fixed assets

	Freehold land	Buildings on freehold land	Distribution equipment	Vehicles	Furniture and fixtures	Mobile plant and equipments	Total
	Rupees						
As at 30 June 2024							
Cost	518,344,497	2,689,625,622	100,946,023,183	2,054,608,927	50,255,433	726,984,688	106,985,842,350
Accumulated depreciation	-	(676,965,390)	(32,404,387,321)	(790,612,775)	(35,109,674)	(431,428,534)	(34,338,503,694)
Net book value	518,344,497	2,012,660,232	68,541,635,862	1,263,996,152	15,145,759	295,556,154	72,647,338,656
Year ended 30 June 2025							
Opening net book value	518,344,497	2,012,660,232	68,541,635,862	1,263,996,152	15,145,759	295,556,154	72,647,338,656
Additions	-	-	15,008,515,481	844,739,687	3,507,513	208,135,779	16,064,898,460
Transferred from capital work in progress (Note 4.3)	-	376,148,129	14,183,374,068	-	-	-	14,559,522,197
Depreciation charge	-	(53,613,180)	(3,795,341,970)	(191,479,474)	(2,919,302)	(54,490,470)	(4,097,844,396)
Closing net book value	518,344,497	2,335,195,181	93,938,183,441	1,917,256,365	15,733,970	449,201,463	99,173,914,917
As at 30 June 2025							
Cost	518,344,497	3,065,773,751	130,137,912,732	2,899,348,614	53,762,946	935,120,467	137,610,263,007
Accumulated depreciation	-	(730,578,570)	(36,199,729,291)	(982,092,249)	(38,028,976)	(485,919,004)	(38,436,348,090)
Net book value	518,344,497	2,335,195,181	93,938,183,441	1,917,256,365	15,733,970	449,201,463	99,173,914,917
Year ended 31 March 2026							
Opening net book value	518,344,497	2,335,195,181	93,938,183,441	1,917,256,365	15,733,970	449,201,463	99,173,914,917
Additions	-	-	-	423,654,359	1,252,110	16,858,837	441,765,306
Revaluation surplus	68,527,133,003	-	-	-	-	-	68,527,133,003
Transferred from capital work in progress (Note 4.3)	-	-	13,495,398,239	-	-	-	13,495,398,239
Depreciation charge	-	(45,375,869)	(3,473,787,586)	(183,024,955)	(1,972,185)	(51,321,550)	(3,755,482,145)
Closing net book value	69,045,477,500	2,289,819,312	103,959,794,094	2,157,885,769	15,013,895	414,738,750	177,882,729,320
As at 31 March 2026							
Cost / revalued amount	69,045,477,500	3,065,773,751	143,633,310,971	3,323,002,973	55,015,056	951,979,304	220,074,559,555
Accumulated depreciation	-	(775,954,439)	(39,673,516,877)	(1,165,117,204)	(40,001,161)	(537,240,554)	(42,191,830,235)
Net book value	69,045,477,500	2,289,819,312	103,959,794,094	2,157,885,769	15,013,895	414,738,750	177,882,729,320
Depreciation rate per annum	-	2%	3.5%	10%-20%	10%	10%	

4.1.1 Freehold land of the Company was revalued by an independent valuer F.K.S Building Services (Evaluators, Architects & Engineers) as at 16 January 2026. There has been no material change in the fair value of the land between the valuation date and the reporting date. Book value of freehold land on cost basis is Rupees 518.344 million (30 June 2025: Rupees 518.344 million) as on 31 March 2026. Had there been no revaluation, the value of freehold land would have been lower by Rupees 68,527.133 million. Forced sale value of freehold land of Company is Rupees 58,687.712 million.

4.1.2 Operating fixed assets having cost of Rupees 5,748.913 million (30 June 2025: Rupees 3,985.979 million) are fully depreciated but still in the use of the Company.

4.1.3 Distribution equipment includes cost of replaced meters amounting to Rupees 2,883 million (30 June 2025: Rupees 4,873 million).

4.1.4 The property and rights of above assets were transferred to the Company in accordance with terms and conditions of the Business Transfer Agreement between WAPDA and the Company. However, title of such freehold land measuring 683 kanal amounting to Rs. 71.312 million have not been transferred in the name of the Company in the Land Revenue Records.

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4.1.5 On 11 January 2019, the Government of Pakistan through Power Holding (Private) Limited has arranged Shariah Compliant Islamic Finance Facility through issuance of Sukuk-1 to Meezan Bank Limited amounting to Rupees 200,000 million, for the period of 10 years to settle energy sector circular debts of all distribution companies (DISCOs). The facility is secured against land of all DISCOs. Under this arrangement, the Company holds the title of the land as Trustee on behalf of Sukuk certificate holder. The legal documents executed by the Company and the relevant counter parties reveal that the said assets have been leased out under Ijarah agreement to GOP with an undertaking to resell the assets to the Company at the end of Ijarah term. Although the legal documents have contemplated the overall arrangement on the model of Sukuk Ijarah, the management of the Company has exercised its judgement, that the said transaction is in substance, a financing arrangement and therefore has not given rise to any revenue on account of disposal. The management also determined that the Company could not derecognize the assets as the conditions to recognize revenue on sale of land have not been satisfied (based on the substance over form and the fact that proceeds of Sukuk Bonds had been retained by the PHPL and the repayment of Sukuk and Ijarah rentals are the responsibility of the Government of Pakistan). Additionally, according to the directives issued by the Government of Pakistan vide letter No. PF-05(06)/12 dated 11 January 2019, the said transaction neither involves any physical transfer of the underlying assets nor creates any financial implication for the Company. However, during the reporting period, the company successfully discharged all charges over the assets pledged as security for the Sukuk facility.

		NOTE	31 March 2026 Rupees	30 June 2025 Rupees
4.2	**Capital work in progress**			
	Distribution under civil works		882,764,207	344,646,279
	Works under:			
	- Own funds	4.2.1	9,900,778,000	7,663,767,686
	- Deposit works	4.2.2	4,922,916,132	4,032,564,958
	Stores held for capital expenditure	4.2.3	7,349,811,378	7,405,377,359
		4.3	23,056,269,717	19,446,356,282
4.2.1	**Breakup of distribution equipment (own funds) is as follows:**			
	Material		6,413,457,770	4,756,016,897
	Overheads		2,465,804,656	888,124,263
	Contract work		1,021,515,574	2,019,626,526
			9,900,778,000	7,663,767,686
4.2.2	**Breakup of distribution equipment (deposit works) is as follows:**			
	Material		3,623,038,130	2,911,155,365
	Overheads		1,066,761,398	290,508,351
	Labor		233,116,604	-
	Contract work		-	830,901,242
			4,922,916,132	4,032,564,958

4.2.3 These represent items of stores, spares and loose tools held for capitalization.

		NOTE	31 March 2026 Rupees	30 June 2025 Rupees
4.3	**Movement in capital work in progress**			
	Balance at beginning of the period / year		19,446,356,282	19,174,551,844
	Additions during the period / year		17,105,311,674	14,831,326,635
	Transfers to operating fixed assets during the period / year			
	- Buildings on freehold land		-	(376,148,129)
	- Distribution equipments		(13,495,398,239)	(14,183,374,068)
	Balance at end of the period / year	4.3.1	23,056,269,717	19,446,356,282

4.3.1 In 2024, NEPRA in its directive No. 17.1 (iv), directed to provide the IDC (Interest During Construction). In compliance, it is disclosed that the amount of IDC for the current period is Rupees Nil (30 June 2025: Rupees Nil)

		NOTE	31 March 2026 Rupees	30 June 2025 Rupees
4.4	**Depreciation charge for the period / year has been allocated as follows:**			
	Administrative expenses	30	225,328,929	245,870,664
	Distribution cost	31	3,530,153,218	3,851,973,732
			3,755,482,147	4,097,844,396
5	**INTANGIBLE ASSET UNDER DEVELOPMENT**			
	Balance as at 01 July		652,054,564	601,152,675
	Additions during the period / year		34,125,000	50,901,889
	Balance as at 31 March / 30 June	5.1	686,179,564	652,054,564

5.1 This represents expenditure incurred for Enterprise Resource Planning (ERP) system SAP, which is at the implementation phase.

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		NOTE	31 March 2026 Rupees	30 June 2025 Rupees
6	**LONG TERM LOANS**			
	Considered good - secured			
	- House building / purchase of plots		493,272,732	479,871,908
	- Vehicles		86,354,593	105,833,561
			579,627,325	585,705,469
	Less: Current portion shown under current assets	10	(85,076,786)	(85,968,926)
			494,550,539	499,736,543

6.1 Loans for house building and purchase of plots are recoverable in 10 years, while loans for vehicles are recoverable in 5 years in accordance with the Company's policy. These loans are interest free for employees falling in grade 1 to 15. Remaining employees charged with the same rate as that payable on employees balances in the General Provident Fund. Loans are secured by way of a mortgage of immovable property and hypothecation of vehicles. Fair value adjustment as required by IFRS - 9 'Financial Instruments' is considered to be insignificant and hence, ignored.

		NOTE	31 March 2026 Rupees	30 June 2025 Rupees
7	**DEFERRED INCOME TAX ASSET**			
	Deferred income tax	7.1	-	-
7.1	**Deferred tax liability on taxable temporary differences arising in respect of:**			
	- Accelerated tax depreciation on fixed assets		4,137,240,489	1,915,849,119
	Deferred tax asset on deductible temporary differences arising in respect of:			
	- Allowance for expected credit losses		(1,730,184,112)	(1,300,421,381)
	- Provision for WPPF		(3,183,885,269)	(2,644,575,426)
	- Provision for staff retirement benefits		(23,918,297,777)	(22,830,066,294)
			(28,832,367,158)	(26,775,063,101)
	Add: Deferred tax asset for tax losses and depreciation loss		(50,779,815,089)	(50,779,815,089)
	Add: Deferred tax asset on tax credit under section 113 (ITO 2001)		(15,871,908,319)	(12,544,907,973)
			(66,651,723,408)	(63,324,723,062)
			(91,346,850,077)	(88,183,937,044)
	Unrecognized deferred tax asset		91,346,850,077	88,183,937,044
			-	-

7.1.1 Owing to uncertainty relating to future taxable profits, against which the Company can utilize its tax losses and tax credits, the Company has not recognized deferred tax asset of Rupees 91,346.850 million (30 June 2025: Rupees 88,183.937 million). Expiry of aggregate tax losses and tax credit carried forward are as follows:

7.1.2

Expiry year	Nature	31 March 2026 Rupees	30 June 2025 Rupees
2026	Business loss	13,718,344,707	13,718,344,707
2027	Business loss	14,125,642,214	14,125,642,214
2028	Business loss	25,012,103,105	25,012,103,105
2029	Business loss	19,105,865,899	19,105,865,899
2030	Business loss	13,105,569,408	13,105,569,408
		85,067,525,333	85,067,525,333
2026	Minimum tax	3,812,785,653	3,812,785,653
2027	Minimum tax	4,197,331,194	4,197,331,194
2028	Minimum tax	7,861,791,472	4,534,791,126
		15,871,908,319	12,544,907,973
	Depreciation loss	90,035,285,320	90,035,285,320
		190,974,718,972	187,647,718,626

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	NOTE	31 March 2026 Rupees	30 June 2025 Rupees
8 STORES, SPARES AND LOOSE TOOLS			
Distribution equipment		13,658,862,107	8,232,321,394
Grid station equipment		54,581,531	61,912,751
Office supplies		40,143,086	37,140,839
		13,753,586,724	8,331,374,984
9 TRADE DEBTS			
Billed			
- Private		30,286,226,459	36,653,383,680
- Government		6,669,497,965	4,990,580,318
		36,955,724,424	41,643,963,998
Unbilled:			
- Accrued revenue	9.2	18,863,295,226	9,236,928,751
- Spill over adjustment		5,645,362,667	10,215,637,108
		24,508,657,893	19,452,565,859
		61,464,382,317	61,096,529,857
Taxes / surcharges due from energy debtors		(10,693,474,794)	(10,138,244,370)
Less: Allowance for expected credit losses	9.3	(5,966,152,110)	(4,484,211,659)
		44,804,755,413	46,474,073,828

9.1 Trade debts are partially secured to the extent of corresponding consumers' security deposits. Trade debts as at the reporting date are classified into residential, commercial, industrial, agriculture, public lights, residential colonies and others.

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9.2 Ministry of Energy, Government of Pakistan has allowed the following periodic adjustments to be billed / recovered / adjusted to the consumers. This includes positive impact of FPA Rupees 839 million (30 June 2025: Rupees 1,120 million), AQTA of Rupees 3,122 million (30 June 2025: Rupees 8,658 million) and positive impact of PYA 10,148 million (30 June 2025:Rupees 19,015 million).

31 March 2026

NEPRA notification	Nature	Date of NEPRA notification	GOP notification	Date of GOP Notification	Effective Date	Recoverability period	Amount (in Rupees)	Rate per Unit Rs.
TRF - 100/20884-87	1st QTR AQTA - 25-26	09 December 2025	S.R.O 2408(I)/2025	10 December 2025	01 December 2025	03 Months	2,821,000,000	1.494
TRF - 100/4582-85	2nd QTR AQTA - 25-26	03 March 2026	S.R.O 459(I)/2026	06 March 2026	01 March 2026	03 Months	4,683,000,000	1.774
TRF-620/GEPCO-Supply/2025/273-80	Prior Year Adjustment 25-26	07 January 2026	S.R.O 279(I)/2026	12 February 2026	01 July 2025	18 Months	32,546,000,000	2.890
							40,050,000,000	

30 June 2025

NEPRA notification	Nature	Date of NEPRA notification	GOP notification	Date of GOP Notification	Effective Date	Recoverability period	Amount (in Rupees)	Rate per Unit Rs.
TRF- 100/MFPA/18921-24	1st QTR AQTA - 24-25	05 December 2024	S.R.O 2050(I)/2024	11 December 2024	01 December 2024	01 Month	2,201,000,000	3.6710
TRF-100/MFPA/4587-90	2nd QTR AQTA - 24-25	27 March 2025	S.R.O 488(I)/2025	03 April 2024	01 April 2025	03 Months	(6,944,000,000)	(2.3091)
TRF-100/5808-11	3rd QTR AQTA - 24-25	09 May 2025	S.R.O 769(I)/2025	9 May 2025	01 May 2025	03 Months	(7,181,000,000)	(0.9399)
TRF-100/12380-83	4th QTR AQTA - 24-25	07 August 2025	S.R.O 1468(I)/2025	07 August 2025	01 August 2025	03 Months	(6,264,000,000)	(1.8868)
TRF-619 & 620/9281-87	Prior Year Adjustment 23-24	23 June 2024	S.R.O 1029(I)/2024 & S.R.O 1039(I)/ 2024	14 July 2024	01 July 2025	12 Months	19,015,000,000	0.2400
							827,000,000	

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		NOTE	31 March 2026 Rupees	30 June 2025 Rupees
9.3	**Allowance for expected credit losses**			
	Opening balance		4,484,211,659	4,047,729,367
	Charge for the period / year	33	1,481,940,451	436,482,292
			5,966,152,110	4,484,211,659

10 LOANS AND ADVANCES

	NOTE	31 March 2026 Rupees	30 June 2025 Rupees
Short term advances - Considered good			
Advance to employees against:			
- Salaries		8,762,795	6,485,366
- Expenses		27,055,782	27,017,493
		35,818,577	33,502,859
Advance to suppliers / contractors		43,093,074	266,736,586
Current portion of long term loans - secured	6	85,076,786	85,968,926
		163,988,437	386,208,371
Less: Allowance for doubtful advances		(935,527)	(935,527)
		163,052,910	385,272,844

11 RECEIVABLE FROM GOVERNMENT OF PAKISTAN

	NOTE	31 March 2026 Rupees	30 June 2025 Rupees
From Federal Government			
Tariff differential subsidy and AQTA - net	11.1	19,833,646,355	15,131,870,585
Industrial support package	11.3	4,498,370,731	4,498,370,731
Zero Rated Industrial Rebate	11.4	752,218,195	752,218,195
Uniform Seasonal Price Subsidy	11.5	1,259,649,596	1,259,649,596
Agricultural subsidy	11.6	65,501,252	65,501,252
GST protected receivable from Government of Pakistan	11.7	644,402,337	644,402,337
FPA Subsidy not charged (Nov-2019 to Jun-2020)	11.8	1,787,985,954	1,787,985,954
Subsidy for Private Agricultural Tube Wells (Dec-2014 to Jul-2016)	11.9	745,449,914	745,449,914
6 Paisa & 13 Paisa Subsidy (May-2003 to Jan-2007)	11.10	34,315,723	34,315,723
FPA Agriculture Subsidy	11.11	137,805,515	137,805,515
Fuel Price Adjustment subsidy (Aug-2011 to Jun-2012)	11.12	3,394,747,839	3,394,747,839
AJK Subsidy Receivables from GOP	11.13	6,502,592,054	4,980,280,222
Flood Relief Subsidy	11.14	8,610,043,505	-
		48,266,728,970	33,432,597,863
From Provincial Government			
Rupees 14 Per units subsidy receivable from Government of Punjab	11.15	2,198,154,126	2,198,154,126
GST protected receivable from Government of Punjab	11.16	2,183,676,653	2,183,673,653
		4,381,830,779	4,381,827,779
		52,648,559,749	37,814,425,642

11.1 This represents tariff differential subsidy receivable from Government of Pakistan (GoP) as a difference between rates determined by NEPRA under different tariff determinations and rates notified by the GoP which are charged to the consumer.

This includes credit notes received from CPPA(G) against tariff differential subsidy and applicable quarterly adjustment claims presented by the Company in the Subsidy Claim Cell of the Ministry of Energy which once approved are adjusted vide said debit / credit notes against the payable to CPPA (G).

Reconciliation of these balances is as follows:	NOTE	31 March 2026 Rupees	30 June 2025 Rupees
Balance as at 01 July		15,131,870,585	8,967,608,474
Tariff differential subsidy (TDS) recognized during the period / year	28	26,531,775,331	36,836,480,357
Applicable quarterly tariff adjustment (AQTA)	28	1,798,637,579	590,703,138
Adjusted against:			
- Transferred to inter disco tariff realization surcharge		(23,628,637,140)	(31,262,921,384)
Balance as at 31 March / 30 June		19,833,646,355	15,131,870,585

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11.2 Subsequent to the reporting date, credit notes amounting to Rupees 11,336.301 million was received in April and May 2026 against TDS & AQTA claims for January, February and March 2026 of Rupees 9,099.148 million TDS and Rupees 2,287.153 million AQTA. Consequently, the TDS balance of Rupees 19,833.646 million comprising Rupees 21,048.054 million TDS and negative Rupees 1,214.408 million AQTA has reduced to Rupees 8,447.345 million comprising Rupees 11,948.906 million TDS and negative Rupees 3,501.561 million AQTA.

11.3 Industrial support package subsidy relates to the rebate allowed to industrial consumers by GoP through letter no F-NO.PI-4(18) / 2014-15 dated 04 February 2016. The subsidy of Rupees 3 / Kwh / unit is being provided to industrial consumers on usage of electricity during peak hours, whereas subsidy for off peak hours usage was discontinued by GOP with effect from 01 July 2019 through letter no. PF-05/(02) 2012 dated 03 July 2019. This subsidy of Rupees 3/Kwh continued upto 31 October 2020. From 01 November 2020, Industrial support package subsidy was revised to Rupees 12.96 / Kwh which is supplemented by a further discount of Rupees 4.96 / Kwh on incremental sales from corresponding month of the preceding year.

Reconciliation of these balances is as follows:	NOTE	31 March 2026 Rupees	30 June 2025 Rupees
Opening balance		4,498,370,731	4,452,155,562
Adjustment	11.3.1	-	46,215,169
		4,498,370,731	4,498,370,731

11.3.1 This increase represents reconciling differences identified by GEPCO during reconciliation exercises carried out with the Subsidy Cell, Islamabad and CPPA-G, as part of the ongoing balance sheet cleanup under the privatization process.

11.4 This represents the dollar rate based tariff, introduced by the GoP vide its SRO 12 (1)/2019 for zero rated industrial consumers at the rate of 7.5 cent per unit, translated into Pak Rupee at rates prevailing at last working day of preceding month. GoP increased the rate to USD 9 cent per unit vide letter No.PF-5(02-ZRI)2020-21 dated 10 September 2021.

Reconciliation of these balances is as follows:	NOTE	31 March 2026 Rupees	30 June 2025 Rupees
Opening balance		752,218,195	748,111,231
Adjustment	11.4.1	-	4,106,964
		752,218,195	752,218,195

11.4.1 This increase represents reconciling differences identified by GEPCO during reconciliation exercises carried out with the Subsidy Cell, Islamabad and CPPA-G, as part of the ongoing balance sheet cleanup under the privatization process.

11.5 The GOP had introduced (through S.R.O. 1379 (1)/2019) Uniform Seasonal Pricing Structure for the period of November 2019 to February 2020. This was applicable on such consumers which had consumed incremental units as compared to corresponding months of preceding year.

11.6 This subsidy represents receivables against the 12.50% Agriculture Tubewell Subsidy (Government of Pakistan share), which has remained outstanding since 2010.

11.7 In line with Government policy (conveyed vide PEPCO Letter No. MD(PEPCO)/CFO(PEPCO)/274 dated 25 August 2010), domestic consumers (up to 100 units) and agricultural tube wells were exempted from GST. DISCOs, including GEPCO, continued depositing GST with FBR despite not recovering it from consumers and lodged subsidy claims with the Ministry. The balance represents receivables outstanding since 2012.

11.8 FPA for Nov 2019–Jun 2020 was not charged to consumers(COVID-19). The Ministry of Energy, vide letters dated 01 June 2023 & 12 June 2023, directed DISCOs to claim it from NEPRA as PYA. GEPCO included the claim in its MYT Petition FY 2024–25; however, NEPRA did not admit it, stating no FPA remains pending after notified decisions.

11.9 Pursuant to ECC's decision (MoW&P Letter No. 5/09/2014-PF dated 20 June 2014), Agricultural Tube wells were to be charged at a fixed subsidized tariff of Rupees 10.35 per unit instead of NEPRA's determined rate. The differential subsidy arising from this decision has remained outstanding since July 2016.

11.10 This represents the subsidy against discounted tariff of 6 paisa per unit to Domestic consumers and 13 paisa per unit to Agricultural consumers. The balance has remained outstanding since 2007.

11.11 This represents the subsidy notified vide Ministry of Water & Power Letter No. 05/06/2012-PF dated 30 October 2013, whereby Fuel Price Adjustment (FPA) charges on electricity consumption of private agricultural tube wells were to be borne by the Federal Government. The claim was not acknowledged by the Subsidy Cell earlier and remained unrecorded in the financial statements. However, during the recent reconciliation and balance sheet clean-up exercise, this receivable has been recognized.

11.12 FPA for Aug-11 to June-12 was not passed on to consumers (51-350 units) on the orders of high court. NEPRA advised to take subsidy claim submitted however not received. Also subsequently again claimed from NEPRA as PY but not accepted by NEPRA.

11.13 The outstanding amount represents the Federal Government's share of the AJK subsidy, receivable from the Government of Pakistan. GEPCO bills electricity sales to AJK consumers at NEPRA-approved rates; however, the Government of AJK makes payment at a concessional rate of Rupees 2.59 per unit. The differential is claimed from the Government of Pakistan, which settles it through issuance of credit notes via CPPA-G.

Rao

In accordance with the agreement executed between WAPDA, GOP and the Government of Azad Jammu and Kashmir (AJK), the tariff rate was fixed at Rupees 4.2 per unit with effect from September 2002. Out of this tariff rate, Rupees 0.71, Rupees 2.44 and Rupees 1.05 per unit were to be borne by WAPDA, the Government of AJK and GOP, respectively. Till March 2007, the Company billed electricity to the Government of AJK at the tariff rate as per the agreement and payments were cleared accordingly. Subsequent to March 2007, the electricity is billed to the Government of AJK at tariff rates notified by GOP after determination by NEPRA. The balance receivable from the Government of AJK represents the difference between rates applied on electricity bills to the Government of AJK based on tariffs notified by GOP after determination by NEPRA and the tariff approved by the Sub-Committee on raising of Mangla Dam project. The tariff determined by the Sub-Committee was Rupees 2.32 per unit, which was increased to Rupees 2.59 per unit subsequently. The Government of AJK is of the view that it does not fall under the purview of NEPRA and hence, it has been settling its dues at the tariff rates determined by Sub-Committee.

	31 March 2026	30 June 2025
Reconciliation of these balances is as follows:	Rupees	Rupees
Balance as at 01 July	4,980,280,222	4,249,141,191
AJK Receivable from GoP accrued during the period / year	7,492,928,177	9,615,736,739
Adjusted against:		
- Credit notes received during the period / year	(5,970,616,345)	(8,884,597,708)
Balance as at 31 March / 30 June	6,502,592,054	4,980,280,222

Subsequent to the reporting date, credit notes amounting to Rupees 2,462,689 million was received in April and May 2026 against AJK claims for January, February and March 2026. Consequently, the AJK balance of Rupees 6,502.592 million has reduced to Rupees 4,039.903 million.

11.14 GEPCO has recognized a flood relief subsidy for the month of August 2025 in respect of electricity sales made to flood-affected consumers, in accordance with the directives of the Ministry of Energy (Power Division), Islamabad, communicated vide letter No. Tariff/FCA-2018-2019 dated 07 October 2025.

11.15 The Secretary Energy, Government of the Punjab, vide Letter No. SO/(Comp.)ED/Misc/2024 dated 16 August 2024, conveyed that targeted relief of Rupees 14 per unit (inclusive of taxes and duties) will be provided on electricity bills of domestic consumers with monthly consumption between 201 and 500 units for August and September 2024. The corresponding subsidy is receivable from the Government of Punjab.

	31 March 2026	30 June 2025
Reconciliation of these balances is as follows:	Rupees	Rupees
Balance as at 01 July	2,198,154,126	-
Subsidy / Relief accrued during the period / year	-	11,011,154,126
Amount received from the Government of Punjab during the period / year	-	(8,813,000,000)
Balance as at 31 March / 30 June	2,198,154,126	2,198,154,126

11.16 The Ministry of Water & Power, vide Letter No. Agri 05/08/2012-PF dated 30 october 2013, granted exemption to private agricultural consumers by directing that GST would be borne by the Government of Punjab. The related subsidy has remained outstanding since February 2021 and is receivable from the Government of Punjab.

	NOTE	31 March 2026 Rupees	30 June 2025 Rupees
12 ADVANCE TAXATION AND LEVY			
Prepaid levy		7,034,100,203	8,390,361,189
Less: levy payable		(3,327,000,346)	(4,591,479,874)
		3,707,099,857	3,798,881,315
Provision for taxation - net	36	(1,496,361,348)	(412,829,826)
		2,210,738,510	3,386,051,489
13 OTHER RECEIVABLES			
Unsecured, considered good			
Receivable from associated companies / undertakings:			
- Free electricity	13.1	291,435,179	355,528,524
- Pension	13.1	230,185,008	1,769,120,957
- WAPDA Welfare Fund		-	355,610,969
Stores receivables from employees	13.3	46,299,524	53,119,307
Miscellaneous		306,382,853	435,096,415
		874,302,564	2,968,476,172

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13.1 This represents the net amount receivable from following related parties on account of free electricity provided, pension paid and material supplied to the retired employees of these companies residing within the Company's territorial jurisdiction:

	Free electricity		Pension	
	31 March 2026	30 June 2025	31 March 2026	30 June 2025
	Rupees	Rupees	Rupees	Rupees
Water and Power Development Authority	157,043,553	201,685,180	-	-
National Transmission and Despatch Company Limited	41,678,484	52,926,442	36,718,156	36,874,653
Central Power Generation Company Limited (GENCO-II)	12,329,522	12,167,276	32,558,763	31,025,892
Lahore Electric Supply Company Limited	-	13,103,079	6,926,620	-
Hyderabad Electric Supply Company Limited	-	-	18,557,561	15,646,098
Islamabad Electric Supply Company Limited	-	-	19,719,079	6,935,241
Jamshoro Power Generation Company Limited (GENCO-I)	3,199,158	3,117,500	2,394,790	3,008,268
Lakhra Power Generation Company Limited (GENCO-IV)	675,355	675,355	921,150	921,150
Northern Power Generation Company Limited (GENCO-III)	73,102,513	68,926,316	30,993,642	23,081,515
Quetta Electric Supply Company Limited	2,653,903	2,093,609	18,504,340	15,985,227
Tribal Electric Supply Company Limited	589,902	236,066	-	-
Sukkhar Electric Power Company Limited (SEPCO)	162,789	597,702	3,179,494	2,439,789
Director Pension	-	-	-	1,590,968,554
Multan Electric Power Company Limited	-	-	32,587,450	17,115,171
Power Planning and Monitoring Company	-	-	27,123,963	25,119,400
	291,435,179	355,528,524	230,185,008	1,769,120,957

The maximum aggregate amount due from associated undertakings at the end of any month during the period / year was as follows:

	Free electricity		Pension	
	31 March 2026	30 June 2025	31 March 2026	30 June 2025
	Rupees	Rupees	Rupees	Rupees
WAPDA	201,685,180	201,685,180	-	-
National Transmission and Despatch Company Limited	73,102,513	146,516,202	36,874,533	320,214,387
Central Power Generation Company Limited (GENCO-II)	12,329,522	12,167,276	32,887,243	31,025,892
Lahore Electric Suply Company Limited	13,103,079	13,103,079	6,926,620	49,501,181
Hyderabad Electric Supply Company Limited	-	-	18,557,561	18,202,017
Islamabad Electric Supply Company Limited	52,584,749	52,584,749	19,719,079	328,545,302
Jamshoro Power Generation Company Limited (GENCO-I)	3,199,158	3,117,500	3,200,499	3,008,268
Lakhra Power Generation Company Limited (GENCO-IV)	675,355	675,355	921,150	921,150
Northern Power Generation Company Limited (GENCO-III)	73,102,513	68,926,316	33,192,857	26,870,583
Quetta Electric Supply Company Limited	2,653,903	14,554,806	18,504,340	36,294,403
Tribal Electric Supply Company Limited	589,902	1,363,283	-	-
Sukkhar Electric Power Company Limited (SEPCO)	358,105	597,702	3,179,494	5,869,982
Director Pension	-	-	1,590,968,553	1,800,836,980
Multan Electric Power Company Limited	-	-	32,587,450	85,233,922
Pakistan Electric Power Company	-	-	26,926,945	25,119,400

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		NOTE	31 March 2026 Rupees	30 June 2025 Rupees
13.2	**Break up of Duties and taxes receivable but not realized is as follows**			
	- Receivables billed but not yet realized			
	10% Advance tax receivables domestic		465,447	470,251
	Electricity duty		409,008,133	389,271,470
	Equalization surcharge		18,002,746	31,605,138
	Extra tax receivables		1,366,401,896	1,272,798,735
	Financing cost surcharge		6,699,342,859	6,034,253,463
	Further tax receivables		328,258,694	294,547,211
	Sales tax receivables - steel melters		588,598,597	588,598,597
	Neelam jhelum surcharge		162,543,246	252,685,457
	PTV license fee		11,907,247	91,970,687
	Sales Tax receivable (2014) on retailers		125,042,178	120,586,474
	Tariff rationalization surcharge		441,672,614	441,701,689
	Tax receivable on steel melters (235-B)		21,076,310	20,416,790
	Income tax receivable - electricity bills		1,109,753,424	1,187,937,005
			11,282,073,391	10,726,842,967
	- Payables not yet realized			
	10% Advance tax receivables domestic		465,447	470,251
	Electricity duty		409,008,133	389,271,470
	Equalization surcharge		18,002,746	31,605,138
	Extra tax receivables		1,366,401,896	1,272,798,735
	Financing cost surcharge		6,699,342,859	6,034,253,463
	Further tax receivables		328,258,694	294,547,211
	Sales tax receivables - steel melters		588,598,597	588,598,597
	Neelam jhelum surcharge		162,543,245	252,685,458
	PTV license fee		11,907,250	91,970,687
	Sales tax receivable (2014) on Retailers		125,042,176	120,586,475
	Tariff rationalization surcharge		441,672,614	441,701,689
	Tax receivable on steel melters (235-B)		21,076,310	20,416,790
	Income tax not yet realized		1,109,753,424	1,187,937,003
			11,282,073,391	10,726,842,967
13.3	**Stores receivables from employees**			
	Stores receivable from employees		70,135,420	76,955,203
	Less: Provision for doubtful receivables		(23,835,896)	(23,835,896)
			46,299,524	53,119,307
14	**SHORT TERM INVESTMENTS**			
	At amortized cost - TDRs:			
	Term deposit receipts	14.1	12,250,000,000	11,285,000,000
	Add: Accrued markup		69,209,587	418,390,200
			12,319,209,587	11,703,390,200

14.1 These carry mark-up rate ranging from 7.00% to 11.85% (30 June 2025: 7.15% to 15.30%) per annum and are maturing within next twelve months. These are maintained with Allied Bank Limited, Askari Bank Limited, Habib Bank Limited, National Bank of Pakistan, Bank Al-Falah Limited and The Bank of Punjab. TDR includes Rupees 12,250 million (30 June 2025: Rupees 11,285 million) against security deposits, referred in note 19.

		NOTE	31 March 2026 Rupees	30 June 2025 Rupees
15	**BANK BALANCES**			
	Cash at banks in:			
	- Current accounts		1,912,262,754	1,595,179,701
	- Deposit accounts	15.1 & 15.2	4,197,989,923	5,648,248,555
			6,110,252,677	7,243,428,256

15.1 This includes an amount of Rupees 1,080.780 million (30 June 2025: Rupees 497.021 million) kept in separate bank accounts relating to customers' security deposits.

15.2 These carry mark-up ranging from 5.9% to 10.5% (30 June 2025: 9.5% to 19.32%) per annum.

16 ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

31 March 2026	30 June 2025		31 March 2026 Rupees	30 June 2025 Rupees
---- Number of shares ----				
1,000	1,000	Ordinary shares of Rupees 10 each, issued for consideration in cash	10,000	10,000
301,863,680	301,863,680	Ordinary shares of Rupees 10 each fully paid issued for consideration other than in cash	3,018,636,801	3,018,636,801
301,864,680	301,864,680		3,018,646,801	3,018,646,801

16.1 Entire ordinary shares are held in the name of the President of Islamic Republic of Pakistan.

		NOTE	31 March 2026 Rupees	30 June 2025 Rupees
17	**DEPOSIT FOR SHARES - Related parties**			
	The Government of Pakistan	17.1	44,010,493,867	28,812,919,271
			44,010,493,867	28,812,919,271
17.1	**The Government of Pakistan**			
	Balance at the beginning of the period / year		28,812,919,271	22,665,854,365
	Re-allocation of GOP equity against liability due towards CPPA-G	17.2	15,197,574,596	6,147,064,906
			44,010,493,867	28,812,919,271

17.1.1 This amount is on account of credit notes issued by the CPPA-G against the clearance of circular debt by the GOP. The Finance Division of GOP vide its letter No F.1(5) CF-1/2012-13/1017 dated 02 July 2013 had transferred Rupees 341,960 million in Power Planning and Monitoring Company Limited (PPMC) account through State Bank of Pakistan on 27 June 2013 for settlement of power sector circular debt. PPMC on the basis of above letter had allocated Rupees 1,704,000 million to the Company against which CPPA-G issued a credit advice to the Company being the adjustment on account of GOP's Equity/ investment against settlement of power sector circular debt. However, Finance Division GOP vide its letter No. F.1(4)-CF.1/2015-16/443 dated 28 April, 2016 instructed PPMC to adjust the Tariff Differential Subsidy (TDS) receivable of respective distribution companies against GOP Equity / Share deposit money. Accordingly, CPPA-G had issued a debit note to the Company adjusting TDS receivable of Rupees 1,115 million against Government of Pakistan-Share Deposit Money.

17.1.2 The Finance Division of GOP vide Letter No. F.1 (17) CF-1/2011-12/948 dated 13 September, 2018 had released payment of Rupees 9,350 million to Power Holding (Private) Limited (PHPL) against markup payment on loan taken for settlement of power sector circular debt. Ministry of Energy on the basis of above letter, allocated Rupees 17.56 million to the Company against which CPPA-G issued debit note advice to the Company being the adjustment on account of GOP's equity / investment.

17.2 This represents credits of Rupees 15,197.575 million received by the Company which includes an amount of Rupees 11,569.084 million on account of share in GOP equity as per decision of ECC cabinet decision No.135/15/2025, Rupees 3,158.926 million on account of share in GOP as per decision of ECC cabinet decision no.221/29/2025, Rupees 214.593 million on account of GOP equity as per ECC of cabinet division No.299/38/2011, Rupees 189.536 million on account of GOP equity as per ECC of cabinet decision 299/38/2011, Rupees 65.437 million on account of GOP equity as per ECC of cabinet decision No.229/38/2011.

		NOTE	31 March 2026 Rupees	30 June 2025 Rupees
18	**LONG TERM LOANS**			
	From Government of Pakistan			
	Asian Development Bank - Tranche I	18.1	336,408,042	336,408,042
	Asian Development Bank - Tranche II	18.2	2,700,995,484	2,700,995,484
	Asian Development Bank - Tranche III	18.3	747,259,507	747,259,507
	Asian Development Bank - Tranche IV	18.4	893,779,972	893,779,972
	Export Import Bank of Korea	18.5	3,648,862,597	3,648,862,597
			8,327,305,602	8,327,305,602
	Overdue portion shown under current liabilities		(3,792,668,700)	(3,624,800,892)
	Current portion shown under current liabilities		(472,360,076)	(466,895,098)
			(4,265,028,776)	(4,091,695,990)
			4,062,276,826	4,235,609,612

18.1 This represents re-lent portion of term finance facility – Tranche 1 obtained by GOP from Asian Development Bank (ADB) for power distribution and enhancement project which is secured against the guarantee by GOP. Pursuant to the letter referenced 6(9)ADB-4086 dated March 30, 2009 of Ministry of Economic Affairs and Statistics, out of total facility obtained by the GOP, US $ 11.37 million has been allocated to the Company. The facility carries interest at the rate of 17% per annum inclusive of relending interest of 11% and exchange risk cover at the rate of 6% per annum which shall be charged both on principal amount and interest amount separately. The repayment is to be made within maximum period of 15 years including a grace period of 2 years. Loan is repayable to GOP on the advice of Debt Management Wing of Economic Affairs Division of Pakistan.

Further, Finance Division vide its letter No. F.1(14)CF-1/2015-16/1290 dated 26 September 2019, allowed adjustment of GoAJK receivables amounting to Rupees 2,722.461 million against foreign re-lent loans. As a result, the Company adjusted over due principal and mark-up outstanding till 30 June 2018 amounting to Rupees 214.690 million and Rupees 273.730 million respectively against receivable from GoAJK.

18.2 This represents re-lent portion of term finance facility – Tranche 2 obtained by the GOP from Asian Development Bank (ADB) for power distribution and enhancement project which is secured against the guarantee by GOP. Pursuant to the letter number 1(3) ADB-II/06-A dated March 31, 2011 of Ministry of Economic Affairs and Statistics, out of the total facility obtained by the GOP, US $ 48.55 million was allocated to the Company which was reduced to US $ 36 million vide letter dated 26 March 2018. The facility carries interest at the rate of 15% per annum comprising of relending interest of 8.2% and exchange risk cover at the rate of 6.8% per annum which shall be charged both on principal amount and interest amount separately. The loan is repayable to the GOP on the advice of Debt Management Wing of Economic Affairs Division of Pakistan, within a period of 17 years starting from 30 May 2014.

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Further, Finance Division vide its letter No. F.1(14)CF-1/2015-16/1290 dated 26 September 2019, allowed adjustment of GoAJK receivables amounting to Rupees 2,722.461 million against foreign re-lent loans. As a result, the Company adjusted over due principal and mark-up outstanding till 30 June 2018 amounting to Rupees 593.693 million and Rupees 1,334.086 million respectively against receivable from GoAJK.

18.3 This represents re-lent portion of term finance facility – Tranche 3 obtained by the GOP from Asian Development Bank (ADB) for power distribution and enhancement project which is secured against the guarantee by GOP. Pursuant to the letter number 2(9)ADB-II/12 dated December 31, 2013 of Ministry of Economic Affairs and Statistics, out of the total facility obtained by GOP, which is reallocated vide letter dated 12 August 2015 amounting to US $ 8.89 million to the Company. The facility carries interest at the rate of 15% per annum comprising of relending interest of 8.2% and exchange risk cover at the rate of 6.8% per annum which shall be charged both on principal amount and interest amount separately. The loan is repayable to the GOP on the advice of Debt Management Wing of Economic Affairs Division of Pakistan, within a period of 20 years starting from 30 May 2018.

Further, Finance Division vide its letter No. F.1(14)CF-1/2015-16/1290 dated 26 September 2019, allowed adjustment of GoAJK receivables amounting to Rupees 2,722.461 million against foreign re-lent loans. As a result, the Company adjusted over due principal and mark-up outstanding till 30 June 2018 amounting to Rupees 2.772 million and Rupees 54.997 million respectively against receivable from GoAJK.

18.4 This represents re-lent portion of term finance facility – Tranche 4 obtained by the GOP from Asian Development Bank (ADB) for power distribution and enhancement project which is secured against the guarantee by GOP. Pursuant to the letter number 2(18)ADB-II/13 dated 07 November 2014 of Ministry of Economic Affairs and Statistics, out of the total facility obtained by GOP, US $ 9.4 million was allocated to the Company which was reduced to US $ 8.7 million vide letter dated 26 August 2015. The facility carries interest at the rate of 15% per annum comprising of relending interest of 8.2% and exchange risk cover at the rate of 6.8% per annum which shall be charged both on principal amount and interest amount separately. The loan is repayable to the GOP on the advice of Debt Management Wing of Economic Affairs Division of Pakistan, within a period of 20 years starting from 30 May 2019.

Further, Finance Division vide its letter No. F.1(14)CF-1/2015-16/1290 dated 26 September 2019, allowed adjustment of GoAJK receivables amounting to Rupees 2,722.461 million against foreign re-lent loans. As a result, the Company adjusted over due mark-up outstanding till 30 June 2018 amounting to Rupees 248.494 million respectively against receivable from GoAJK.

18.5 This represents a re-lent portion of term finance facility obtained by GOP from Export Import Bank of Korea for rural distribution construction, which is secured against the guarantee by GOP. Pursuant to the Letter no. 2(18)ADB-II/13 dated November 7, 2014 of Ministry of Economic Affairs and Statistics, out of total facility obtained by the GOP, US $ 45 million were allocated to the Company. This facility carries interest rate of 15% inclusive of relending interest of 8.2% plus exchange risk cover fee of 6.8% which shall be charged both on principal amount and interest amount separately. Repayments are to be made within maximum period of 30 years starting from 15 August 2019.

18.6 PPMC (PEPCO) vide its letter no. DGCPCC/PEPCO/2152-63 dated 20 February 2017 directed the Company that the payment of debt service on account of Foreign Re-lent Loans may be withheld till the final decision on the matter that debt service by the WAPDA, GENCOs and DISCOs may be adjusted against their receivable from GOP. Resultantly, the Company did not make any payment in respect of Foreign Re-lent Loans.However, the Finance Division, Government of Pakistan in its letter vide F.I(14)CF-I/2015-16/1290 dated 26 September 2019 has advised the Company to make adjustment of Rupees 2,722.46 million (inclusive of principal, interest & exchange rate fee) relent loans against the outstanding balance of the Government of AJK in the year ended 30 June 2019 which had been made.

19 LONG TERM SECURITY DEPOSITS

These represent security deposits received from consumers at the time of installation of electricity connections and are refundable / adjustable on disconnection of electricity supply. Out of these, an amount of only Rupees 1080.780 million (30 June 2025: Rupees 487.89 million) has been kept in separate bank accounts and Rupees 12,250 million (30 June 2025: Rupees 11,285 million) in short term investments, which are made without written agreements.

20 STAFF RETIREMENT BENEFITS

	NOTE	31 March 2026 Rupees	30 June 2025 Rupees
Provision for staff retirement benefits	20.1	82,229,364,149	78,560,508,333
Provision for gratuity – contractual employees		247,524,737	163,858,197
		82,476,888,886	78,724,366,530

	Note	Pension obligations		Medical benefits		Free electricity		Compensated absences		Total	
		2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
		Rupees									
20.1 The amounts recognized in the statement of financial position											
Present value of defined benefit obligations	20.2	103,484,827,711	95,384,931,351	13,390,324,485	12,357,480,095	10,218,985,712	8,129,338,387	3,973,246,314	3,713,306,040	131,067,384,222	119,585,055,873
Fair value of plan assets	20.3	(38,699,247,106)	(32,507,851,471)	(6,104,752,509)	(5,128,068,442)	(2,080,499,656)	(1,747,645,726)	(1,953,520,802)	(1,640,981,901)	(48,838,020,073)	(41,024,547,540)
	20.4	64,785,580,605	62,877,079,880	7,285,571,976	7,229,411,653	8,138,486,056	6,381,692,661	2,019,725,512	2,072,324,139	82,229,364,149	78,560,508,333
20.2 Changes in present value of defined benefit obligations											
Balance at the beginning of the period / year		95,384,931,351	92,251,749,648	12,357,480,095	10,900,677,825	8,129,338,387	5,565,629,420	3,713,306,040	4,023,199,093	119,585,055,873	112,741,255,986
Current service cost		1,213,183,231	1,907,142,809	189,017,027	268,896,165	129,244,613	191,667,972	6,775,858	8,569,191	1,538,220,729	2,376,276,137
Past service cost		-	(597,025,088)	-	-					-	(597,025,088)
Interest cost		8,713,998,091	12,451,452,666	1,137,985,841	1,488,985,999	751,341,366	760,444,172	341,840,881	545,682,996	10,945,166,179	15,246,565,833
Benefits paid during the period / year		(4,871,236,769)	(6,625,604,066)	(437,928,923)	(530,127,098)	(230,060,972)	(267,770,672)	(134,006,626)	(250,926,816)	(5,673,233,290)	(7,674,428,652)
Actuarial losses / (gain) on obligation		3,043,951,807	(4,002,784,618)	143,770,445	229,047,204	1,439,122,318	1,879,367,495	45,330,161	(613,218,424)	4,672,174,731	(2,507,588,343)
		103,484,827,711	95,384,931,351	13,390,324,485	12,357,480,095	10,218,985,712	8,129,338,387	3,973,246,314	3,713,306,040	131,067,384,222	119,585,055,873
20.3 Changes in the fair value of plan assets:											
Balance at the beginning of the period / year		32,507,851,471	23,451,676,327	5,128,068,442	3,699,469,385	1,747,645,726	1,260,779,167	1,640,981,901	1,183,830,203	41,024,547,540	29,595,755,082
Contributions - net		4,358,200,000	4,834,115,440	687,500,000	762,575,000	234,300,000	259,885,560	220,000,000	244,024,000	5,500,000,000	6,100,600,000
Return on plan assets		2,390,878,418	3,621,622,767	492,455,061	571,305,964	164,040,491	194,701,073	218,872,738	182,817,908	3,266,246,708	4,570,447,712
Actuarial (loss) / gain on plan assets		(557,682,783)	600,436,937	(203,270,994)	94,718,093	(65,486,561)	32,279,926	(126,333,837)	30,309,790	(952,774,175)	757,744,746
	20.3.1	38,699,247,106	32,507,851,471	6,104,752,509	5,128,068,442	2,080,499,656	1,747,645,726	1,953,520,802	1,640,981,901	48,838,020,073	41,024,547,540
20.3.1 Plan assets comprise of:											
Investment in TDRs		46,426,950,000	38,405,000,000								
Interest earned on TDR's		2,397,578,021	1,555,660,729								
Cash at bank and other assets		13,492,052	1,063,886,811								
		48,838,020,073	41,024,547,540								
20.4 Changes in the net liability at the end of the period / year:											
Balance at the beginning of the period / year		62,877,079,880	68,800,073,321	7,229,411,653	7,201,208,440	6,381,692,661	4,304,850,253	2,072,324,139	2,839,368,890	78,560,508,333	83,145,500,904
Current service cost		1,213,183,231	1,907,142,809	189,017,027	268,896,165	129,244,613	191,667,972	6,775,858	8,569,191	1,538,220,729	2,376,276,137
Past service cost	20.8	-	(597,025,088)	-	-	-	-	-	-	-	(597,025,088)
Interest cost		8,713,998,091	12,451,452,666	1,137,985,841	1,488,985,999	751,341,366	760,444,172	341,840,881	545,682,996	10,945,166,179	15,246,565,833
Interest income on plan assets		(2,390,878,418)	(3,621,622,767)	(492,455,061)	(571,305,964)	(164,040,491)	(194,701,073)	(218,872,738)	(182,817,908)	(3,266,246,708)	(4,570,447,712)
Benefits paid during the period / year		(4,871,236,769)	(6,625,604,066)	(437,928,923)	(530,127,098)	(230,060,972)	(267,770,672)	(134,006,626)	(250,926,816)	(5,673,233,290)	(7,674,428,652)
Actuarial losses / (gain) on obligation	20.6	3,601,634,590	(4,603,221,555)	347,041,439	134,329,111	1,504,608,879	1,847,087,569	171,663,998	(643,528,214)	5,624,948,906	(3,265,333,089)
Contributions made		(4,358,200,000)	(4,834,115,440)	(687,500,000)	(762,575,000)	(234,300,000)	(259,885,560)	(220,000,000)	(244,024,000)	(5,500,000,000)	(6,100,600,000)
Balance at the end of the period / year		64,785,580,605	62,877,079,880	7,285,571,976	7,229,411,653	8,138,486,056	6,381,692,661	2,019,725,512	2,072,324,139	82,229,364,149	78,560,508,333
20.5 Amounts recognized in the statement of profit or loss against defined benefit obligations are:											
Current service cost		1,213,183,231	1,907,142,809	189,017,027	268,896,165	129,244,613	191,667,972	6,775,858	8,569,191	1,538,220,729	2,376,276,137
Past service cost	20.8	-	(597,025,088)	-	-	-	-	-	-	-	(597,025,088)
Interest cost		8,713,998,091	12,451,452,666	1,137,985,841	1,488,985,999	751,341,366	760,444,172	341,840,881	545,682,996	10,945,166,179	15,246,565,833
Interest income on plan assets		(2,390,878,418)	(3,621,622,767)	(492,455,061)	(571,305,964)	(164,040,491)	(194,701,073)	(218,872,738)	(182,817,908)	(3,266,246,708)	(4,570,447,712)
Return on plan assets (excluding interest income)								126,333,837	(30,309,790)	126,333,837	(30,309,790)
Remeasurement gain / (loss)		-	-	-	-	-	-	45,330,161	(613,218,424)	45,330,161	(613,218,424)
		7,536,302,904	10,139,947,620	834,547,807	1,186,576,200	716,545,488	757,411,071	301,407,999	(272,093,935)	9,388,804,198	11,811,840,956
20.6 Remeasurements recognized in statement of comprehensive income:											
Actuarial (loss) / gain on obligations		(3,043,951,807)	4,002,784,618	(143,770,445)	(229,047,204)	(1,439,122,318)	(1,879,367,495)	-	-	(4,626,844,570)	1,894,369,91[illegible]
Actuarial (loss) / gain on plan assets		(557,682,783)	600,436,937	(203,270,994)	94,718,093	(65,486,561)	32,279,926	-	-	(826,440,338)	727,434,[illegible]
Actuarial (loss) / gain recognized		(3,601,634,590)	4,603,221,555	(347,041,439)	(134,329,111)	(1,504,608,879)	(1,847,087,569)	-	-	(5,453,284,908)	2,621,80[illegible]

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	Pension obligations funded		Medical benefits-funded		Free electricity -funded		Compensated absences-funded	
	31 March 2026	30 June 2025	31 March 2026	30 June 2025	31 March 2026	30 June 2025	31 March 2026	30 June 2025
20.7 Significant actuarial assumptions at the reporting date are:								
Discount rate for PVDBO (per annum)	12.75%	12.50%	12.75%	12.50%	12.75%	12.50%	12.75%	12.50%
Profit rate for Planned asset (per annum)	12.50%	14.00%	12.50%	14.00%	12.50%	14.00%	12.50%	14.00%
Discount rate for profit or loss (per annum)	12.50%	14.00%	12.50%	14.00%	12.50%	14.00%	12.50%	14.00%
Salary increase rate for PVDBO (per annum)	11.75%	11.50%	-	-	-	-	11.75%	11.50%
Salary increase rate for profit or loss (per annum)	11.50%	13.00%	-	-	-	-	11.50%	13.00%
Pension indexation rate for PVDBO (per annum)	5.00%	4.50%	-	-	-	-	-	-
Pension indexation rate for profit or loss (per annum)	4.50%	6.00%	-	-	-	-	-	-
Medical Inflation rate for PVDBO (per annum)	-	-	12.75%	12.50%	-	-	-	-
Medical Inflation rate for profit or loss (per annum)	-	-	12.50%	14.00%	-	-	-	-
Electricity Inflation rate for PVDBO (per annum)	-	-	-	-	10.75%	10.50%	-	-
Electricity Inflation rate for profit or loss (per annum)	-	-	-	-	10.50%	13.00%	-	-
	31 March 2026	30 June 2025	31 March 2026	30 June 2025	31 March 2026	30 June 2025	2026	2025
Withdrawal rates	Low	Low	Low	Low	Low	Low	Low	Low
Mortality rate	Adjusted SLIC 2001-2005	Adjusted SLIC 2001-2005	Adjusted SLIC 2001-2005	Adjusted SLIC 2001-2005	Adjusted SLIC 2001-2005	Adjusted SLIC 2001-2005	Adjusted SLIC 2001-2005	Adjusted SLIC 2001-2005
Normal retirement age (years)	60	60	60	60	60	60	60	60
Effective duration of plan (years)	9	12	14	14	14	10	11	12
Expected charge to the statement of profit or loss for the next financial year (Rupees)	10,613,859,231	9,175,080,411	1,317,892,813	1,108,038,221	1,289,465,158	953,794,885	303,457,682	252,823,494

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20.8 It represents adjustment in pension plan in accordance with the notification F. No. 9(30) R-6/2024-264 dated 10 September 2024 where it was notified that the family pension will be payable to the spouse for life or re-marriage and for dependents, it will be restricted to 10 years. Where none of the above conditions apply, the pension will continue for life or until remarriage. In the case of multiple widows, the pension will be equally divided.

20.9 Demographic assumptions

	31 March 2026	30 June 2025
Mortality rate	SLIC 2001-05	SLIC 2001-05
Withdrawal Rate	Age dependent	Age dependent

(a) Risks associated with defined benefit plans

Discount rate risk:

The plan exposes the Company to the risk of fall in discount rate. A fall in discount rate will result in an increase in the liability of defined benefit scheme.

Investment risks:

The risk arises when the actual performance of the investments is lower than expectation and thus creating a shortfall in the funding objectives.

Longevity risks:

The risk arises when the actual lifetime of retirees is longer than expectation. This risk is measured at the plan level over the entire retiree population.

Salary increase risk:

The most common type of retirement benefit is one where the benefit is linked with final salary. The risk arises when the actual increases are higher than expectation and impacts the liability accordingly.

Withdrawal and mortality risk:

The risk of actual withdrawals and mortality varying with the actuarial assumptions can impose a risk to the benefit obligation. The movement of the liability can go either way.

(b) Sensitivity analysis

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 defined benefit obligation to significant actuarial assumptions, the same method i.e. present value of defined benefit obligation calculated using Projected Unit Credit Method has been applied.

The impact of one percent movement in the assumptions used in determining retirement benefit obligations would have had the following effects on the 30 June 2026 actuarial valuation:

	Present value of defined benefit obligation		
	Pension obligations	Medical benefits	Free electricity
	------------------------ Rupees ------------------------		
Current liability	103,484,827,711	13,390,324,485	10,218,985,712
Discount rate +1%	92,230,788,535	6,453,559,656	9,183,848,501
Discount rate -1%	111,732,992,682	8,553,990,056	11,459,037,902
Salary increase +1%	107,471,382,197	-	-
Salary decrease -1%	105,474,098,269	-	-
Pension increase rate +1%	113,469,212,421	-	-
Pension decrease rate -1%	94,881,657,857	-	-
1 Year mortality setback	105,019,332,205	7,235,181,585	8,132,789,117
1 Year mortality setforward	101,904,099,639	7,248,942,191	8,144,182,997
Medical inflation rate increase +1%	-	8,600,617,717	-
Medical inflation rate decrease -1%	-	8,097,913,251	-
10% Increase in withdrawal rates	103,422,736,815	7,281,200,632	8,133,602,965
10% Decrease in withdrawal rates	103,546,918,608	7,289,943,319	8,143,369,148
Electricity rate +1%	-	-	11,526,294,596
Electricity rate -1%	-	-	9,111,682,725

The above sensitivity analysis are based on changes in assumptions while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated.

(c) Compensated absences

These represent liabilities in respect of accumulating earned leaves i.e. outstanding leave encashment payments of eligible employees.

(d) Allocation of amounts recognized in the statement of profit or loss against defined benefit obligations are:

	NOTE	31 March 2026 Rupees	30 June 2025 Rupees
Administrative expenses	30.1	1,961,427,380	2,526,226,388
Distribution cost	31.1	7,511,043,358	9,449,472,765
		9,472,470,738	11,975,699,153

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21	DEFERRED CREDIT	NOTE	31 March 2026 Rupees	30 June 2025 Rupees
	Balance at the beginning of the period / year		58,279,825,716	49,216,164,541
	Additions during the period / year	21.1	6,023,147,934	9,063,661,175
			64,302,973,650	58,279,825,716
	Accumulated amortization			
	Balance at the beginning of the period / year		(16,889,721,175)	(15,019,437,620)
	For the period / year		(1,666,248,725)	(1,870,283,555)
			(18,555,969,900)	(16,889,721,175)
	Balance at the end of the period / year		45,747,003,750	41,390,104,541

21.1 This represents capital contributions received from consumers and the Government against which assets are constructed by the Company.

22	TRADE AND OTHER PAYABLES	NOTE	31 March 2026 Rupees	30 June 2025 Rupees
	Creditors			
	- Central Power Purchasing Agency (Guarantee) Limited	22.1	47,805,657,664	49,679,725,417
	- Creditors		3,857,707,199	925,374,814
	Due to related parties	22.2	6,133,502,776	3,411,727,417
	Billings related payables	22.3	18,112,525,935	17,663,382,415
	Receipts against deposit work	22.4	8,179,400,674	6,943,529,830
	Workers' Profit Participation Fund payable	22.5	10,978,914,722	9,135,772,939
	WAPDA Welfare Fund		48,113,524	-
	Accrued liabilities		52,509,977	401,542,308
	Withholding taxes payable		1,819,785,770	2,587,797,006
	Others		1,531,548,873	1,357,537,494
			98,519,667,115	92,106,389,640

22.1 This represents amounts payable to Central Power Purchase Agency (Guarantee) Limited - CPPA (G) on account of power purchased, use of system charges of NTDC and PMLTC, Further it also includes certain debit / credit notes received from CPPA to make alignment in certain accounts heads.
This includes an amount of Rupees 8,112.076 million relating to Circular Debt (CD) financing adjustments for December 2025, representing payables originally due to CPPA-G against energy purchases that have been restructured and converted into liabilities payable to financial institutions through CPPA-G under the Circular Debt Restructuring, Settlement, Subscription and Agency Agreement (CDRSSA).

22.2	Due to related parties	NOTE	31 March 2026 Rupees	30 June 2025 Rupees
	National Transmission and Despatch Company Limited		6,017,978,256	3,250,071,589
	Due to other related parties on account of:			
	- Free electricity	22.2.1	48,586,292	19,522,073
	- Pension	22.2.2	66,938,228	142,133,756
			6,133,502,776	3,411,727,418

22.2.1	Due to related parties on account of free electricity	31 March 2026 Rupees	30 June 2025 Rupees
		-	-
	Power Planning and Monitoring Company	3,460,936	3,460,936
	Faisalabad Electric Suply Company Limited	19,273,792	9,775,886
	Multan Electric Power Company Limited	8,113,985	1,604,280
	Lahore Electric Suply Company Limited	8,174,992	-
	Islamabad Electric Supply Company	4,441,703	3,179,681
	Hyderabad Electric Suply Company Limited	1,202,878	90,484
	Peshawar Electric Supply Company	3,892,655	1,410,806
	Hazara Electric Supply Company Limited	25,351	-
		48,586,292	19,522,073

22.2.2	Due to related parties on account of pension	31 March 2026 Rupees	30 June 2025 Rupees
	Faisalabad Electric Suply Company Limited	29,997,350	40,921,451
	Peshawar Electric Supply Company	36,940,878	38,219,384
	Lahore Electric Supply Company Limited	-	62,992,921
		66,938,228	142,133,756

22.3	Billing related payables	NOTE	31 March 2026 Rupees	30 June 2025 Rupees
	Electricity duty payable	22.3.1	13,199,330,218	10,659,510,813
	EQ surcharge payable	22.3.2	1,285,392,069	1,271,832,340
	Financing cost surcharge payable	22.3.3	1,639,870,326	3,387,101,098
	Income tax payable collected on electricity bills		798,648,460	1,130,875,610
	Neelam Jhelum surcharge payable	22.3.4	1,064,879,073	975,087,561
	Tariff rationalization surcharge payable	22.3.5	264,173	-
	General sales tax not yet realized	22.3.6	123,101,075	123,824,330
	Television fee payable		480,562	114,590,684
	Sale tax Payables on Marble		559,979	559,979
			18,112,525,935	17,663,382,415

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22.3.1 Electricity Duty (ED) had been levied on all domestic and commercial consumers at 1.5% and all other consumers at 1% on variable charges (as per Provincial Finance Act) by the Government of Punjab.

22.3.2 Equalization Surcharges (EQ) had been levied on all consumers at the rate of Rupees 0.43 per unit consumed by the consumers of the Company.

22.3.3 Financing cost surcharge has been notified by GOP vide SRO.571 (1)/2015 dated 10 June 2015, at the rates mentioned against categories of electricity consumers as specified in schedule of electricity tariff for the Company. The amount of surcharge is to be kept in escrow account of CPPA-G for the payment of the financing cost of various loans obtained to discharge liabilities of power producers against the sovereign guarantees of the GOP.

22.3.4 This represents amounts collected from the consumers pursuant to S.R.O 575(1)/2015, dated 10 June 2015 issued by the Ministry of Energy, GOP. The said surcharge was levied till 31 December 2015 and to be kept in the Escrow account of Neelum Jhelum Hydro Power Company Limited for exclusive use for the Neelum Jhelum Hydro Power project. The said surcharge was extended from 30 June 2018 through S.R.O 376(1)/2018, dated 22 March 2018 issued by the Ministry of Energy, GOP, till further notification.

22.3.5 Tariff rationalization surcharge has been notified by GOP vide SRO.571 (1)/2015 dated 10 June 2015, at rates mentioned against categories of electricity consumers as specified in schedule of electricity tariff for the Company to maintain uniform rates of electricity across the country for each of the consumer category. GOP vide SRO.379 (1)/2018 dated 22 March 2018, revised the tariff rationalization surcharge rates for categories of electricity consumers in the revised schedule of electricity tariff for the Company.

22.3.6 This represents amount payable to taxation authorities against General Sales Tax. These amounts have been accumulated over the years.

22.4 These represent amounts received from the Government and private consumers against project works.

		NOTE	31 March 2026 Rupees	30 June 2025 Rupees
22.5	**Worker's Profit Participation Fund**			
	Opening balance		9,135,772,939	6,787,167,270
	Provision for the period / year	33	896,904,101	982,431,396
	Markup on WPPF	34	946,237,682	1,366,174,273
			10,978,914,722	9,135,772,939

23 CONTRACT LIABILITIES

These represent amounts received from consumers against cost of installation of new electricity connections.

24 ACCRUED MARKUP

It represents accrued markup on long term foreign re-lent loans and includes an overdue portion of Rupees 10,828.753 million (2025: Rupees 15,196.928 million).

25 SALES TAX PAYABLE

This amount represents the net output tax liability of the Company for the month of March determined after setting off the available input tax credits against the gross output tax.

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26. CONTINGENCIES AND COMMITMENTS

26.1 Income Tax

26.1.1 The Deputy Commissioner Inland Revenue (DCIR), RTO Gujranwala, passed an order dated 28 June 2018, under section 122(4) read with 122(5) of the Income Tax Ordinance, 2001, for Tax Year 2012, raising a tax demand of Rupees 211 million on various grounds, including the levy of minimum tax under section 113, disallowance of certain expenses under section 21, and denial of initial allowance under section 23 of the Ordinance. The Company's appeal before the CIR(A) was dismissed vide order dated 4 April 2019, whereupon a further appeal has been filed before the ATIR, where the matter is pending Adjudication.

26.1.2 The case of the Company was selected for audit under section 177 of the Income Tax Ordinance, 2001, for Tax Year 2014 vide notice dated 20 May 2016, culminating in an audit report issued under section 177(6) on 20 June 2017. Subsequently, a show cause notice under section 122(9) was issued, resulting in an order dated 30 December 2017 under sections 122(4) and 122(5A) of the Ordinance, raising a tax demand of Rupees 2,383 million on account of minimum tax under section 113, disallowance of certain expenses under section 21, and denial of initial allowance under section 23. The CIR(A) dismissed the appeal vide order dated 02 April 2018, and the Company filed a further appeal before the ATIR; however, following insertion of section 134A, the ATIR referred the matter to the ADRC. The Company accordingly filed an application before the ADRC, where the matter is currently pending adjudication.

26.1.3 The ADCIR vide order dated 29 October 2020 under section 122(5A) of the Income Tax Ordinance, 2001, raised a demand of Rupees 571 million for Tax Year 2017 on account of minimum tax, disallowance of inadmissible expenses, and inclusion of subsidy income. The Company's appeal before the Commissioner Inland Revenue (Appeals) was partly allowed vide order dated 28 October 2021; however, the Appellate Tribunal Inland Revenue (ATIR), vide order dated 24 March 2023, decided the matter against the Company, which was subsequently upheld by the Honorable Lahore High Court and the Honorable Supreme Court of Pakistan vide order dated 06 December 2024, confirming that minimum tax on subsidy is chargeable under section 113. The Company has accordingly recognized the incremental expense arising from inclusion of subsidy in turnover at the rate of 0.25%; however, the matter regarding the applicability of the normal rate or FMCG rate is currently pending adjudication.

26.1.4 The ADCIR, vide order dated 30 September 2020 under section 122(5A) of the Income Tax Ordinance, 2001, raised a demand of Rupees 809 million for Tax Year 2018 on account of minimum tax, rejection of the Company's claim for applicability of 0.25% rate as a distributor of FMCG, disallowance of inadmissible expenses, and inclusion of subsidy income. The CIR(A) upheld the order, and the ATIR, vide order dated 24 March 2023, decided the matter against the Company; thereafter, the Honorable Lahore High Court upheld the Department's stance regarding chargeability of minimum tax on subsidy while leaving the issue of applicability of 0.25% rate unaddressed. The matter regarding inclusion of subsidy was further challenged before the Honorable Supreme Court of Pakistan, which dismissed the petitions vide order dated 06 December 2024. The Company has recognized the incremental expense at the rate of 0.25%; however, the matter regarding applicability of normal rate or FMCG rate remains pending adjudication.

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26.1.5 The ADCIR, vide order dated 09 February 2021 under section 122(5A) of the Income Tax Ordinance, 2001, raised a demand of Rupees 966 million for Tax Year 2019 on account of minimum tax, disallowance of inadmissible expenses, inclusion of subsidy income, and applicability of 0.25% rate treating the Company as a distributor of FMCG (electricity). The CIR(A), vide order dated 10 January 2022, partly allowed the appeal by deleting inclusion of other income in turnover, annulling certain issues for verification, and upholding inclusion of subsidy and applicable rate; thereafter, the ATIR, vide order dated 25 April 2022, decided the matter in favor of the Company based on Full Bench decision, which was subsequently overturned by the Honorable Lahore High Court and upheld by the Honorable Supreme Court of Pakistan vide order dated 06 December 2024, confirming chargeability of minimum tax on subsidy. The Company has recognized the incremental expense at the rate of 0.25%; however, the matter regarding applicability of normal rate or FMCG rate remains pending adjudication.

26.1.6 The ADCIR, vide order dated 04 May 2021 under section 122(5A) of the Income Tax Ordinance, 2001, raised a demand of Rupees 972 million for Tax Year 2020 on account of minimum tax, disallowance of inadmissible expenses, inclusion of subsidy income, and applicable minimum tax rate. The CIR(A), vide order dated 11 November 2021, partly allowed the appeal by deleting inclusion of other income in turnover while confirming inclusion of subsidy and holding the applicable rate at 1.25%. The ATIR, vide ITA No. 5748/LB/2021 dated 24 March 2023, upheld the CIR(A)'s view, which was subsequently affirmed by the Honorable Lahore High Court and the Honorable Supreme Court of Pakistan vide order dated 06 December 2024, confirming chargeability of minimum tax on subsidy against DISCOs. The Company has recognized the incremental expense arising from inclusion of subsidy in turnover at the rate of 0.25%; however, the issue regarding applicability of normal rate or FMCG rate remains pending adjudication.

26.1.7 The ADCIR, vide order dated 11 March 2022 under section 122(5A) of the Income Tax Ordinance, 2001, raised a demand of Rupees 436 million for Tax Year 2021 by recalculating minimum tax on turnover, including subsidy and other income, and rejecting the Company's application of 0.25% rate applicable to Fast Moving Consumer Goods. The CIR(A), vide order dated 14 July 2022, partly allowed the appeal by deleting inclusion of other income in turnover while confirming inclusion of subsidy and higher rate; the Company's appeal before the ATIR is pending adjudication. Meanwhile, the Honorable Lahore High Court, following the ATIR Full Bench judgment, and the Honorable Supreme Court of Pakistan vide order dated 06 December 2024, have upheld the chargeability of minimum tax on subsidy, and the Company has recognized the incremental expense at the rate of 0.25%; however, the issue regarding applicability of normal rate or FMCG rate remains pending adjudication.

26.1.8 For Tax Year 2017, the DCIR, vide order dated 17 March 2022 under section 161(1A) of the Income Tax Ordinance, 2001, raised a demand of Rupees 8,584 million for non-withholding of tax on Capacity Transfer Charges in CPPA-G invoices and on NTDC Use of System Charges payments. The CIR(A), vide order dated 27 April 2022, upheld the demand on Capacity Transfer Charges but deleted it for Use of System Charges. Both the Company and the Tax Department filed cross-appeals before the ATIR,. which are pending adjudication.

26.1.9 For Tax Year 2018, the DCIR, vide order dated 30 April 2022 under section 161(1A) of the Income Tax Ordinance, 2001, raised a demand of Rupees 4,444 million for non-withholding of tax on Capacity Transfer Charges in CPPA-G invoices and on NTDC Use of System Charges. The CIR(A), vide order dated 14 July 2022, upheld the demand on Capacity Transfer Charges but deleted it for Use of System Charges. Both the Company and the Tax Department filed cross-appeals before the ATIR, which are pending adjudication.

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26.1.10 The DCIR, vide order dated 26 April 2021 under section 161(1A) of the Income Tax Ordinance, 2001, raised a demand of Rupees 4,494 million on account of alleged non-withholding of tax on Capacity Transfer Charges in CPPA-G invoices and NTDC Use of System Charges. The CIR(A), vide order dated 27 December 2021, upheld the demand in respect of Capacity Transfer Charges while deleting it for Use of System Charges. The ATIR, vide ITA No. 823/LB/2022 dated 25 February 2022, dismissed the Company's appeal on Capacity Transfer Charges, whereas the Department's appeal on Use of System Charges remains pending; the Company has filed a reference before the Honorable Lahore High Court, which is currently pending adjudication.

26.1.11 The DCIR, vide Order No. Nil dated 31 December 2021 under section 161(1A) of the Income Tax Ordinance, 2001, raised a demand of Rupees 5,921 million on account of alleged non-withholding of tax on Capacity Transfer Charges in CPPA-G invoices and NTDC Use of System Charges. The Company contended that withholding was not applicable on CPPA-G invoices in light of Clause (vi) of SRO 586(I)/91 dated 30 June 1991 and that payments for electricity and gas do not attract withholding under section 153 by virtue of Clause 46AA(v) of the Second Schedule to the Ordinance. The CIR(A), vide order dated 27 April 2022, partly allowed the appeal by upholding the demand in respect of Capacity Transfer Charges while deleting the portion relating to Use of System Charges. Both the Company and the Department have filed cross-appeals before the ATIR, which are currently pending adjudication.

26.1.12 The ACIR, vide order dated 22 March 2024 under section 122(5A) of the Income Tax Ordinance, 2001, raised a demand of Rupees 484 million on account of minimum tax under section 113 on turnover inclusive of subsidy, inclusion of other revenues in turnover, and application of the 1.25% minimum tax rate instead of 0.25% on the basis that electricity does not qualify as a Fast Moving Consumer Good (FMCG). The Company filed an appeal before the CIR(A), which, pursuant to the introduction of section 126A through the Tax Laws (Amendment) Act, 2024, stood transferred to the Appellate Tribunal Inland Revenue, Lahore; the ATIR referred the matter to the ADRC, which, vide order dated 14 February 2025, observed that the issue involves a question of law and advised that it be pursued before the ATIR, where it is currently pending adjudication.

26.1.13 The DCIR, vide order under section 4C of the Income Tax Ordinance, 2001, for Tax Year 2023, raised a demand of Rupees 2,498 million on account of Super Tax. The Company has filed an application before the Alternative Dispute Resolution Committee (ADRC), and the matter is currently pending adjudication.

26.2 Sales Tax

26.2.1 The ACIR RTO Gujranwala, raised a demand of Rupees 4,861 million for the year ended June 2012 in respect of General Sales Tax (GST) on tariff differential subsidy, sales to the Government of AJK, amortization of deferred credit, zero-rated supplies, free electricity, and steel melters. The Company filed an appeal before the Commissioner Inland Revenue (Appeals), who decided certain matters in the Company's favor, remanded the remaining issues to the ACIR, and decided against the Company regarding GST on free electricity amounting to Rupees 5.9 million. On this specific issue, the ATIR, vide STA No. 975/LB/2017 dated 03 November 2020, also upheld the decision against the Company. The Company filed a reference before the Lahore High Court (LHC) on the matter of charging and payment of GST on free electricity, which is currently pending adjudication.

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26.2.2 The DCIR held that fuel price adjustments granted to consumers from January 2015 to October 2015, relating to sales tax already charged, collected, and deposited, were inadmissible for adjustment against current liability, resulting in a disputed amount of Rupees 1,385 million. The CIR(A) and ATIR upheld the Department's stance; thereafter, the Honorable Lahore High Court directed the Company to approach the ADRC. The Company has filed an application before the ADRC, and the matter is currently pending adjudication, with the next hearing scheduled on 21 May 2026.

26.2.3 The ACIR raised a demand of Rupees 2 million through Order No. 18/ST/GRW/2016 dated 11 May 2016 on the grounds that the Company had claimed input tax on inadmissible goods under section 8 of the Sales Tax Act, 1990 for the period from July 2014 to June 2015. The Company filed an appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)], who upheld the ACIR's decision. The Company then appealed to the ATIR, which, vide STA No. 237/LB/2017 dated 10 July 2025, maintained the CIR(A)'s order. Aggrieved, the Company filed a reference before the Honorable Lahore High Court, Lahore, where the matter is presently pending adjudication.

26.2.4 The ACIR RTO Gujranwala, passed an order raising a demand of Rupees 657.3 million on account of zero-rated supplies, including sales to the Government of AJK, and Rupees 100.2 million for inadmissible input tax, along with default surcharge and penalties under sections 33(11) and 33(5) of the Sales Tax Act, 1990, for the year ended June 2013. The Company filed an appeal before the Commissioner Inland Revenue (Appeals), who deleted the inadmissible input tax demand and associated penalties except for Rupees 1.8 million, and directed submission of data for zero-rated supplies verification, while upholding the demand on sales to the Government of AJK. Dissatisfied, the Company appealed to the ATIR on the zero-rated supplies issue, but the appeal was decided against the Company. Aggrieved, the Company filed a reference before the Honorable Lahore High Court vide STR No. 207488 of 2018, Lahore, where the matter is currently pending adjudication.

26.2.5 The DCIR through Order No. 79 dated 16 February 2015, imposed a penalty of Rupees 1.36 million under section 33(5) of the Sales Tax Act, 1990, for non-withholding of sales tax for the periods of November 2013, December 2013, and February 2014. The Company filed an appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)], who, vide order dated 01 April 2015, upheld the penalty. Aggrieved, the Company filed an appeal under section 46 of the Sales Tax Act, 1990 before the ATIR, which, through Order STA No. 589/LB/2015 dated 12 February 2024, annulled the CIR(A)'s order and directed that the matter be decided afresh on merits. The case is currently pending adjudication.

26.2.6 The DCIR issued an order against the Company, demanding Rupees 370 million as sales tax, along with a default surcharge of Rupees 146 million and a penalty of Rupees 18 million, on the grounds that sales tax had not been paid on supplies made to consumers in AJK for the period July 2013 to June 2014. The Company filed an appeal before the Commissioner Inland Revenue (Appeals), who upheld the DCIR's decision. Being aggrieved, the Company filed an appeal before the ATIR, which also decided against the Company. The Company has subsequently filed a reference before the Honorable Lahore High Court, Lahore, where the matter is currently pending adjudication.

26.2.7 The ACIR, vide order, raised a demand of Rupees 5,693.55 million along with default surcharge of Rupees 284.7 million on account of alleged short payment of sales tax due to differences between sales declared in returns and financial statements for the years ended June 2010 and June 2011. The Company contended that subsidy received from the Government does not form part of taxable supplies; however, the CIR(A) decided against the Company, while the ATIR ruled in favor of the Company. The Honorable Lahore High Court, vide judgment dated 12 May 2022, disposed of the

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Department's appeal without addressing the subsidy issue, and the matter, along with similar issues decided in favor of DISCOs and subsequent clarification through Finance Act, 2022, was ultimately referred by the Honorable Supreme Court of Pakistan to the ADRC. The Company has filed an application before the ADRC, which is currently pending adjudication.

26.2.8 The DCIR, vide order, raised a demand of Rupees 2,651.7 million along with default surcharge and penalty on account of various issues including non-charging of sales tax on AJK sales, demand notices, non-financial assets, connection fees, and differences between sales declared in returns and audited accounts for the year ended June 2009. The CIR(A) partly allowed the appeal, and the ATIR decided the matter in favor of the Company; however, the Honorable Lahore High Court, vide judgment dated 12 May 2022, upheld the ATIR's decision except for the issue relating to AJK sales amounting to Rupees 110.44 million, which was decided against the Company. The Company has filed a petition before the Honorable Supreme Court of Pakistan, which directed the matter to the ADRC, where the Company's application is currently pending adjudication.

26.2.9 The DCIR, vide order dated 19 June 2020 under sections 11 read with 25 of the Sales Tax Act, 1990, raised demands of Rupees 4,100 million, Rupees 1,100 million, and Rupees 122 million on account of non-chargeability of sales tax on subsidy, supply of electricity to AJK, and short collection due to negative fuel price adjustment, respectively. The CIR(A) upheld the departmental stance; however, the ATIR, vide order dated 07 March 2022, decided the subsidy issue in favor of the Company, remanded the negative fuel price adjustment issue (subsequently decided in favor of the Company vide order dated 22 December 2022), and decided against the Company on the AJK supply issue. The Department did not contest the subsidy matter in light of clarification introduced through the Finance Act, 2022, while the Company has filed a reference before the Honorable Lahore High Court against the AJK supply issue amounting to Rupees 1,000 million, which is currently pending adjudication.

26.2.10 The Addl. CIR, vide order dated 15 September 2020 under sections 24 and 52 of the Punjab Sales Tax on Services Act, created a demand of Rupees 669 million along with penalty and default surcharge. The Company filed an appeal before the CIR(A) on 12 October 2020, which is currently pending adjudication.

26.2.11 The Deputy Commissioner Inland Revenue (DCIR), vide Order in Original No. 18/2021 dated 18 January 2022, raised a demand of Rupees 5,387 million for tax periods from April 2016 to June 2019 on the grounds that the Company had not charged Sales Tax on supplies to AJK and other zero-rated supplies. The Company filed an appeal before the Commissioner Inland Revenue (Appeals), who, vide Order in Appeal No. 21/A-V dated 20 June 2022, upheld the demand. Dissatisfied, the Company preferred an appeal before the Honorable ATIR, which, vide STR No. 1419/LB/2022 dated 18 November 2023, decided the matter against GEPCO with respect to AJK supplies but in favor of GEPCO regarding other zero-rated supplies (self-office usage). GEPCO has filed a reference before the Honorable Lahore High Court against the AJK issue, while the Department has filed a cross-reference on the zero-rated supplies decision; both matters are currently pending adjudication.

26.2.12 The DCIR, vide Order in Original No. 02/ST/2021 dated 05 July 2021, raised a demand of Rupees 152.552 million on the premise that GEPCO had claimed excess input tax on CPPA-G electricity purchase invoices by for the period December 2015 to May 2016. The Company filed an appeal before the Commissioner Inland Revenue (Appeals), who, vide Order in Appeal No. 09/A-V dated 17 January 2022, upheld the demand. Dissatisfied, the Company preferred an appeal before the

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Honorable ATIR, which, vide STA No. 487/LB/2022 dated 02 August 2022, remanded the matter back to the CIR(A), where it is currently pending adjudication.

26.2.13 The Deputy Commissioner Inland Revenue (DCIR), LTO Lahore, observed that GEPCO, in its Sales Tax Returns for Tax Year 2020, failed to withhold sales tax of Rupees 2.587 million under sub-section (7) of section 3 of the Sales Tax Act, 1990, on taxable services declared under Advertisement. An order to this effect was issued on 25 August 2023. Aggrieved, GEPCO filed Appeal STA No. 2623/2024 before the Commissioner Inland Revenue (Appeals-I), providing legal and factual grounds supported by relevant records. The CIR(A) remanded the matter to the assessing officer, where it is currently pending adjudication.

26.2.14 The Additional Commissioner, PRA Gujranwala, vide order dated 31 May 2022 alleged that GEPCO, as service provider and withholding agent, failed to withhold and deposit Punjab Sales Tax on services received for repair and maintenance work from M/s Hajveri Power Transformer under Work Order No. 5126-32, creating a liability of Rupees 8.047 million including penalty. GEPCO filed an appeal before the Commissioner (Appeals) PRA, where the matter is pending adjudication.

26.2.15 The Additional Commissioner vide order in original number 190/2022 dated 21 April 2022 alleged that GEPCO, as service provider and withholding agent, failed to withhold and deposit Punjab Sales Tax on services received for repair and maintenance work from M/s Hajveri Power Transformer under Work Order No. 3553-58 and 4220-25, creating a liability of Rupees 2.8 million including penalty. GEPCO filed an appeal before the Commissioner (Appeals) PRA, where the proceedings are pending adjudication.

26.2.16 The Additional Commissioner, PRA Gujranwala, vide ex-parte Order-in-Original No. 356/2023 dated 31 October 2023, created a demand of Rupees 15.86 million (including 100% penalty) on account of alleged non-payment of Punjab sales tax on advertisement services for the period 2015 to 2017, without considering the Company's replies and supporting documents. The Company has filed an appeal before the Commissioner (Appeals) PRA, which is currently pending adjudication.

26.2.17 The Additional Commissioner, PRA Gujranwala, vide consolidated order No. 29/2025 dated 15 July 2025, created a demand of Rupees 6,736 million along with 100% penalty on account of alleged tax fraud relating to chargeability of Punjab sales tax on various services including meter rent, reconnection fee, service charges, electricity duty, NEPRA fee, PITC fee, and use of system charges of NTDC for Tax Years 2019 to 2023. The Company has filed an appeal before the Commissioner (Appeals) PRA, which is currently pending adjudication.

26.3 Commitments

26.3.1 Commitments against agreement with parties and purchase orders for capital store items aggregate to Rupees 3,988.710 million (30 June 2025: Rupees 1,529.310 million).

26.3.2 The Company has issued a bank guarantee in favor of Pakistan State Oil Company Limited (related party) amounting to Rupees 120 million (30 June 2025: Rupees 120 million) obtained from The Bank of Punjab (related party) for its fleet of vehicles.

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		NOTE	Nine months period ended 31 March 2026 Rupees	Year ended 30 June 2025 Rupees
27	**SALE OF ELECTRICITY - NET**			
	Gross sales		278,870,121,827	389,884,093,682
	Sales tax		(44,295,087,271)	(64,527,987,082)
		27.1	234,575,034,556	325,356,106,600

27.1 Disaggregation of revenue

In the following, revenue is disaggregated by primary geographical market, major products and service lines and timing of revenue recognition.

	Nine months period ended 31 March 2026 Rupees	Year ended 30 June 2025 Rupees
Primary geographical markets:		
Pakistan	227,249,350,814	315,945,843,757
Azad Jammu and Kashmir	7,325,683,742	9,410,262,843
	234,575,034,556	325,356,106,600
Major product lines / services:		
Residential	111,494,042,711	173,567,190,314
Commercial	26,190,324,815	36,378,390,448
Industrial	67,075,881,312	88,446,683,482
Bulk	3,412,139,370	6,243,072,138
Agriculture	7,793,793,064	12,258,732,144
Public Lighting	450,634,054	640,765,026
Residential Colony	13,768,196	28,783,379
Azad and Jammu Kashmir	7,325,683,750	9,410,262,843
General services	5,808,476,928	7,063,218,313
	229,564,744,200	334,037,098,086
- unbilled revenue recognized	14,109,545,223	9,236,928,751
- unbilled revenue for previous period billed during the period / year	(4,483,178,751)	(15,538,500,559)
- Spill over adjustment	(4,570,204,367)	(2,418,595,367)
- Other adjustments	(45,871,749)	39,175,689
	5,010,290,356	(8,680,991,486)
	234,575,034,556	325,356,106,600
Timing of revenue recognition:		
- Products transferred at a point in time	234,575,034,556	325,356,106,600
- Products and services transferred over time	-	-
	234,575,034,556	325,356,106,600

27.2 Electricity sales include Rupees 5,645.363 million (30 June 2025: Rupees 10,215.637 million) on account of electricity bills for the month of March 2026 billed to consumers in April 2026. Moreover positive adjustment of Rupees 3,122 million regarding Quarterly Tariff Adjustments and positive adjustment of Rupees 10,148.250 million regarding Prior Year Adjustment (PYA) is also incorporated in the figure of gross sales.

27.3 Revenue is recognized overtime when the electricity units are consumed by the customers.

		NOTE	Nine months period ended 31 March 2026 Rupees	Year ended 30 June 2025 Rupees
28	**SUBSIDIES FROM THE GOVERNMENT OF PAKISTAN**			
	Tariff differential subsidy	11.1	26,531,775,331	36,836,480,357
	Applicable quarterly tariff adjustment	11.1	1,798,637,579	590,703,138
			28,330,412,910	37,427,183,495
29	**COST OF ELECTRICITY**			
	Cost of electricity:			
	- Power purchase	29.1	212,257,363,043	287,600,493,275
	- Use of system charges - NTDC		5,540,939,705	7,337,360,607
	- Market operation fee		-	64,236,986
	- Pak Matyari Lahore Transmission Company - PMLTC charges	29.2	6,772,335,614	9,249,349,767
			224,570,638,362	304,251,440,635
	Supplementary charges	29.3	121,044,179	6,767,827,116
			224,691,682,541	311,019,267,751

29.1 This represents amount charged by Central Power Purchasing Agency (Guarantee) Limited, Chianwali and Head Marala according to the invoices issued by respective power sellers based on tariff determined by National Electric Power Regulatory Authority (NEPRA) and notified by the Government of Pakistan in the Gazette of Pakistan.

29.2 This represents amount charged by Pak Matyari Lahore Transmission Company (PMLTC), which is a part of national transmission line. As per NEPRA Tariff amount billed by PMLTC to NTDCL shall be allocated to DISCOs based on their actual monthly KW consumption for the month.

29.3 These charges have been passed on to the Company by CPPA-G, which includes company's share of markup on late payments being made by the CPPA-G to its lenders.

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		NOTE	Nine months period ended 31 March 2026 Rupees	Year ended 30 June 2025 Rupees
30	**ADMINISTRATIVE EXPENSES**			
	Salaries, wages and other benefits		5,611,983,769	7,067,413,469
	Electricity bills collection charges		294,542,902	387,577,873
	Professional fees		161,964,564	907,947,553
	Vehicle running and maintenance		376,828,732	426,736,546
	Depreciation	4.4	225,328,929	245,870,664
	Office supplies and other expenses		144,258,850	280,561,749
	Traveling and conveyance		72,786,269	106,457,277
	Advertisement and publicity		12,547,238	20,164,906
	Power, light and water		45,423,522	57,327,930
	Postage and telephone		38,375,813	36,019,203
	Auditors' remuneration	30.2	2,500,000	3,700,000
	Rent, rates and taxes	30.3	747,662	4,090,783
	Other charges	30.4	74,527,605	310,229,068
			7,061,815,855	9,854,097,021

30.1 This amount comprises Rupees 1,877.761 million (30 June 2025: Rupees 2,526.226 million) relating to pension, medical, free electricity, and compensated absences, and Rupees 83.667 million (30 June 2025: Rupees 163.858 million) for gratuity of contractual employees, as disclosed in Note 20.

		Nine months period ended 31 March 2026 Rupees	Year ended 30 June 2025 Rupees
30.2	**Auditor's remuneration**		
	Annual audit fee	-	3,700,000
	Special audit fee	2,000,000	-
	Out of pocket expenses	500,000	-
		2,500,000	3,700,000

30.3 These represents rental expense in respect of short term lease.

30.4 This includes an amount of Rupees 65.874 million (30 June 2025: Rupees 310.477 million) on account on account of damages / compensation on account of deaths/ disabilities of staff during course of their employment.

		NOTE	Nine months period ended 31 March 2026 Rupees	Year ended 30 June 2025 Rupees
31	**DISTRIBUTION COST**			
	Salaries, wages and other benefits	31.1	16,695,766,022	19,995,914,663
	Repair and maintenance		1,873,011,550	2,661,389,047
	Rent, rates and taxes		8,160,447	8,039,077
	Power, light and water		69,264,791	103,641,514
	Postage and telephone		23,920,277	28,969,640
	Office supplies and other expenses		44,868,029	73,805,712
	Traveling and conveyance		159,205,375	375,278,808
	Vehicle running and maintenance		538,426,656	563,166,576
	Insurance		76,477,596	-
	Depreciation	4.4	3,530,153,218	3,851,973,732
	Professional fees		159,529,705	122,344,885
			23,178,783,666	27,784,523,654

31.1 This includes a sum of Rupees 7,511.043 million (2025: Rupees 9,449.473 million) in respect of pension, medical, free electricity and compensated absences benefits.

31.2 These represents rental expense in respect of short term lease.

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		Note	Nine months period ended 31 March 2026 Rupees	Year ended 30 June 2025 Rupees
32	**OTHER INCOME**			
	Income from financial assets			
	Profit on bank deposits and short term investments		1,236,561,902	1,820,159,759
	Expected credit losses reversal	32.1	-	624,346,686
	Income from non-financial assets			
	Sale of scrap		92,541,500	116,730,062
	Gain on installation of new connections		104,617,236	-
	Others		380,082,298	495,864,627
			577,241,034	612,594,689
	Others			
	Meter / service rent		39,023,790	49,796,493
	Reconnection fees		10,396,584	23,283,488
	Commision on electricity duty		79,346,763	120,252,014
	Commision on PTV license fee		2,259,578	38,729,865
	Late payment surcharge to customers		3,551,654,417	4,779,728,038
	Reversal of provision for slow moving store and spares	8	-	41,030,276
	Reversal of accrued markup	32.2	5,684,074,538	-
	Gain against reversal of store handling charges		840,151,451	-
	Miscellaneous		23,584,101	19,979,084
			10,230,491,222	5,072,799,258
			12,044,294,158	8,129,900,392
32.1	**Break up of expected credit losses are as follows:**			
	Reveresal of expected credit loss against related parties	13	-	1,060,828,978
	Expected credit loss on trade debts	9.3	-	(436,482,292)
			-	624,346,686

32.2 Previously, interest on overdue amount was also charged. However, the Economic Affairs Division calculates the markup based on the repayment schedule. Consequently, the markup has been revised.

		Note	Nine months period ended 31 March 2026 Rupees	Year ended 30 June 2025 Rupees
33	**OTHER OPERATING EXPENSES**			
	Expected credit losses		1,481,940,451	-
	Worker's profit participation fund	22.5	896,904,101	982,431,396
	Loss on sale of new connections		-	1,333,127,688
	Recievable written off under ADRC decision		-	81,011,590
			2,378,844,552	2,396,570,674
34	**FINANCE COST**			
	Mark-up on long term loans		1,316,748,560	1,695,203,067
	Bank charges		699,572	1,441,077
	Markup on worker's profit participation fund	22.5	946,237,682	1,366,174,273
			2,263,685,814	3,062,818,417
35	**LEVY**			
	Minimum tax	35.1	3,327,000,346	4,591,479,874
			3,327,000,346	4,591,479,874

35.1 The provision for levies represent minimum tax levied under section 113 of Income Tax Ordinance 2001, representing levies in terms of requirements of IFRIC 21 / IAS 37.

		Note	Nine months period ended 31 March 2026 Rupees	Year ended 30 June 2025 Rupees
36	**TAXATION**			
	- Current tax		1,496,361,348	412,829,826
	- Deffered tax	7	-	-
			1,496,361,348	412,829,826

36.1 Tax reconciliation has been not presented here as levy booked is based on 1.25% of turnover and super tax @ 10% on taxable income as per section 4C of the Income Tax Ordinance, 2001.

37 REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

The aggregate amount charged in these financial statements in respect of remuneration including certain benefits to the Chief Executive Officer, Directors and Executives of the Company are given below:

	Chief Executive Officer		Executives	
	31 March 2026	30 June 2025	31 March 2026	30 June 2025
	Rupees	Rupees	Rupees	Rupees
Managerial remuneration and allowances	15,547,958	13,365,194	79,827,725	87,194,039
Bonus	868,000	700,000	3,644,240	3,654,215
	16,415,958	14,065,194	83,471,965	90,848,254
Number of persons	1	1	12	13

In addition, the Chief Executive Officer is also provided with free transport, residential telephone and medical facilities.

The aggregate amount charged in the financial statements for the year as fee to 07 directors (30 June 2025: 09 directors) is Rupees 13.139 million (30 June 2025:Rupees 17.890 million) for attending Board of Directors and sub-committee meetings.

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38	CASH FLOW FROM OPERATING ACTIVITIES	NOTE	Nine months period ended 31 March 2026 Rupees	Year ended 30 June 2025 Rupees
	Profit before levy and taxation		17,041,177,921	18,666,196,525
	Adjustments for non-cash charges and other charges:			
	Depreciation of operating fixed assets	4.1	3,755,482,147	4,097,844,396
	Provision for employee benefits	20.5	9,472,470,738	11,975,699,153
	Finance costs	34	2,263,685,814	3,062,818,417
	Amortization of deferred credit	21	(1,666,248,725)	(1,870,283,555)
	Profit on bank deposits and short-term investments	32	(1,236,561,902)	(1,820,159,759)
	Expected credit loss reversal		-	(1,060,828,978)
	Expected credit loss on trade debts	33	1,481,940,451	436,482,292
	Worker's profit participation fund	33	896,904,101	982,431,396
	Reversal of provision for slow moving stores and spare parts	32	-	(41,030,276)
	Loss on sale of new connections	33	-	1,333,127,688
	Reversal of accrued markup	32	(5,684,074,538)	-
			26,324,776,007	35,762,297,299

38.1	**Working capital changes**		
	(Increase)/ decrease in current assets:		
	Stores and spares	(5,422,211,740)	4,688,727,075
	Trade debts	187,377,964	17,464,738,490
	Short term loans and advances	222,219,934	(250,423,035)
	Receivable from the Government of Pakistan	(14,834,134,107)	(9,281,430,003)
	Other receivables	2,094,132,989	816,873,054
	Increase /(decrease) in current liabilities:		
	Sales tax payable-net	(4,519,337,628)	(669,613,203)
	Trade and other payables	3,333,456,406	(15,763,770,413)
	Contract Liabilities	201,997,066	120,468,959
		(18,736,499,116)	(2,874,429,075)
	Net operating cash flows after working capital changes	7,588,276,891	32,887,868,224

39 FINANCIAL RISK MANAGEMENT

39.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

Risk management is carried out by the Company's finance department under policies approved by the Board of Directors. The Company's finance department evaluates and hedges financial risks. The Board provides principles for overall risk management, as well as policies covering specific areas such as currency risk, other price risk, interest rate risk, credit risk, liquidity risk, use of derivative financial instruments and non-derivative financial instruments and investment of excess liquidity.

a) Market risk

i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

Sensitivity analysis

If the functional currency, at reporting date, had weakened / strengthened by 5% against the USD with all other variables held constant, the impact on profit / (loss) before taxation for the year would have been Rupees 26.819 million (30 June 2025: Rupees 25.717 million) respectively lower / higher, mainly as a result of exchange gains / losses on translation of foreign exchange denominated financial instruments. Currency risk sensitivity to foreign exchange movements has been calculated on a symmetric basis. In management's opinion, the sensitivity analysis is unrepresentative of inherent currency risk as the year end exposure does not reflect the exposure during the year.

ii) 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 commodity price risk.

iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's interest rate risk arises from long term loans and bank balances in deposit accounts. 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.

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

	31 March 2026 Rupees	30 June 2025 Rupees
Fixed rate instruments		
Financial assets		
Short term investments	12,319,209,587	11,703,390,200
Financial liabilities		
Long term loans	8,327,305,602	8,327,305,602
Variable rate instruments		
Financial assets		
Bank balances - deposit accounts	6,110,252,677	7,243,428,256

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.

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Cash flow sensitivity analysis for variable rate instruments

If interest rate at the year end date, fluctuates by 1% higher / lower with all other variables held constant, profit / (loss) before taxation for the year would have been Rupees 61.103 million (30 June 2025: Rupees 72.434 million) lower / higher, mainly as a result of higher / lower interest on floating rate financial instruments. This analysis is prepared assuming the amounts of financial instruments outstanding at reporting date were outstanding for the whole year.

b) **Credit risk**

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The carrying amount of financial assets represent the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	31 March 2026	30 June 2025
	Rupees	Rupees
Long term loans	579,627,325	585,705,469
Trade debts	44,804,755,413	46,474,073,828
Other receivables	874,302,564	2,968,476,172
Short term investments	12,319,209,587	11,703,390,200
Bank balances	6,110,252,677	7,243,428,256
	64,688,147,566	68,975,073,925

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rate:

	Rating			31 March 2026	30 June 2025
	Short term	Long term	Agency	----------Rupees----------	
Banks					
National Bank of Pakistan	A1+	AAA	PACRA	929,220,783	4,961,805,906
The Bank of Punjab	A1+	AA+	PACRA	1,729,197,927	515,784,138
First Women Bank Limited	A2	A-	PACRA	145,424,041	112,295,373
Punjab Provincial Cooperative Bank Limited	A2	A-	PACRA	49,809,236	85,477,010
Zarai Taraqiati Bank Limited	A1+	AAA	JCR-VIS	5,095,428	54,737,353
Allied Bank Limited	A1+	AAA	PACRA	90,537,484	555,468,091
Askari Bank Limited	A1+	AA+	PACRA	27,714,096	14,594,417
Bank Alfalah Limited	A1+	AA+	PACRA	247,378,215	72,481
Faysal Bank Limited	A1+	AA	PACRA	10,019,795	26,331
Habib Bank Limited	A1+	AAA	JCR-VIS	579,509,997	609,353,675
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	871	-
JS Bank Limited	A1+	AA-	PACRA	101,533,602	-
MCB Bank Limited	A1+	AAA	PACRA	380,971,925	214,324
Soneri Bank Limited	A1+	AA-	PACRA	14,740	24,152
United Bank Limited	A1+	AAA	JCR-VIS	1,357,758,683	331,896,712
Bank Al-Habib Limited	A1+	AAA	PACRA	184,758	1,431,789
Bank Makramah Limited	A3	BBB-	SBP	34,648	48,522
Al Baraka Bank	A1	A+	JCR-VIS	122,946	197,981
Meezan Bank Limited	A1+	AAA	JCR-VIS	(5,497,020)	-
Dubai Islamic Bank Pakistan Limited	A1+	AA	JCR-VIS	31,660	-
Receivable from General Post Office	N/A	N/A	N/A	461,188,862	-
				6,110,252,677	7,243,428,256
Investments - Term Deposit Receipts					
Allied Bank Limited	A1+	AAA	PACRA	1,819,200,000	-
Askari Bank Limited	A1+	AA+	PACRA	2,425,600,000	-
Bank Alfalah Limited	A1+	AA+	PACRA	2,425,600,000	2,220,600,000
The Bank of Punjab	A1+	AA+	PACRA	1,819,200,000	-
Habib Bank Limited	A1+	AAA	JCR-VIS	1,819,200,000	2,220,600,000
National Bank of Pakistan	A1+	AAA	PACRA	1,819,200,000	6,661,800,000
				12,128,000,000	11,103,000,000
Investments - Guarantees					
The Bank of Punjab	A1+	AA+	PACRA	122,000,000	182,000,000
				12,250,000,000	11,285,000,000

Due to the Company's long standing business relationships with these counter parties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counter parties on their obligations to the Company. Accordingly, the credit risk is minimal.

Trade debts

The Company's exposure to credit risk and allowance for expected credit losses related to trade debts is disclosed in Note 9.

The Company applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade debts.

To measure the expected credit losses, trade debts have been grouped based on shared credit risk characteristics and the days past due. These trade debts are netted off with the collateral obtained, if any, from these customers to calculate the net exposure towards these customers. The Company's electricity is sold to industrial, commercial and residential consumers and government organizations. Due to large number and diversity of its consumer base, concentration of credit risk with respect to trade debts is limited. Further, the Company manages its credit risk by obtaining security deposits from the consumers. Further, the Company considers the credit risk arising from receivables from public sector consumers to be minimal.

Security deposits, loans and advances and other receivables

The Company has made security deposits to utility companies for provision of utility connections and long term loans to employees which are secured against employees' benefits. The management does not expect to incur material losses on such deposits and consider such amount is receivable upon termination of service contract from respective utility companies.

In addition to above, financial assets include other receivables which mainly includes receivables from related parties (Government entities) and interest accrued on bank deposits. Management has assessed that there is no impairment loss in respect of these financial assets of the Company and these are recoverable in full.

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c) **Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. For this purpose financial support is available to the Company from Federal Government.

The following are the contractual maturities of financial liabilities:

	Carrying Amount	Contractual cash flows	Less than one year	One to five years	More than five years
	----------	----------	Rupees	----------	----------
As at 31 March 2026					
Non-derivative financial liabilities:					
Loans	8,327,305,602	12,854,718,357	4,265,028,776	5,025,144,751	3,564,544,830
Long term security deposits	11,616,922,090	11,616,922,090	-	-	-
Trade and other payables	59,429,040,014	59,429,040,014	59,429,040,014	-	-
	79,373,267,706	83,900,680,461	63,694,068,790	5,025,144,751	3,564,544,830
As at 30 June 2025					
Non-derivative financial liabilities:					
Loans	8,327,305,602	15,355,300,961	4,091,695,990	4,774,616,203	6,488,988,769
Long term security deposits	11,017,712,896	11,017,712,896	-	-	11,017,712,896
Trade and other payables	55,775,907,450	55,775,907,450	55,775,907,450	-	-
	75,120,925,948	82,148,921,307	59,867,603,440	4,774,616,203	17,506,701,665

The contractual cash flows relating to the above financial liabilities have been determined on the basis of mark-up rates effective as at 31 March.

39.2 **Financial instruments by categories**

	At amortized cost	
	31 March 2026	**30 June 2025**
	Rupees	**Rupees**
As at 31 March 2026		
Financial assets		
Long term loans	494,550,539	499,736,543
Loans and advances	92,904,054	91,518,765
Trade debts	44,804,755,413	46,474,073,828
Other receivables	874,302,564	2,968,476,172
Short term investments	12,319,209,587	11,703,390,200
Cash and bank balances	6,110,252,677	7,243,428,256
	64,695,974,834	68,980,623,764
Financial liabilities		
Loans	8,327,305,602	8,327,305,602
Long term security deposits	11,616,922,090	11,017,712,896
Trade and other payables	59,429,040,014	55,775,907,450
	79,373,267,706	75,120,925,948

39.3 **Reconciliation of financial assets and financial liabilities to the line items presented in the statement of financial position is as follows:**

	31 March 2026			30 June 2025		
	Financial assets	Non-financial assets	Total as per statement of financial position	Financial assets	Non-financial assets	Total as per statement of financial position
	----------	Rupees	----------	----------	Rupees	----------
Assets as per statement of financial position						
Long term loans	494,550,539	-	494,550,539	499,736,543	-	499,736,543
Loans and advances	92,904,054	70,148,856	163,052,910	91,518,765	293,754,079	385,272,844
Trade debts	44,804,755,413	-	44,804,755,413	46,474,073,828	-	46,474,073,828
Other receivables	874,302,564	-	874,302,564	2,968,476,172	-	2,968,476,172
Short term investments	12,319,209,587	-	12,319,209,587	11,703,390,200	-	11,703,390,200
Cash and bank balances	6,110,252,677	-	6,110,252,677	7,243,428,256	-	7,243,428,256
	64,695,974,834	70,148,856	64,766,123,690	68,980,623,764	293,754,079	69,274,377,843

	31 March 2026			30 June 2025		
	Financial liabilities	Non-financial liabilities	Total as per statement of financial position	Financial liabilities	Non-financial liabilities	Total as per statement of financial position
	----------	Rupees	----------	----------	Rupees	----------
Liabilities as per statement of financial position						
Loans	8,327,305,602	-	8,327,305,602	8,327,305,602	-	8,327,305,602
Long term security deposits	11,616,922,090	-	11,616,922,090	11,017,712,896	-	11,017,712,896
Trade and other payables	59,429,040,014	39,090,627,101	98,519,667,115	55,775,907,450	50,693,556,970	106,469,464,420
	79,373,267,706	39,090,627,101	118,463,894,807	75,120,925,948	50,693,556,970	125,814,482,918

39.4 **Offsetting financial assets and liabilities**

As on reporting date, recognized financial instruments are not subject to offsetting as there are no enforceable master netting arrangements and similar agreements.

39.5 **Capital risk management**

The objective of the Company when managing capital is to safeguard its ability to continue as a going concern. The Company is not exposed to any external capital requirement. As public interest entity, financial support is available to the Company from Federal Government and WAPDA in the form of delayed settlement of CPPA(G) against electricity purchase, tariff revision and subsidy on purchases.

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39.6 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. Judgements 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 classify its financial instruments into the 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:

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, 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 Branch is the current bid price. These instruments are included in level 1.

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

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

40 RECOGNIZED FAIR VALUE MEASUREMENTS - NON-FINANCIAL ASSETS

a) Fair value hierarchy

Judgments and estimates are made in determining the fair value of non-financial assets 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 has classified its non-financial assets into the following three levels.

At 31 March 2026	Level 1	Level 2	Level 3	Total
	Rupees			
Freehold land	-	69,045,477,500	-	-

At 30 June 2025	Level 1	Level 2	Level 3	Total
	Rupees			
Freehold land	-	-	-	-

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

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

b) Valuation techniques used to determine level 2 fair values

The Company obtains independent valuations for its freehold land (classified as property, plant and equipment). The management updates the assessment of the fair value of each property, taking into account the most recent independent valuations. The management determines a property's value within a range of reasonable fair value estimates. The best evidence of fair value of land is current prices in an active market for similar lands.

Valuation processes

The Company engages external, independent and qualified valuers to determine the fair value of the Company's freehold land. The fair value of the freehold was last determined by F.K.S Building Services (Evaluators, Architects & Engineers) as at 16 January 2026.

Changes in fair values are analyzed at each reporting date during the annual valuation discussion between the Chief Financial Officer and the valuers. As part of this discussion the team presents a report that explains the reason for the fair value movements.

41 CAPACITY

The Company's capacity of the electricity distribution depends on various factors including supply and demand of electricity, and transmission and distribution losses. The Company distributed 8,188,096,880 (30 June 2025: 11,055,752,496) units of electricity to its consumers during the nine month period without adjusting the year end accruals.

42 NUMBER OF EMPLOYEES

The number of total employees at the period / year end were 10,802 (30 June 2025: 10,874) whereas the average number of employees during the period / year were 10,838 (30 June 2025: 11,087).

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43 TRANSACTIONS WITH RELATED PARTIES

The sale and purchase prices of electricity are controlled by the NEPRA. The related parties comprise of Government of Pakistan, WAPDA, associated companies, directors of the Company, companies with common directorship and key management personnel. Detail of transactions with and balances of related parties, other than those which have been specifically disclosed elsewhere in these financial statements are as follows:

Name of related party	Nature of transactions	31 March 2026 Rupees	30 June 2025 Rupees
Government of Pakistan			
Economic Affairs Division	Tariff Differential Subsidy & AQTA - net	19,833,646,355	15,131,870,585
	Industrial Support Package	4,498,370,731	4,498,370,731
	Zero Rated Industrial Rebate	752,218,195	752,218,195
	Uniform Seasonal Price Subsidy	1,259,649,596	1,259,649,596
	Fuel Price Adjustment Subsidy	3,394,747,839	3,394,747,839
	Agricultural Subsidy	65,501,252	65,501,252
	GST protected receivable from Government of Pakistan	644,402,337	644,402,337
	FPA Subsidy not charged (Nov-2019 to Jun-2020)	1,787,985,954	1,787,985,954
	Subsidy for Private Agricultural Tube Wells (Dec-2014 to Jul-2016)	745,449,914	745,449,914
	6 Paisa & 13 Paisa Subsidy (May-2003 to Jan-2007)	34,315,723	34,315,723
	FPA Agriculture Subsidy	137,805,515	137,805,515
	Fuel Price Adjustment subsidy (Aug-2011 to Jun-2012)	3,394,747,839	3,394,747,839
	AJK Subsidy Receivables from GOP	6,502,592,054	4,980,280,222
	Long term loan	4,062,276,826	8,327,305,602
	Accrued Interest	10,828,752,965	15,196,928,002
Associated companies due to significant influence			
National Electric Power Regulatory Authority	NEPRA fee	169,942,898	195,684,069
National Transmission and Dispatch Company Limited	Use of system charges for the period / year	12,313,275,319	16,586,710,374
	Due against use of system charges	6,017,978,256	3,250,071,589
	(Payable)/ receivable against pension	41,678,484	52,926,442
	Receivable against free electricity	201,685,180	201,685,180
Central Power Purchasing Agency - Guarantee Limited	Purchases of electricity for the period / year	237,004,957,860	294,432,557,377
	Due against purchases of electricity	47,805,657,664	49,679,725,417
	Adjustment against share deposit money	15,197,574,596	6,147,064,906
Northern Power Generation Company Limited - GENCO III	Receivable against free electricity	73,102,513	68,926,316
	Receivable against pension	30,993,642	23,081,515
Water and Power Development Authority	Receivable against pension	-	1,590,968,554
	Receivables against free electricity	157,043,553	201,685,180
	(Payable) / receivable against WAPDA workers' welfare fund	-	355,610,969
Islamabad Electric Supply Company Limited	(Payable) / recievable against free electricity	4,441,703	(3,179,681)
	Receivable against pension	19,719,079	6,935,241
	Free supply of electricity provided to employees of associated company	14,059,557	23,395,894
	Free supply of electricity recieved by employees of associated company	12,933,134	26,162,145
	Sales of material during the period / year	12,566,647	-
	Purchases of material during the period / year	12,566,647	7,526,400
Peshawar Electric Supply Company Limited	Payable against free electricity	(3,892,655)	(1,410,806)
	Payable against pension	(36,940,878)	(38,219,384)
	Free supply of electricity provided to employees of associated company	363,673	2,421,895
	Free supply of electricity recieved by employees of associated company	2,845,521	4,848,255
Faisalabad Electric Supply Company Limited	(Payable) / receivable against free electricity	19,273,792	(9,775,886)
	(Payable)/ receivable against pension	29,997,350	(40,921,451)
	Free supply of electricity provided to employees of associated company	4,588,020	7,760,228
	Free supply of electricity recieved by employees of associated company	17,068,128	17,831,605
	Sales of material during the period / year	53,213,640	-
	Purchases of material during the period / year	108,701,360	46,894,000

Gujranwala Electric Power Company Ltd. GEPCO

Name of related party	Nature of transactions	31 March 2026 Rupees	30 June 2025 Rupees
Quetta Electric Supply Company Limited	Receivable against free electricity	2,653,903	2,093,609
	Receivable against pension	18,504,340	15,985,227
	Free supply of electricity provided to employees of associated company	1,094,792	2,461,252
	Free supply of electricity recieved by employees of associated company	534,498	367,643
	Sales of material during the period / year	30,540,400	-
	Purchases of material during the period / year	3,834,000	-
Central Power Generation Company Limited - GENCO II	Receivable against free electricity	12,329,522	12,167,276
	Receivable against pension	32,558,763	31,025,892
	Free supply of electricity provided to employees of associated company	1,494,077	3,759,022
	Free supply of electricity recieved by employees of associated company	1,449,362	1,064,016
Hyderabad Electric Supply Company Limited	Payable against free electricity	1,202,878	90,484
	Receivable against pension	18,557,561	15,646,098
	Free supply of electricity provided to employees of associated company	290,765	299,768
	Free supply of electricity recieved by employees of associated company	1,403,160	1,505,174
Lakhra Power Generation Company Limited - GENCO IV	Receivable against free electricity	675,355	675,355
	Receivable against pension	921,150	921,150
Tribal Area Electric Supply Company Limited	Receivable against free electricity	589,902	236,066
	Free supply of electricity provided to employees of associated company	353,836	633,867
Jamshoro Power Company Limited - GENCO I	Receivable against free electricity	3,199,158	3,117,500
	Receivable against pension	2,394,790	3,008,268
	Free supply of electricity provided to employees of associated company	81,657	412,884
Sukkur Electric Power Company Limited	Payable against free electricity	162,789	597,702
	Receivable against pension	3,179,494	2,439,789
	Free supply of electricity provided to employees of associated company	1,245,793	418,572
	Free supply of electricity recieved by employees of associated company	1,680,704	-
	Sales of material during the period / year	21,628,200	-
	Purchases of material during the period / year	17,510,725	-
Hazara Electric Supply Company Limited	Payable against free electricity	25,351	-
	Free supply of electricity provided to employees of associated company	117,158	-
	Free supply of electricity recieved by employees of associated company	161,621	-
	Purchases of material during the period / year	26,267,976	-
Lahore Electric Supply Company Limited	Recievable / (payable) against free electricity	-	13,103,079
	(Payable)/ receivable against pension	-	(62,992,921)
	Free supply of electricity provided to employees of associated company	23,980,714	49,212,121
	Free supply of electricity recieved by employees of associated company	44,958,802	68,481,287
	Sales of material during the period / year	-	101,405,076
	Purchases of material during the period / year	-	12,993,645

Gujranwala Electric Power Company Ltd. GEPCO

Name of related party	Nature of transactions	31 March 2026 Rupees	30 June 2025 Rupees
Multan Electric Power Company Limited	Payable against free electricity	8,113,985	1,604,280
	Receivable against pension	32,587,450	17,115,171
	Free supply of electricity provided to employees of associated company	1,381,325	3,025,934
	Free supply of electricity recieved by employees of associated company	7,216,726	61,534,334
	Purchases of material during the period / year	205,659,413	165,611,038
	Sales of material during the period / year	208,322,317	63,256,986
Power Planning and Monitoring Company (Private) Limited	Payable against free electricity	3,460,936	3,460,936
	Receivable against pension	27,123,963	25,119,400
National Bank of Pakistan	Investments	1,819,200,000	6,661,800,000
	Mark-up income during the period / year	581,648,888	560,352,242
	Accrued markup	575,665	206,908,207
Zarai Taraqiati Bank Limited	Investments	-	-
	Mark-up income during the period / year	-	46,851,507
	Accrued markup	-	-

44 CORRESPONDING FIGURES

Corresponding figures have been re-arranged and re-classified for better presentation, wherever necessary, for the purpose of comparison. However, no significant re-arrangements have been made.

45 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 24 July 2026 by the Board of Directors of the Company.

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Figures in these financial statements have been rounded off to the nearest Rupee.

CHIEF EXECUTIVE OFFICER

DIRECTOR

Gujranwala Electric Power Company Ltd.
GEPCO

Annex- A. 2.b Actuarial Valuation Report

31.03.2026

Gujranwala Electric Power Company Ltd.
GEPCO

Anwar Associates
Consulting Actuaries

Gujranwala Electric Power Company (GEPCO)

Gujranwala

Employees' Defined Benefit Plans

Actuarial Valuation Report as at 31.03.2026

IAS 19 (Rev 2011)

Monday, July 13, 2026

C-5 Officers Colony (Old), Zarar Shaheed Road, Lahore Cantoment-54810, Pakistan
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Gujranwala Electric Power Company Ltd. GEPCO

Table of Contents

Gujranwala Electric Power Company Ltd.
GEPCO

1 Overview

This Actuarial Valuation Report (herein referred to as a 'Report') has been prepared at the request of Gujranwala Electric Power Company (GEPCO) to present the Actuarial liabilities for GEPCO's, Employees Defined Benefit Plans, as at March 31, 2026, to be incorporated in its Financial Statements, as required under International Accounting Standards.

We have conducted Actuarial Valuation of the following Benefit Plans offered by GEPCO to its employees:

1) **Pension**
2) **Free Electricity**
3) **Post-Retirement Medical Benefit**
4) **Leave Encashment**

GEPCO provides Benefits to the employees as per the Benefit Rules, shown in Plan Provision Section.

All our Actuarial calculations are based on the data provided by GEPCO's Management in the written form and through oral communication.

This Report is solely for the use of the Management and the Auditors of GEPCO. It may not be modified, incorporated into or used in other material, sold or otherwise provided, in whole or in part, to any other person or entity, without our permission.

It is requested that GEPCO Management may kindly notify us promptly after receipt of this Report, if it is aware of any additional information that may affect the results of this Report.

2 Compliance with Professional Guidance

This Report complies with the applicable Actuarial Standards issued by Pakistan Society of Actuaries (PSoA) as follows:

- PSoA Guidance Note 6 (GN6): General Actuarial Practice
- PSoA Guidance Note 3 (GN3) and Guidance Note 4 (GN4): Assumptions

3 Scope of Work

Brief description of the Scope of Work is as follow:

- Determination of P&L Charge under each Defined Benefit Plan based on future Demographic and Economic assumptions as at 31.03.2026
- Determination of the amounts to be incorporated in the Balance Sheet, Income Statement and Other Comprehensive Income (OCI).
- Determination of actuarial gain/loss during the year in accordance with revised IAS19
- Preparation of Statement showing the Movement in Present Value of Defined Benefit Obligation under each Plan
- Determination of estimated P&L charge under each Plan for FY ending June 30, 2026

Gujranwala Electric Power Company Ltd. GEPCO

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4 Data and Information

5.1 Employees/Pensioners Data

The data of current employee received from GEPCO contained the following key fields:

- Employee Code
- Employee Name
- Scale
- Designation
- Gender
- Date of Birth
- Date of Joining
- Eligible Salary for Benefit

The data received from GEPCO regarding pensioners contained the following key fields:

- Pensioner Name
- Pensioner Type i.e. Self or Family
- Gender
- Scale at Retirement
- Date of birth
- Date of retirement
- Monthly Pension

5.2 Verification of Data

Verification of each aspect of each individual employee's data was not undertaken, however, the total data was reviewed for overall reasonability and consistency. All our queries, in this respect, were clarified by the Management, to our satisfaction.

5.3 Key Statistics

This section provides a summary of the data received for the Actuarial Valuation:

	Summary of Data Used as at March 31, 2026	Pension Plan	Post-Retirement Medical Plan	Post-Retirement Free Electricity Plan	Leave Encashment Plan
1	Total Number of Employees	8,425	8,425	8,425	8,425
2	Total Number of Pensioners/Benefeciaries	9,490	9,490	9,490	-
3	Total Monthly Basic Salary (PKR)	372,127,858	-	-	372,127,858
4	Sum of Monthly Pension Amount (PKR)	420,124,297	-	-	
5	Sum of Monthly Medical Allowance (PKR)	46,722,344	-	-	-
6	Average Age of Employees in Years	45	45	45	45
7	Average Past Service of Employees in Years	20.6	20.6	20.6	20.6
8	Average age of Pensioners/Benefeciaries in Years	68	68	68	-

Gujranwala Electric Power Company Ltd. GEPCO

5 Valuation Assumptions

For the purpose of calculating the Actuarial liabilities, certain financial and demographic assumptions are used, as per the Guidance Notes issued by the Pakistan Society of Actuaries (PSoA), from time to time. The Financial assumptions, relate to the discount rate and the future rate of salary increases, whereas the Demographic assumptions, relate to expected Mortality rates and Employee turnover rates

These assumptions may differ from one Actuarial Valuation to the next because of changes in mandated requirements, economic conditions and Plan experience. However, a change in assumptions is not an indication that prior assumptions, whenever made, were unreasonable.

6.1 Discount Rate

The Discount Rate used to calculate the Actuarial Liability of the Projected Benefits is as recommended in the Circular issued by PSoA Discount Rate Committee on July 08, 2025, which varies according to the weighted average duration of the Plan. Weighted Average Duration of all GEPCO Plans turns out to be 10 years and hence, Discount Rate of **12.75%** is used for the Valuations.

6.2 Expected Salary Increase

The experience shows, that usually the future rate of Salary increases and Discount rates are inter-related, since during periods of inflation or otherwise, both tend to rise somewhat in conformity with each other, but generally salaries at a lessor pace.

Thus, taking into consideration the Discount rate being used, it has been assumed that the salaries would increase at an average rate of **11.75%** per annum compound, on long term basis.

For general information, it may be submitted, that as regards the Actuarial liabilities, it is the difference between these two rates that matter, and not their individual values in isolation.

6.3 Pension Indexation Rate

It is assumed monthly pension will increase at a rate of **5.00%** p.a. compounded on the average.

6.4 Average Medical Cost

It is assumed that the annual medical cost per retired per family is **Rs. 88,000/-**.

6.5 Medical Allowance & Facility Take up Rates:

Based on the data provided by GEPCO, take up rate of Medical Allowance is **81.00%** and Medical Facility is **19.00%**.

Gujranwala Electric Power Company Ltd. GEPCO

6.6 Electricity Indexation Rate

Electricity indexation rate used in Valuation of Post-Retirement Free Electricity Plan is assumed to be **10.50%**.

6.7 Mortality Rates

The Mortality Table SLIC (2001-05) with 1 year setback, based on the experience of the lives insured with State Life Insurance Corporation of Pakistan, has been used in determining the Liability in respect of the Benefits payable under the Plan.

Specimen Mortality rates are given in Annexure C.

6.8 Withdrawal Rates

Based on our provisional analysis of the experience of different domestic Organizations, in this respect, we have used the Age wise Withdrawal rates as given in Annexure C.

6 Actuarial Calculation Method

Accounting Standard, IAS 19, prescribe the Projected Unit Credit (PUC) method to value such employee benefits, by reference to their projected amount at the date of payment.

This involves projecting each unit of benefit earned over a period plus earlier periods, to leaving service, retirement, death or other future exit states, allowing for probabilities of reaching those states, also allowing for salary escalation over time, and then discounting those benefits to the Valuation date.

The resultant estimated liability amount reflects full expected service to each of leaving service, retirement or death, or other exit states.

The Current Service Cost is determined by dividing, for each employee, their total liability by total expected service and then aggregating the Current Service Cost for all members. The Current Service Cost can be viewed as the cost accruing over the next year, allowing for escalation and discounting to the different possible dates of payment.

To determine the Defined Benefit Obligation ("DBO"), we subtract from the total estimated liability the Current Service Cost multiplied by expected future service. This is, in effect, the liability that should be held at the Date of the Valuation, for service and benefits accrued up to the date of the Valuation.

Differences between expectations and fact emerge as actuarial gains or losses and are amortised immediately the next year.

Gujranwala Electric Power Company Ltd. GEPCO

7 Summary of the Actuarial Results

Given below are highlight of the results in respect of GEPCO Employees Pension, Post-Retirement Medical, Free Electricity & Leave Encashment Plans as at March 31, 2026.

Detailed IAS19 Disclosures for Financial Year ending March 31, 2026 are given in the Annexure A. All amounts are expressed in Pakistani Rupees.

	Summary of Results as at 31.03.2026	Pension Plan	Post-Retirement Medical Plan	Post-Retirement Electricity Plan	Leave Encashment Plan	Total
1	P&L charge / (credit)	7,536,302,904	834,547,806	716,545,487	301,407,998	9,388,804,195
2	Other Comprehensive (Income) / Loss	3,601,634,591	347,041,440	1,504,608,879	-	5,453,284,908
3	Total Defined Benefit Cost Recognized in P&L and OCI	11,137,937,494	1,181,589,246	2,221,154,366	301,407,998	14,842,089,104
4	Defined Benefit Obligation	103,484,827,712	13,390,324,485	10,218,985,712	3,973,246,315	131,067,384,224
5	Fair Value of Plan Assets	(38,699,247,107)	(6,104,752,509)	(2,080,499,655)	(1,953,520,803)	(48,838,020,075)
6	Net Liability / (Asset) at the end of the Period	64,785,580,604	7,285,571,976	8,138,486,057	2,019,725,512	82,229,364,149
7	Effective Duration of the Plan	9 Years	14 Years	11 Years	11 Years	-
8	Discount Rate at period-end	12.75%	12.75%	12.75%	12.75%	-

	Break down of Liability	Pension Plan	Post-Retirement Medical Plan	Post-Retirement Electricity Plan	Leave Encashment Plan	Total
1	Active Employees	42,430,908,265	5,252,082,518	4,026,667,500	3,973,246,315	55,682,904,598
2	Pensioners	61,053,919,447	8,138,241,967	6,192,318,212	-	75,384,479,626
3	TOTAL	103,484,827,712	13,390,324,485	10,218,985,712	3,973,246,315	131,067,384,224

It may please be noted that there are certain risks associated with Actuarial Valuation of Defined Benefit Plans and these are listed in Annexure D.

It will be a pleasure for us to answer any questions on any aspect of this Report, or to provide explanation or further details as may be appropriate.

Thanks for all the cooperation provided in the preparation of this Report.

ANWAR ASSOCIATES CONSULTING ACTUARIES

Chaudhary Mohammad Anwar, FIA, FLMI, FPSOA
Chief Executive Officer and Chief Actuary

Gujranwala Electric Power Company Ltd. GEPCO

IAS19 Disclosures for GEPCO Employees' Pension Plan ending March 31, 2026 (PKR)

	Amounts Recognized in the Statement of Financial Position	FY ending Mar. 31, 2026	FY ending June 30, 2025
1	Defined Benefit Obligation	103,484,827,712	95,384,931,352
2	Fair Value of Plan Assets	(38,699,247,107)	(32,507,851,473)
3	**Net Liability (Asset)**	**64,785,580,604**	**62,877,079,879**

	Change in Defined Benefit Obligation	FY ending Mar. 31, 2026	FY ending June 30, 2025
1	**Defined Benefit Obligation at End of Prior year**	95,384,931,352	92,251,749,648
2	**Service Cost**		
a	Current Service Cost	1,213,183,231	1,907,142,809
b	Past Service Cost	-	(597,025,088)
3	**Interest Expense**	8,713,998,091	12,451,452,666
4	**Cash Flows**		
a	Benefit payments from Plan		
b	Benefit payments from Employer	(4,871,236,769)	(6,625,604,066)
c	Payables	-	-
5	**Re-measurements**		
a	Effect of changes in Demographic assumptions	-	-
b	Effect of changes in Financial assumptions	-	-
c	Effect of Experience Adjustments	3,043,951,807	(4,002,784,618)
6	**Defined Benefit Obligation at End of year**	**103,484,827,712**	**95,384,931,352**

	Change in Fair Value of Plan Assets	FY ending Mar. 31, 2026	FY ending June 30, 2025
1	**Fair Value of Plan Assets at end of prior year**	32,507,851,473	23,451,676,329
2	**Interest Income**	2,390,878,418	3,621,622,767
3	**Cash flows**		
a	Total employer contributions		
	(i) Employer Contributions	4,358,200,000	4,834,115,440
	(ii) Employer Direct Benefit payments	-	-
b	Participant contributions		
c	Benefit payments from Plan	-	-
d	Benefit payments - at Sub-judice		
4	**Re-measurements**		
a	Return on plan assets (excluding interest income)	(557,682,783)	600,436,937
5	**Fair Value of Plan Assets at end of year**	**38,699,247,107**	**32,507,851,473**

	Components of Defined Benefit Cost	FY ending Mar. 31, 2026	FY ending June 30, 2025
1	**Service Cost**		
a	Current Service Cost	1,213,183,231	1,907,142,809
b	Reimbursement Service Cost	-	-
c	Past Service Cost	-	(597,025,088)
d	(Gain) / loss on settlements	-	-
2	**Net interest cost**		
a	Interest Expense on Defined Benefit Obligation	8,713,998,091	12,451,452,666
b	Interest (Income) on Plan Assets	(2,390,878,418)	(3,621,622,767)
3	**Re-measurements of Other Long Term Benefits**	-	-
4	**Defined Benefit Cost included in P&L [sum of 1 to 3]**	**7,536,302,904**	**10,139,947,621**
5	**Re-measurements (recognized in other comprehensive income)**		
a	Effect of changes in Demographic assumptions	-	-
b	Effect of changes in Financial assumptions	-	-
c	Effect of Experience Adjustments	3,043,951,807	(4,002,784,618)
d	(Return) on Plan Assets (excluding interest income)	557,682,783	(600,436,937)
6	**Total Re-measurements included in OCI [sum of 5]**	**3,601,634,591**	**(4,603,221,555)**
7	**Total Defined Benefit Cost recognized in P&L and OCI [4+6]**	**11,137,937,494**	**5,536,726,066**

	Net Defined Benefit Liability (Asset) reconciliation	FY ending Mar. 31, 2026	FY ending June 30, 2025
1	Net Defined Benefit Liability (Asset) at End of Prior year	62,877,079,879	68,800,073,319
2	Defined Benefit Cost included in P&L	7,536,302,904	10,139,947,621
3	Total Re-measurements included in OCI	3,601,634,591	(4,603,221,555)
4	Employer Contributions	(4,358,200,000)	(4,834,115,440)
5	Benefit payments from Employer	(4,871,236,769)	(6,625,604,066)
6	**Net Defined Benefit Liability (Asset) as of End of Year**	**64,785,580,604**	**62,877,079,879**

	Significant Actuarial assumptions Assumptions used to determine Defined Benefit Obligation	FY ending Mar. 31, 2026	FY ending June 30, 2025
1	Discount Rate/Expected Return on assets	12.75%	12.50%
2	Salary Increase Rate	11.75%	11.50%
3	Pension Indexation Rate	5.00%	4.50%
	Assumptions used to determine Defined Benefit Cost	FY ending Mar. 31, 2026	FY ending June 30, 2025
1	Discount Rate/Expected Return on assets	12.50%	14.00%
2	Salary Increase Rate	11.50%	13.00%
2	Pension Indexation Rate	4.50%	6.00%

	Expected Defined Benefit Cost recognized in P&L	FY ending June 30, 2026
1	**Service Cost**	
a	Current Service Cost	1,613,992,367
c	Past Service Cost	-
d	(Gain) / loss on settlements	-
2	**Net interest cost**	
a	Interest Expense on DBO	12,883,774,189
b	Interest (Income) on Plan Assets	(3,883,907,326)
3	**Total Defined Benefit Cost recognized in P&L as at 30.06.2026**	**10,613,859,231**

Gujranwala Electric Power Company Ltd. GEPCO

Sensitivity Analysis		FY ending Mar. 31, 2026	Percentage Change in DBO
1	Defined Benefit Obligation (DBO)	103,484,827,712	
2	1% Increase in Discount rate	92,230,788,535	-10.88%
3	1% Decrease in Discount rate	111,732,992,682	7.97%
4	1% Increase in Salary Increase rate	107,471,382,197	3.85%
5	1% Decrease in Salary Increase rate	105,474,098,269	1.92%
6	1% Increase in Pension Increase rate	113,469,212,421	9.65%
7	1% Decrease in Pension Increase rate	94,881,657,857	-8.31%
8	1 Year Mortality SetBack	105,019,332,205	1.48%
9	1 Year Mortality SetForward	101,904,099,639	-1.53%
10	10% Increase in Withdrawl Rates	103,422,736,815	-0.06%
11	10% Decrease in Withdrawl Rates	103,546,918,608	0.06%

Plan Assets		FY ending Mar. 31, 2026
1	Term Deposit Receipt	46,426,950,000
2	Interest Earned on Term Deposit Receipt	2,397,578,023
3	Cash at Bank and other assets	13,492,052
4	Total	48,838,020,075

Composition of Plan Assets		FY ending Mar. 31, 2026
1	Bond	99.97%
2	Equity	0.00%
3	Cash and/or deposits	0.03%
4	Other	0.00%
5	Total	100.00%

Gujranwala Electric Power Company Ltd. GEPCO

IAS19 Disclosures for GEPCO Employees Post-Retirement Medical Plan as at March 31, 2026 (PKR)

Amounts Recognized in the Statement of Financial Position		FY ending Mar. 31, 2026	FY ending June 30, 2025
1	Defined Benefit Obligation	13,390,324,485	12,357,480,095
2	Fair Value of Plan Assets	(6,104,752,509)	(5,128,068,443)
3	Payables	-	-
4	**Net Liability (Asset)**	**7,285,571,976**	**7,229,411,652**

Change in Defined Benefit Obligation		FY ending Mar. 31, 2026	FY ending June 30, 2025
1	**Defined Benefit Obligation at End of Prior year**	12,357,480,095	10,900,677,825
2	**Service Cost**		
a	Current Service Cost	189,017,027	268,896,165
b	Past Service Cost	-	-
3	**Interest Expense**	1,137,985,841	1,488,985,999
4	**Cash flows**		
a	Benefit payments from Plan		
b	Benefit payments from Employer	(437,928,923)	(530,127,098)
c	Payables	-	-
5	**Re-measurements**		
a	Effect of changes in Demographic assumptions	-	-
b	Effect of changes in Financial assumptions	-	-
c	Effect of Experience Adjustments	143,770,445	229,047,204
6	**Defined Benefit Obligation at End of year**	**13,390,324,485**	**12,357,480,095**

Change in Fair Value of Plan Assets		FY ending Mar. 31, 2026	FY ending June 30, 2025
1	**Fair Value of Plan Assets at end of prior year**	5,128,068,443	3,699,469,386
2	**Interest Income**	492,455,061	571,305,964
3	**Cash flows**		
a	Total employer contributions	687,500,000	762,575,000
	(i) Employer Contributions	-	-
	(ii) Employer Direct Benefit payments	-	-
4	**Re-measurements**		
a	Return on plan assets (excluding interest income)	(203,270,994)	94,718,093
5	**Fair Value of Plan Assets at end of year**	**6,104,752,509**	**5,128,068,443**

Components of Defined Benefit Cost		FY ending Mar. 31, 2026	FY ending June 30, 2025
1	**Service Cost**		
a	Current Service Cost	189,017,027	268,896,165
2	**Net interest cost**		
a	Interest Expense on DBO	1,137,985,841	1,488,985,999
b	Interest (Income) on Plan Assets	(492,455,061)	(571,305,964)
3	**Re-measurements of Other Long Term Benefits**		-
4	**Defined benefit cost included in P&L [sum of 1 to 3]**	**834,547,806**	**1,186,576,200**
5	**Re-measurements (recognized in other comprehensive income)**		
a	Effect of changes in Demographic assumptions	-	-
b	Effect of changes in Financial assumptions	-	-
c	Effect of Experience Adjustments	143,770,445	229,047,204
d	(Return) on Plan Assets (excluding interest income)	203,270,994	(94,718,093)
6	**Total Re-measurements included in OCI [sum of 5]**	**347,041,440**	**134,329,111**
7	**Total Defined Benefit Cost recognized in P&L and OCI [4+6]**	**1,181,589,246**	**1,320,905,311**

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Net Defined Benefit Liability (Asset) reconciliation		FY ending Mar. 31, 2026	FY ending June 30, 2025
1	Net Defined Benefit Liability (Asset) at End of Prior year	7,229,411,652	7,201,208,439
2	Defined Benefit Cost included in P&L	834,547,806	1,186,576,200
3	Total Re-measurements included in OCI	347,041,440	134,329,111
4	Benefit payments from Employer	(437,928,923)	(530,127,098)
5	Total employer contributions	(687,500,000)	(762,575,000)
6	**Net Defined Benefit Liability (Asset) as of End of Year**	**7,285,571,976**	**7,229,411,652**

Significant actuarial assumptions			
Assumptions used to determine Defined Benefit Obligation		**FY ending Mar. 31, 2026**	**FY ending June 30, 2025**
1	Discount Rate/Expected Return on assets	12.75%	12.50%
2	Rate of In-Service/Post Service Medical Cost Increase	12.75%	12.50%
Assumptions used to determine Defined Benefit Cost		**FY ending Mar. 31, 2026**	**FY ending June 30, 2025**
1	Discount Rate/Expected Return on assets	12.50%	14.00%
2	Rate of In-Service/Post Service Medical Cost Increase	12.50%	14.00%

Expected Defined Benefit Cost recognized in P&L		FY ending June 30, 2026
1	**Service Cost**	
a	Current Service Cost	251,225,399
d	(Gain) / loss on settlements	-
2	**Net interest cost**	
a	Interest Expense on DBO	1,679,348,403
b	Interest (Income) on Plan Assets	(612,680,989)
3	**Total Defined Benefit Cost recognized in P&L as at 30.06.2026**	**1,317,892,813**

Sensitivity Analysis		FY ending Mar. 31, 2026	Percentage Change in DBO
1	Defined Benefit Obligation (DBO)	13,390,324,485	
2	1% Increase in Discount rate	11,861,149,429	-11.42%
3	1% Decrease in Discount rate	15,721,579,978	17.41%
4	1% Increase in Medical Cost Increase rate	15,807,278,054	18.05%
5	1% Decrease in Medical Cost Increase rate	14,883,345,665	11.15%
6	1 Year Mortality SetBack	13,376,934,160	-0.10%
7	1 Year Mortality SetForward	13,402,375,777	0.09%
8	10% Increase in Withdrawl Rates	13,382,290,290	-0.06%
9	10% Decrease in Withdrawl Rates	13,398,358,680	0.06%

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IAS19 Disclosures for GEPCO Employees Free-Electricity Plan as at March 31, 2026 (PKR)

	Amounts Recognized in the Statement of Financial Position	FY ending Mar. 31, 2026	FY ending June 30, 2025
1	Defined Benefit Obligation	10,218,985,712	8,129,338,388
2	Fair Value of Plan Assets	(2,080,499,655)	(1,747,645,725)
3	Payables		
4	**Net Liability (Asset)**	**8,138,486,057**	**6,381,692,663**

	Change in Defined Benefit Obligation	FY ending Mar. 31, 2026	FY ending June 30, 2025
1	**Defined Benefit Obligation at End of Prior year**	8,129,338,388	5,565,629,421
2	**Service Cost**		
a	Current Service Cost	129,244,613	191,667,972
b	Past Service Cost		
3	**Interest Expense**	751,341,366	760,444,172
4	**Cash flows**		
a	Benefit payments from Plan		
b	Benefit payments from Employer	(230,060,972)	(267,770,672)
c	Payables		
5	**Re-measurements**		
a	Effect of changes in Demographic assumptions		
b	Effect of changes in Financial assumptions		
c	Effect of Experience Adjustments	1,439,122,318	1,879,367,495
6	**Defined Benefit Obligation at End of year**	**10,218,985,712**	**8,129,338,388**

	Change in Fair Value of Plan Assets	FY ending Mar. 31, 2026	FY ending June 30, 2025
1	**Fair Value of Plan Assets at end of prior year**	1,747,645,725	1,260,779,167
2	**Interest Income**	164,040,491	194,701,073
3	**Cash flows**		
a	Total employer contributions		
	(i) Employer Contributions	234,300,000	259,885,560
	(ii) Employer Direct Benefit payments	-	-
4	**Re-measurements**		
a	Return on plan assets (excluding interest income)	(65,486,561)	32,279,925
5	**Fair Value of Plan Assets at end of year**	**2,080,499,655**	**1,747,645,725**

	Components of Defined Benefit Cost	FY ending Mar. 31, 2026	FY ending June 30, 2025
1	**Service Cost**		
a	Current Service Cost	129,244,613	191,667,972
b	Reimbursement Service Cost	-	-
2	**Net interest cost**		
a	Interest Expense on Defined Benefit Obligation	751,341,366	760,444,172
b	Interest (Income) on Plan Assetd	(164,040,491)	(194,701,073)
3	**Re-measurements of Other Long Term Benefits**	-	-
4	**Defined benefit cost included in P&L [sum of 1 to 3]**	**716,545,487**	**757,411,071**
5	**Re-measurements (recognized in other comprehensive income)**		
a	Effect of changes in Demographic assumptions	-	-
b	Effect of changes in Financial assumptions	-	-
c	Effect of Experience Adjustments	1,439,122,318	1,879,367,495
d	(Return) on Plan Assets (excluding interest income)	65,486,561	(32,279,925)
6	**Total Re-measurements included in OCI [sum of 5]**	**1,504,608,879**	**1,847,087,570**
7	**Total Defined Benefit Cost recognized in P&L and OCI [4+6]**	**2,221,154,366**	**2,604,498,641**

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	Net Defined Benefit Liability (Asset) reconciliation	FY ending Mar. 31, 2026	FY ending June 30, 2025
1	Net Defined Benefit Liability (Asset) at End of Prior year	6,381,692,663	4,304,850,254
2	Defined Benefit Cost included in P&L	716,545,487	757,411,071
3	Total Re-measurements included in OCI	1,504,608,879	1,847,087,570
4	Benefit payments from Employer	(230,060,972)	(267,770,672)
5	Contribution	(234,300,000)	(259,885,560)
5	**Net Defined Benefit Liability (Asset) as of End of Year**	**8,138,486,057**	**6,381,692,663**

	Significant actuarial assumptions		
	Assumptions used to determine Defined Benefit Obligation	**FY ending Mar. 31, 2026**	**FY ending June 30, 2025**
1	Discount Rate/Expected Return on assets	12.75%	12.50%
2	Electricity Indexation Rate	10.75%	10.50%
	Assumptions used to determine Defined Benefit Cost	**FY ending Mar. 31, 2026**	**FY ending June 30, 2025**
1	Discount Rate/Expected Return on assets	12.50%	14.00%
2	Electricity Indexation Rate	10.50%	13.00%

	Expected Defined Benefit Cost recognized in P&L	FY ending June 30, 2026
1	**Service Cost**	
a	Current Service Cost	210,012,547
2	**Net interest cost**	
a	Interest Expense on DBO	1,288,254,291
b	Interest (Income) on Plan Assets	(208,801,681)
3	**Total Defined Benefit Cost recognized in P&L as at 30.06.2026**	**1,289,465,158**

	Sensitivity Analysis	FY ending Mar. 31, 2026	Percentage Change in DBO
1	Defined Benefit Obligation (DBO)	10,218,985,712	
2	1% Increase in Discount Rate	9,183,848,501	-8.92%
3	1% Decrease in Discount Rate	11,459,037,902	10.48%
4	1% Increase in Electricity Indexation Rate	11,526,294,596	11.32%
5	1% Decrease in Electricity Indexation Rate	9,111,682,725	-9.75%
6	1 Year Mortality SetBack	10,211,832,422	-0.07%
7	1 Year Mortality SetForward	10,226,139,002	0.07%
8	10% Increase in Withdrawl Rates	10,212,854,321	-0.06%
9	10% Decrease in Withdrawl Rates	10,225,117,103	0.06%

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IAS19 Disclosures for GEPCO Employees Leave Encashment Plan as at March 31, 2026 (PKR)

	Amounts recognized in the Statement of Financial Position	FY ending Mar. 31, 2026	FY ending June 30, 2025
1	Defined Benefit Obligation	3,973,246,315	3,713,306,042
2	Fair Value of Plan Assets	(1,953,520,803)	(1,640,981,902)
3	Payables	-	-
4	**Net Liability (Asset)**	**2,019,725,512**	**2,072,324,140**

	Change in Defined Benefit Obligation	FY ending Mar. 31, 2026	FY ending June 30, 2025
1	**Defined Benefit Obligation at End of Prior year**	3,713,306,042	4,023,199,095
2	**Service Cost**		
a	Current Service Cost	6,775,858	8,569,191
b	Past Service Cost		
3	**Interest Expense**	341,840,881	545,682,996
4	**Cash Flows**		
a	Benefit payments from Plan		
b	Benefit payments from Employer	(134,006,626)	(250,926,816)
c	Payables		
5	**Re-measurements**		
a	Effect of changes in Demographic assumptions		
b	Effect of changes in Financial assumptions		
c	Effect of Experience Adjustments	45,330,161	(613,218,424)
6	**Defined Benefit Obligation at End of year**	**3,973,246,315**	**3,713,306,042**

	Change in Fair Value of Plan Assets	FY ending Mar. 31, 2026	FY ending June 30, 2025
1	**Fair Value of Plan Assets at end of prior year**	1,640,981,902	1,183,830,203
2	**Interest Income**	218,872,738	182,817,908
3	**Cash flows**		
a	Total employer contributions		
	(i) Employer Contributions	220,000,000	244,024,000
	(ii) Employer Direct Benefit payments	-	-
b	Participant contributions		
c	Benefit payments from Plan	-	-
d	Benefit payments - at Sub-judice		
4	**Re-measurements**		
a	Return on plan assets (excluding interest income)	(126,333,837)	30,309,791
5	**Fair Value of Plan Assets at end of year**	**1,953,520,803**	**1,640,981,902**

	Components of Defined Benefit Cost	FY ending Mar. 31, 2026	FY ending June 30, 2025
1	**Service Cost**		
a	Current Service Cost	6,775,858	8,569,191
c	Past Service Cost		
2	**Net interest cost**		
a	Interest Expense on Defined Benefit Obligation	341,840,881	545,682,996
b	Interest (Income) on Plan Assets	(218,872,738)	(182,817,908)
3	Re-measurements of Other Long Term Benefits	45,330,161	(613,218,424)
4	Return on Plan Assets (excluding interest income)	126,333,837	(30,309,791)
5	**Defined Benefit Cost included in P&L [sum of 1 to 4]**	**301,407,998**	**(280,663,127)**

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Net Defined Benefit Liability (Asset) Reconciliation		FY ending Mar. 31, 2026	FY ending June 30, 2025
1	Net Defined Benefit Liability (Asset) at end of prior year	2,072,324,140	2,839,368,892
2	Defined Benefit Cost included in P&L	301,407,998	(272,093,936)
3	Employer Contributions	(220,000,000)	(244,024,000)
4	Employer direct Benefit Payments	(134,006,626)	(250,926,816)
5	**Net Defined Benefit Liability (Asset) as of end of year**	**2,019,725,512**	**2,072,324,140**

Expected Defined Benefit Cost recognized in P&L		FY ending June 30, 2026
1	**Service Cost**	
a	Current Service Cost	1,469,616
2	**Remeasurement**	**XXXXXXXX**
3	**Net interest cost**	
a	Interest Expense on DBO	498,045,983
b	Interest (Income) on Plan Assets	(196,057,916)
4	**Total Defined Benefit Cost recognized in P&L as at 30.06.2026**	**303,457,682**

Significant Actuarial Assumptions			
Assumptions used to determine Defined Benefit Obligation		**FY ending Mar. 31, 2026**	**FY ending June 30, 2025**
1	Discount Rate/Expected Return on assets	12.75%	12.50%
2	Salary Increase Rate	11.75%	11.50%
Assumptions used to determine Defined Benefit Cost		**FY ending Mar. 31, 2026**	**FY ending June 30, 2025**
1	Discount Rate/Expected Return on assets	12.50%	14.00%
2	Rate of Salary Increase	11.50%	13.00%

Sensitivity Analysis		FY ending Mar. 31, 2026	Change in DBO
1	Defined Benefit Obligation (DBO)	3,973,246,315	
2	1% Increase in Discount rate	3,572,205,262	-10.09%
3	1% Decrease in Discount rate	4,442,415,005	11.81%
4	1% Increase in Salary Increase rate	4,444,656,728	11.86%
5	1% Decrease in Salary Increase rate	3,563,606,252	-10.31%
6	10% Increase in Withdrawl Rates	3,970,862,367	-0.06%
7	10% Decrease in Withdrawl Rates	3,975,630,263	0.06%

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Annexure B

Plan Provisions

We have used and relied on the Plan provisions, supplied by GEPCO and are summarized below.

GEPCO is solely responsible for the validity, accuracy and comprehensiveness of this information. If any plan provisions supplied are not accurate and complete, the Valuation results may differ significantly from the results that would be obtained with accurate and complete information.

Pension Plan:

Following is a summary of the benefits payable from the Pension Fund.

- **Normal Retirement Pension at age 60 years**

  If service is less than 5 years:

  - Nil Benefit

  If service is greater than 5 and less than 10 years:

  - A lump sum gratuity is payable. The rate of gratuity is calculated as per the following formula:

    Gratuity=Last Drawn Pensionable Pay x Pensionable Service

  If service is 10 years or greater:

  According to notification F.No.9 (3) R-6/2024-401 dated January 1, 2025, Pension will be calculated based on the average pensionable pay of the last 24 months instead of the last drawn pensionable Pay.

  The new formula:

  - The rate of pension at normal retirement age is (7/300) 2.33% of the Average pensionable Pay for last 24 months of service subject to a maximum service period of 30 years. The maximum pension amount is thus limited to 70% of the Average pensionable Pay

  The commuted value at age 60 shall be calculated as per the following formula:
  Commuted Value =12.37 x amount of pension surrendered x 12

- **Early Retirement Pension after 25years of service**

  According to notification F.No.1 (1) R-6/2018 dated April 16, 2024, early retirement Pension is being paid on retirement after completion of 25 years of service. The rate of pension at early retirement age is 2.33% of the last drawn pensionable Pay for each year of service subject to a

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maximum service period of 30 years. The maximum pension amount is thus limited to 70% of the last drawn pensionable Pay.

According to notification F No. 9(3) R-6/2024-264 dated September 10, 2024, an employees may opt for retirement after putting in 25 years of service; however the employee shall be liable to a flat reduction rate of 3% per year in gross pension based on the no. of completed months from date of retirement to the date of superannuation. Such flat reduction in gross pension shall be capped at 20%.

- **Death in Service**

  If service is less than 5 years:

  - Nil Benefit

  If service is greater than 5 and less than 10 years:

  - A lump sum gratuity is payable. The rate of gratuity is calculated as per the following formula:

  Gratuity = 1.5 x Last Drawn Pensionable Pay x Service

  If service is greater than 10 years or more-Pension to the Widow/widower/children

  - The basic pension shall be 2.33% of the average pensionable Pay for three year of service subject to a maximum service period of 30 years

  Widow/widower's Pension=75% x basic pension

  Widow/widower's pension is paid to eligible children in case of death of the widow/widower. Eligible children are defined as legal male child under the age of 21 years and legal unmarried daughter

  In addition to the above, the Widow/widower is entitled to 35% of the commuted value of gross pension. The age-based commutation factors are set out in the table (later in the section)

  According to notification F. No. 9(30) R-6/2024-264 dated September 10, 2024, family pension will be payable to the spouse for life or re-marriage and for dependents, it will be restricted to 10 years. If the spouse is issueless, the pension will continue for life or until remarriage. In the case of multiple widows, the pension will be equally divided.

- **Death after Retirement**

  In case of death after retirement, the Widow/widower is entitled to receive 75% of the pension being received by the retiree.
  Widow/widower's pension is paid to eligible children in case of death of the widow/widower. Eligible children are defined as legal male child under the age of 21 years and legal unmarried daughter.

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- **Ill-health Retirement Pension**

  If service is less than 5 years:

  - Nil Benefit

  If service is greater than 5 and less than 10 years:

  - A lump sum gratuity is payable. The rate of gratuity is calculated as per the following formula:

  Gratuity = 1.5 x Last Drawn Pensionable Pay x Service

  If service is 10 years or more:

  - The basic pension is 2.33% of the average pensionable Pay for three years of service subject to a maximum service period of 30 years.

  The employee can surrender up to a maximum of 35% of the gross pension in lieu of a lumpsum-commuted value.

- **Immediate (Ad hoc) Pension Increase**

  According to the notifications issued by the Federal Government, with effect from 1st July 2025, the Net Pension amount payable for new retirees will increase by 205% after allowing for the previous increases as follows:

  Immediate (Ad hoc) Pension Increase

Year	Effective Date	Rate of Increase
2011	01.07.2011	15.00%
2015	01.07.2015	7.50%
2022	01.07.2022	15.00%
2023	01.07.2023	17.50%
2024	01.07.2024	15.00%
2025	01.07.2025	7.50%

- **Minimum Pension**

  As per notification F.15(1)-Reg.6/2203 dated July 5, 2023, minimum pension payable to a retired employee and family pensioner is Rs. 12,000/- and Rs. 9,000/- per month (i.e. 75% of Rs.12,000) respectively.

- **Restoration**

  The retirees shall be entitled to pension restoration of their commuted part with indexation after lapse of the whole number of years of the commutation factor.

- **Medical Allowance**

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All the retirees retiring in Basic Pay Scales (BPS) 16 to BPS-22 and in BPS 1 to BPS 15 are entitled to Medical Allowance at the rate of 20% and 25% respectively of the net monthly pension at the time of retirement. Medical Allowance amount is increased by 25% immediately for new pensioner.

- **Commutation Table**

Following is the age – based commutation table showing commutation factors at ages 20 – 60.

Age	Commutation Factors	Age	Commutation Factors	Age	Commutation Factors
20	40.5043	36	28.3362	52	17.0050
21	39.7341	37	27.5908	53	16.3710
22	38.9653	38	26.8482	54	15.7517
23	38.1974	39	26.1009	55	15.1478
24	37.4307	40	25.3728	56	14.5602
25	36.6651	41	24.6406	57	13.9888
26	35.9006	42	23.9126	58	13.4340
27	35.1372	43	23.1840	59	12.8953
28	34.3750	44	22.4713	60	12.3719
29	33.6143	45	21.7592		
30	32.8071	46	21.0538		
31	32.0974	47	20.3555		
32	31.3412	48	19.6653		
33	30.5869	49	18.9841		
34	29.8343	50	18.3129		
35	29.0841	51	17.6526		

Following is a summary of the benefits payable from the **Post-Retirement Medical Plan:**

The minimum service requirement for medical benefits is

Compensation retirement	minimum 10 years of service
Pre-mature retirement	minimum 25 years of service
Disability in service	minimum 10 years of service
Death in service	irrespective of length of service but the employee should be regular

The following benefits are provided under the Plan:

Retirement benefit:

Complete coverage of medical expenses for ex-employee and dependents from the date of retirement.

Death benefit:

Complete coverage of medical expenses for deceased Employee's dependents from the date of death. In existing rules family of the deceased employee gets medical coverage in case of chronic disease except reimbursement of any kind subject to the ratification of BOD GEPCO.

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Following is a summary of the benefits payable from **Post-Retirement Free Electricity Plan:**

An employee is entitled to Post-Retirement Free Electricity Benefit in under the following cases:

1) Death in service
2) Normal Retirement at age 60
3) Disability
4) Compulsory Retirement
5) Early Retirement after 25 years of service

Benefit will be paid to employees as per scale. Summary of the scale wise Benefit is as follow:

Category of Employees	Monthly Units
Grade 1-4	100
Grade 5–10	150
Grade 11–15	200
Grade 16	300
Grade 17	450
Grade 18	600
Grade 19	880
Grade 20	1,100
Grade 21	1,300

In case of normal retirement, **50%** of free electricity benefit shall be payable in the proportion mentioned above.

In case of Resignation from the service, no benefit shall be payable to an employee.

In case of death in service, **50%** of the benefit shall be payable to the widow of the deceased in the proportion mentioned above subject to a minimum service requirement of 10 years. In case of death or remarriage of a widow who is in receipt of benefit such benefit, shall be continued to be paid to the family members as under:

a) In case of son(s) upto the age of 21 years.
b) In case of daughter(s) till death or her/their marriage whichever is earlier.

Those widows who are not eligible for family pension will be allowed **50%** free electricity benefit for a period of 10 years or up to the age of superannuation of the deceased employee whichever is earlier or till remarriage of the widow.

In case of a permanent disability which is certified by a Medical board, electricity benefit shall be payable subject to a minimum service requirement of 10 years. In case of death thereafter, benefit shall be payable as in below.

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In case of death of a retired employee, 100% of the benefit, which the deceased employee was in receipt of, shall be admissible to the family of the deceased employee. In case of death or remarriage of a widow who is in receipt of electricity benefit, such benefit shall be continued to be paid to the minor real children of the deceased employees' up to 18 years in case of last minor son and 21 years in case of real daughter or her marriage whichever is earlier.

Following is a summary of the benefits payable from the **Leave Encashment Plan:**

Leave Benefit to an employee shall be allowed in the following events.

- Normal Retirement
- Death during Service
- Pre-mature Retirement

In case of Pre-mature Retirement, the employee should have at least 30 years of service. This condition, however, is not required in normal retirement / death in service case.

Annual Leaves Granted: **48 days**

The benefit of Leave Encashment is admissible as follows:

1) Encash Leave balance up to a **maximum of 365 days**

OR

2) Avail LPR subject to a **maximum of 365 days**

For the purpose of valuation, it was assumed that 100% of the employees' encashed their outstanding leave balances at the time of retirement and no employee proceeded on Leave Preparatory to Retirement (LPR).

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Annexure C

Mortality and Withdrawal Rates

The Mortality and Withdrawal rates used in valuing the liabilities are as follow:

Mortality	SLIC (2001-05) Individual Life Ultimate Mortality Table with one year setback Table of Sample Rates (Both Rates are as per Thousand)				
Attained Age	MORTALITY	WITHDRAWAL	Attained Age	MORTALITY	WITHDRAWAL
20	0.96	14	61	17.50	-
21	0.97	13	62	18.88	-
22	0.99	12	63	20.28	-
23	1.01	11	64	21.68	-
24	1.03	10	65	23.05	-
25	1.06	9	66	24.39	-
26	1.08	9	67	25.69	-
27	1.12	8	68	27.51	-
28	1.15	8	69	29.46	-
29	1.19	7	70	32.25	-
30	1.24	7	71	35.33	-
31	1.29	6	72	38.76	-
32	1.35	6	73	42.42	-
33	1.41	5	74	46.38	-
34	1.49	5	75	50.70	-
35	1.58	4	76	55.44	-
36	1.68	4	77	60.65	-
37	1.79	3	78	66.23	-
38	1.92	3	79	72.23	-
39	2.08	3	80	78.71	-
40	2.25	2	81	85.71	-
41	2.45	2	82	93.28	-
42	2.67	2	83	101.39	-
43	2.93	1	84	110.05	-
44	3.22	1	85	119.26	-
45	3.55	1	86	129.04	-
46	3.93	1	87	139.42	-
47	4.36	1	88	150.66	-
48	4.84	1	89	162.61	-
49	5.38	1	90	175.32	-
50	5.99	1	91	188.99	-
51	6.67	1	92	203.97	-
52	7.42	1	93	220.61	-
53	8.24	0	94	239.47	-
54	9.15	0	95	260.84	-
55	9.40	0	96	284.96	-
56	10.13	0	97	312.35	-
57	11.20	0	98	343.66	-
58	12.34	0	99	379.21	-
59	13.54	0	100	419.67	-
60	14.81	1000			

Gujranwala Electric Power Company Ltd. GEPCO

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Annexure D

Risks associated with Defined Benefit Plans

The risks associated in determining the Actuarial Liability for this Defined Benefit Plan are as follow:

- **Discount rate risk**

  The risk of changes in Discount rate will have an impact on the Actuarial Liability. Any increase in discount rate will reduce the Liability and vice versa.

- **Salary increase / inflation risk**

  The increase in salary in the future years being higher than assumed will increase the Liability.

- **Mortality risk**

  Any reduction in the mortality rates being assumed will increase the Liability.

- **Withdrawal risk**

  Any differences in the assumed withdrawal rates will have a corresponding impact on the Liability depending on the Benefits payable on withdrawal.

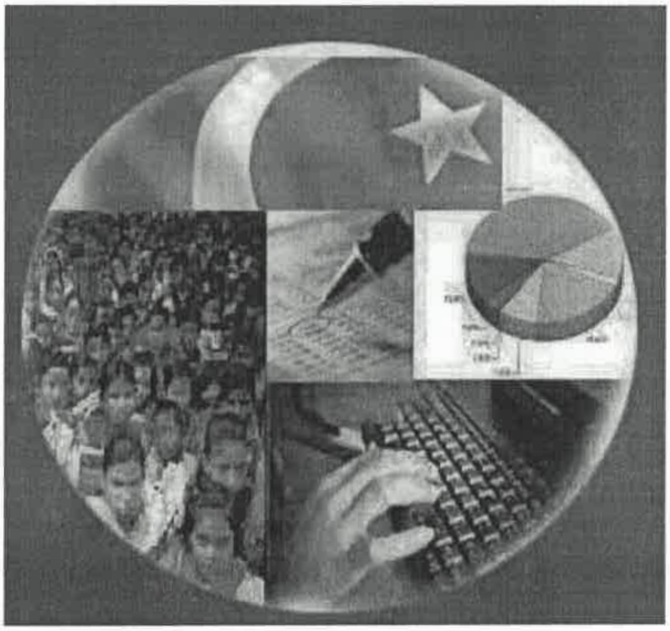
Gujranwala Electric Power Company Ltd. GEPCO

Annex- A. 3 NCPI June, 2026

Gujranwala Electric Power Company Ltd.
GEPCO

Annex-I

Monthly Review on Price Indices



June 2026
(Base Year 2015-16)

Government of Pakistan
Ministry of Planning, Development & Special Initiatives
Pakistan Bureau of Statistics
Islamabad

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Inflation in Brief

1. **CPI inflation General**, increased by 11.1% on year-on-year basis in June 2026 as compared to an increase of 11.7% in the previous month and 3.2% in June 2025. On month-on-month basis, it decreased by 0.3% in June 2026 as compared to an increase of 0.5% in the previous month and an increase of 0.2% in June 2025.
2. **CPI inflation Urban**, increased by 11.2% on year-on-year basis in June 2026 as compared to an increase of 11.8% in the previous month and an increase of 3.0% in June 2025. On month-on-month basis, it decreased by 0.5% in June 2026 as compared to an increase of 0.7% in the previous month and an increase of 0.1% in June 2025.
3. **CPI inflation Rural**, increased by 10.9% on year-on-year basis in June 2026 as compared to an increase of 11.5% in the previous month and an increase of 3.6% observed in June 2025. On month-on-month basis, no change observed in June 2026 as compared to an increase of 0.3% in the previous month and an increase of 0.5% in June 2025.
4. **SPI inflation** on YoY basis increased by 12.8% in June 2026 as compared to an increase of 12.0% in the previous month and a decrease of 1.9% in June 2025. On MoM basis, it remained stable at 0.7% in June 2026 as compared to the previous month and no change observed in June 2025.
5. **WPI inflation** on YoY basis increased by 10.7% in June 2026 as compared to an increase of 12.7% in the previous month and an increase of 0.6% in June 2025. On month-on-month basis, it decreased by 1.2% in June 2026 as compared to a decrease of 0.8% in the previous month and an increase of 0.6% in June 2025.
6. Figures 1 and 2 show graphically the yearly data of Table 1.a for Urban and Rural CPI while Table 1.1 shows "Period Average" and "YoY" percentage changes in indices.

Table 1.a	General Inflation (%) (Base 2015-16)																	
PERIOD	CPI														SPI*		WPI	
	General					Food				Non-Food								
	National		Urban		Rural		Urban		Rural		Urban		Rural					
	YoY	MoM	YoY	MoM	YoY	MoM	YoY	MoM	YoY	MoM	YoY	MoM	YoY	MoM	YoY	MoM	YoY	MoM
Sep-24	6.9	-0.5	9.3	-0.5	3.6	-0.5	1.7	-0.8	-0.9	-1.0	15.0	-0.3	8.4	-0.1	9.2	0.2	1.9	-1.1
Oct-24	7.2	1.2	9.3	1.1	4.2	1.5	2.7	1.6	0.6	2.2	14.2	0.7	8.0	0.8	9.7	0.6	3.9	0.0
Nov-24	4.9	0.5	5.2	0.5	4.3	0.5	1.7	-0.2	-0.2	0.2	7.8	1.0	9.1	0.8	7.3	1.0	2.3	-0.1
Dec-24	4.1	0.1	4.4	-0.1	3.6	0.3	2.5	0.1	-0.2	0.1	5.7	-0.2	7.6	0.5	4.2	0.8	1.9	-0.4
Jan-25	2.4	0.2	2.7	0.2	1.9	0.2	-0.6	-0.3	-2.9	-0.4	5.0	0.5	7.0	0.9	0.7	-1.4	0.6	0.2
Feb-25	1.5	-0.8	1.8	-0.7	1.1	-1.1	-0.9	-1.8	-4.3	-2.5	3.6	0.1	6.6	0.3	-0.2	-1.6	-0.7	-0.2
Mar-25	0.7	0.9	1.2	0.8	0.0	1.1	-1.7	1.6	-5.4	1.6	3.1	0.2	5.6	0.5	-2.3	-0.1	-1.6	0.3
Apr-25	0.3	-0.8	0.5	-0.7	-0.1	-1.0	-1.9	-1.6	-4.6	-1.8	2.2	-0.1	4.4	-0.4	-3.6	-2.1	-2.2	-1.3
May-25	3.5	-0.2	3.5	0.1	3.4	-0.5	5.3	0.6	2.1	-1.0	2.4	-0.3	4.6	-0.1	-0.6	-1.0	0.4	0.0
June-25	**3.2**	**0.2**	**3.0**	**0.1**	**3.6**	**0.5**	**4.2**	**-0.6**	**2.4**	**0.1**	**2.2**	**0.5**	**4.7**	**0.8**	**-1.9**	**0.0**	**0.6**	**0.6**
July-25	4.1	2.9	4.4	3.4	3.5	2.2	2.2	2.4	1.5	2.7	5.9	4.1	5.4	1.6	-0.9	3.1	-0.5	1.2
Aug-25	3.1	-0.6	3.5	-0.7	2.5	-0.5	-0.5	-1.3	-0.5	-0.7	6.1	-0.3	5.3	-0.3	2.6	3.2	-1.0	-0.2
Sep-25	5.8	2.1	5.7	1.6	5.9	2.8	4.4	4.0	6.0	5.5	6.5	0.1	5.8	0.4	4.5	2.0	0.6	0.5
Oct-25	6.2	1.7	6.0	1.4	6.6	2.1	4.5	1.7	6.8	3.0	7.0	1.1	6.4	1.3	4.8	0.9	1.1	0.5
Nov-25	6.1	0.4	6.1	0.5	6.3	0.2	5.0	0.3	5.9	-0.7	6.7	0.7	6.7	1.0	4.2	0.4	1.1	-0.2
Dec-25	5.6	-0.4	5.8	-0.4	5.4	-0.6	3.2	-1.7	3.8	-1.9	7.5	0.5	6.9	0.7	2.5	-0.8	0.6	-0.9
Jan-26	5.8	0.4	5.8	0.2	5.8	0.6	3.3	-0.2	4.7	0.4	7.4	0.5	6.9	0.8	3.3	-0.8	0.2	-0.2
Feb-26	7.0	0.3	6.8	0.3	7.3	0.3	4.4	-0.8	6.8	-0.5	8.3	0.9	7.7	1.0	4.8	-0.1	1.0	0.7
Mar-26	7.3	1.2	7.4	1.3	7.2	1.0	2.9	0.1	4.5	-0.6	10.3	2.1	9.7	2.4	5.6	0.7	6.7	5.9
Apr-26	10.9	2.5	11.1	2.7	10.6	2.1	6.9	2.3	7.3	0.9	13.8	3.0	13.6	3.2	10.1	2.0	13.6	5.1
May-26	11.7	0.5	11.8	0.7	11.5	0.3	6.5	0.2	8.5	0.2	15.2	1.0	14.2	0.4	12.0	0.7	12.7	-0.8
June-26	**11.1**	**-0.3**	**11.2**	**-0.5**	**10.9**	**0.0**	**8.2**	**1.0**	**9.4**	**0.9**	**13.1**	**-1.4**	**12.3**	**-0.9**	**12.8**	**0.7**	**10.7**	**-1.2**

* SPI for quintile 1. Digits 0.0* are due to rounding off.

Core inflation (NFNE)

Gujranwala Electric Power Company Ltd. GEPCO

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I. National Consumer Price Index (NCPI)

The **National Consumer Price Index** for **June 2026** is decreased by **0.30%** over **May 2026** and increased by **11.07%** over corresponding month of the last year i.e. **June 2025**.

Table 1: Consumer Price Index (National) by Group of Commodities and Services (Base 2015-16)									
No	Group	Group Weight (%)	Indices			% Change June 2026 Over		Impact (In % points) June 2026 Over	
			June 26	May 26	June 25	May 26	June 25	May 26	June 25
	General	**100.00**	**293.47**	**294.34**	**264.22**	**-0.30**	**11.07**	**-0.30**	**11.07**
1.	Food & Non-alcoholic Bev.	34.58	296.52	293.71	271.10	0.96	9.38	0.33	3.33
	Non-perishable Food Items	29.60	304.85	306.16	276.60	-0.43	10.21	-0.13	3.16
	Perishable Food Items	4.99	247.07	219.77	238.50	12.42	3.59	0.46	0.16
2.	Alcoholic Bev. & Tobacco	1.02	409.87	404.40	396.72	1.35	3.32	0.02	0.05
3.	Clothing & Footwear	8.60	287.79	285.62	263.31	0.76	9.30	0.06	0.80
4.	Housing, Water, Electricity, Gas & Fuels	23.63	268.29	269.35	232.28	-0.40	15.50	-0.09	3.22
5.	Furnishing & Household Equipment Maintenance	4.10	294.74	292.07	278.22	0.92	5.94	0.04	0.26
6.	Health	2.79	295.11	292.41	274.28	0.92	7.59	0.03	0.22
7.	Transport	5.91	389.87	420.19	310.10	-7.22	25.72	-0.61	1.78
8.	Communication	2.21	136.33	136.30	135.17	0.03	0.86	0.00	0.01
9.	Recreation & Culture	1.59	266.43	265.12	266.19	0.49	0.09	0.01	0.00
10.	Education	3.79	237.91	237.43	219.68	0.20	8.30	0.01	0.26
11.	Restaurants & Hotels	6.92	304.41	303.29	288.86	0.37	5.38	0.03	0.41
12.	Miscellaneous	4.87	368.52	375.50	328.43	-1.86	12.21	-0.12	0.74

Gujranwala Electric Power Company Ltd. GEPCO

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B. ANNEXURES RELATING TO PYA		
LPS Collected from Consumers & LPS charged by CPPA-G	B.1	118 – 130
Supplemental Charges FY 2009-10 to 2014-15	B.2	131 – 149
Under / Over Recovery of Quarterly Adjustments	B.3	150 – 153
Calculation of DM Recovered FY 2025-26	B.4	154
Calculation of Sales Mix Variance FY 2025-26	B.5	155
Minimum Tax Paid during FY 2025-26	B.6	156 – 164
Claim for Sales Tax Demands arising from ADRC Decisions	B.7	165 – 200
Claim for PPMC Management Fee	B.8	201 – 208

Gujranwala Electric Power Company Ltd.
GEPCO

ANNEX-B.1

LPS Collected from Consumers & LPS Charged by CPPA-G

Description	Rs. in Million
LPS Recovered from Consumers	4,620
LPS Charges billed by CPPA-G	2,880
Under / (Over) Recovery	**-1,740**

MONTH	AMOUNT
July-25	251,372,530
August-25	1,054,969,371
September-25	720,145,973
October-25	45,830,459
November-25	59,098,719
December-25	192,891,505
January-26	86,508,599
February-26	136,548,565
March-26	2,183,353
April-26	31,845,654
May-26	218,921,444
June-26	79,878,006
TOTAL	**2,880,194,178**

All the invoices are attached herewith.

Gujranwala Electric Power Company Ltd. GEPCO

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Central Power Purchasing Agency (Guarantee) Limited
A Company of Government of Pakistan

Delayed Payment Charges Advice

CPPA-NTN: 4401241-1
CPPA-GST No. 3277876113750

Name and Adress

Gujranwala Elecrtic Power Company (GEPCO)
565-Model Town, Gujranwala

GST No 25-00-2716-002-82

Billing Month	July-2025
Advice No	LPS/Jul-25/GEPCO
Issue Date	11/3/2025

Description	Amount (Rs.)
Supplemental Charges for July-2025	**251,372,530**

Manager Finance (B & R)

Shaheen Plaza, Plot no 73-West, Fazal-e-Haq road, Blue Area, Islamabad Tel # 051-111-922 772, Fax # 051-9216949 Email billing@cppa.gov.pk

Gujranwala Electric Power Company Ltd. GEPCO

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Delayed Payment Charges Advice

CPPA-NTN: 4401241-1
CPPA-GST No. 3277876113750

Name and Adress

Gujranwala Electric Power Company (GEPCO)
565-Model Town, Gujranwala

GST No 25-00-2716-002-82

Billing Month	August-2025
Advice No	LPS/Aug-25/GEPCO
Issue Date	11/3/2025

Description	Amount (Rs.)
Supplemental Charges for August-2025	1,054,969,371

Manager Finance (B & R)

Gujranwala Electric Power Company Ltd
GEPCO

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Central Power Purchasing Agency (Guarantee) Limited
A Company of Government of Pakistan

Delayed Payment Charges Advice

CPPA-NTN: 4401241-1
CPPA-GST No. 3277876113750

Name and Adress

Gujranwala Elecrtic Power Company (GEPCO)
565-Model Town, Gujranwala

GST No 25-00-2716-002-82

Billing Month	September-2025
Advice No	LPS/Sep-25/GEPCO
Issue Date	11/3/2025

Description	Amount (Rs.)
Supplemental Charges for September-2025	720,145,973

Manager Finance (B & R)

Gujranwala Electric Power Company Ltd. GEPCO

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Shaheen Plaza, Plot no 73-West, Fazal-e-Haq road, Blue Area, Islamabad Tel # 051-111-922-772 Fax # 051-9216949 Email billing@cppa.gov.pk

CPPA

Central Power Purchasing Agency (Guarantee) Limited

A Company of Government of Pakistan

Delayed Payment Charges Advice

CPPA-NTN: 4401241-1
CPPA-GST No. 3277876113750

Name and Adress

Gujranwala Elecrtic Power Company (GEPCO) **565-Model Town, Gujranawala** GST No 25-00-2716-002-82

Billing Month	October-2025
Advice No	LPS/Oct-25/GEPCO
Issue Date	25-11-25

Description	Amount (Rs.)
Supplemental Charges for October-2025	**45,830,459**

Manager Finance (B & R)

Gujranwala Electric Power Co. GEPCO

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CPPA

Central Power Purchasing Agency (Guarantee) Limited

A Company of Government of Pakistan

Delayed Payment Charges Advice

CPPA-NTN: 4401241-1
CPPA-GST No. 3277876113750

Name and Adress

Gujranwala Elecrtic Power Company (GEPCO) **565-Model Town, Gujranwala** GST No 25-00-2716-002-82

Billing Month	November-2025
Advice No	LPS Nov-25 GEPCO
Issue Date	16-12-25

Description	Amount (Rs.)
Supplemental Charges for November-2025	**59,098,719**

Manager Finance (B & R)

Gujranwala Electric Power Company Ltd.
GEPCO

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CamScanner

2/2

Central Power Purchasing Agency (Guarantee) Limited

A Company of Government of Pakistan

Delayed Payment Charges Advice

CPPA-NTN: 4401241-1
CPPA-GST No. 3277876113750

Name and Adress

Gujranwala Electric Power Company (GEPCO) **565-Model Town, Gujranwala** GST No 25-00-2716-002-82

Billing Month	December-2025
Advice No	LPS/Dec-25/GEPCO
Issue Date	15-01-26

Description	Amount (Rs.)
Supplemental Charges for December-2025	**192,891,505**

Manager Finance (B & R)

Gujranwala Electric Power Company Ltd.
GEPCO

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Central Power Purchasing Agency (Guarantee) Limited
A Company of Government of Pakistan

Delayed Payment Charges Advice

CPPA-NTN: 4401241-1
CPPA-GST No. 3277876113750

Name and Adress

Gujranwala Elecrtic Power Company (GEPCO)
565-Model Town, Gujranwala

GST No 25-00-2716-002-82

Billing Month	January-2026
Advice No	LPS/Jan-26/GEPCO
Issue Date	13-02-26

Description	Amount (Rs.)
Supplemental Charges for January-2026	86,508,599

Manager Finance (B & R)

Gujranwala Electric Power Company
GEPCO

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CPPA **Central Power Purchasing Agency (Guarantee) Limited**

A Company of Government of Pakistan

Delayed Payment Charges Advice

CPPA-NTN: 4401241-1
CPPA-GST No. 3277876113750

Name and Adress

Gujranwala Elecrtic Power Company (GEPCO) **565-Model Town, Gujranawala** GST No 25-00-2716-002-82

Billing Month	February-2026
Advice No	LPS/Jan-26/GEPCO
Issue Date	16-03-26

Description	Amount (Rs.)
Supplemental Charges for February-2026	**136,548,565**

Manager Finance (B & R)

Gujranwala Electric Power Company Ltd. GEPCO

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CPPA

Central Power Purchasing Agency (Guarantee) Limited

A Company of Government of Pakistan

Delayed Payment Charges Advice

CPPA-NTN: 4401241-1
CPPA-GST No. 3277876113750

Name and Adress

Gujranwala Elecrtic Power Company (GEPCO)
565-Model Town, Gujranwala

GST No 25-00-2716-002-82

Billing Month	March-2026
Advice No	LPS/Jan-26/GEPCO
Issue Date	15-04-26

Description	Amount (Rs.)
Supplemental Charges for March-2026	2,183,353

Manager Finance (B & R)

Gujranwala Electric Power Company Ltd. GEPCO

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CPPA

Central Power Purchasing Agency (Guarantee) Limited

A Company of Government of Pakistan

Delayed Payment Charges Advice

CPPA-NTN: 4401241-1
CPPA-GST No. 3277876113750

Name and Adress

Gujranwala Elecrtic Power Company (GEPCO)
565-Model Town, Gujranawala

GST No 25-00-2716-002-82

Billing Month	April-2026
Advice No	LPS/Apr-26/GEPCO
Issue Date	19-05-26

Description	Amount (Rs.)
Supplemental Charges for April-2026	**31,845,654**

Manager Finance (B & R)

Gujranwala Electric Power Company Ltd. GEPCO

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CPPA

Central Power Purchasing Agency (Guarantee) Limited
A Company of Government of Pakistan

Delayed Payment Charges Advice

CPPA-NTN: 4401241-1
CPPA-GST No. 3277876113750

Name and Adress

Gujranwala Elecrtic Power Company (GEPCO)
565-Model Town, Gujranwala

GST No 25-00-2716-002-82

Billing Month	May-2026
Advice No	LPS/May-26/GEPCO
Issue Date	17-06-26

Description	Amount (Rs.)
Supplemental Charges for May-2026	218,921,444

Manager Finance (B & R)

Gujranwala Electric Power Company Ltd. GEPCO

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CPPA **Central Power Purchasing Agency (Guarantee) Limited**

A Company of Government of Pakistan

Delayed Payment Charges Advice

CPPA-NTN: 4401241-1
CPPA-GST No. 3277876113750

Name and Adress

Gujranwala Electric Power Company (GEPCO) 565-Model Town, Gujranwala GST No 25-00-2716-002-82

Billing Month	June-2026
Advice No	LPS/Jun-26/GEPCO
Issue Date	20-07-26

Description	Amount (Rs.)
Supplemental Charges for June-2026	79,878,006

Manager Finance (B & R)

Gujranwala Electric Power Company Ltd. GEPCO

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ANNEX-B.2

Suppelemental Charges FY 2009-10 to 2014-15

Description	Rs. in Million
Total Supplemental Charges	6,711
Credit Notes	2,593
Under / (Over) Recovery	**4,118**

Month	Amount
Jul-25	(149,745,889)
Jul-25	(3,737,475)
Aug-25	(5,539)
Aug-25	(19,294,895)
Sep-25	(2,969,849)
Sep-25	(902)
Oct-25	(677,136)
Nov-25	(225)
Dec-25	(991,021,662)
Dec-25	(5,887)
Oct-25	(31,237)
Mar-26	(1,151,833,624)
Apr-26	(157,476,637)
Jun-26	(115,294,429)
Jan-26	(485,718)
Jun-26	(243,568)
	(2,592,824,672)

Copies of all credit notes attached herewith.

Gujranwala Electric Power Company Ltd.
GEPCO

No. 14/11/2018-DISCO-I
GOVERNMENT OF PAKISTAN
MINISTRY OF ENERGY
(POWER DIVISION)
<><><>

Islamabad, the 11th October, 2024.

Subject: **BOOKING OF SUPPLEMENTAL CHARGES IN BOOKS OF ACCOUNTS.**

I am directed to refer to the subject noted above and to state that DISCOs as per agreement with CPPA-G are required to book the expenditure on supplemental charges in their books of accounts. Due to omission on part of DISCOs, a liability has erected which is required to be resolved on immediate basis. In view of the above, the DISCOs are requested to ensure resolution of the aforementioned issue in coordination with CPPA-G as per terms of agreement and book the aforementioned expenditure in their books of accounts.

(Usama Hasan)
Section Officer (DISCOs)
Tele: 051-9103996

Distribution:

1. All CEOs DISCOs

Copy to:

1. The Chairmen Board of Directors of all DISCOs.
2. SPS to the Additional Secretary-I, Ministry of Energy (Power Division), Islamabad.

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Supplemental Charges Not Booked By GEPCO	Amount
FY 2009-10	(553,533,722)
FY 2010-11	(2,045,036,627)
FY 2011-12	(1,186,924,092)
FY 2012-13	(1,176,430,600)
FY 2013-14	(1,210,860,754)
FY 2014-15	(538,142,519)
Total	**(6,710,928,314)**

Gujranwala Electric Power Company Ltd.
GEPCO

Central Power Purchasing Agency Guarantee Limited

CREDIT NOTE SETTLEMENT

Document No: 30886
PPA-13/GEPCO-02

ISSUNING OFFICE: CENTRAL POWER PURCHASING AGENCY-GUARANTEE LIMITED

Effective Date : 31-JUL-25
Issue Date : 22-AUG-25

RECEIVING OFFICE: GUJRANWALA ELECTRIC POWER COMPANY

TYPE: Credit Memo Late Payment Interest - DISCOs

Your account has been Credited for the amount Rs. 149,745,889

One hundred forty-nine million seven hundred forty-five thousand eight hundred eighty-nine rupees only.

Being the Credit afforded on account of Supplemental Charges due to the terminated/emended of agreement through Negotiation Settlement Agreement (NSA) with10 IPPs,the benifit of Late Payment interest reversed has been prorated among DISCOs.

ACCOUNT CODE	DESCRIPTION	DEBIT	CREDIT
1212100	Accounts Receivables - Settlement Advice		149,745,889
	TOTAL		149,745,889

PREPARED BY CHECKED BY APPROVED BY

Server: erpprod.cppa.gov.pk User: MUSHTAQ.HUSSAIN Print Date: 22-Aug-25 12:08:4'

Gujranwala Electric Power Company Ltd. GEPCO

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Central Power Purchasing Agency Guarantee Limited

CREDIT NOTE SETTLEMENT

Document No: 30896
PPA-23/GEPCO-03

ISSUNING OFFICE: CENTRAL POWER PURCHASING AGENCY-GUARANTEE LIMITED

Effective Date : 31-JUL-25
Issue Date : 22-AUG-25

RECEIVING OFFICE: GUJRANWALA ELECTRIC POWER COMPANY

TYPE: Credit Memo Late Payment Interest - DISCOs

Your account has been Credited for the amount Rs. 3,737,475

Three million seven hundred thirty-seven thousand four hundred seventy-five rupees only.

Being the Credit afforded on account of Late payment interest recovered from IPPs during Jul-25 on account of Back Feed Energy

ACCOUNT CODE	DESCRIPTION	DEBIT	CREDIT
1212100	Accounts Receivables - Settlement Advice		3,737,475
TOTAL			3,737,475

PREPARED BY CHECKED BY APPROVED BY

Server: erpprod.cppa.gov.pk User: MUSHTAQ.HUSSAIN Print Date: 19-Nov-25 04:11:00

Electric Power Company Ltd. GEPCO

135

Central Power Purchasing Agency Guarantee Limited

CREDIT NOTE SETTLEMENT

Document No: 31126
PPA-63/GEPCO-08

ISSUNING OFFICE:	CENTRAL POWER PURCHASING AGENCY-GUARANTEE LIMITED	Effective Date Issue Date	: 24-AUG-25 : 24-SEP-25

RECEIVING OFFICE: GUJRANWALA ELECTRIC POWER COMPANY

TYPE: Credit Memo Late Payment Interest - DISCOs

Your account has been Credited for the amount Rs. 5,539

Five thousand five hundred thirty-nine rupees only.

Being the Credit afforded on account of Late payment interest recovered from IPPs during Aug-25 on account of Back Feed Energy

ACCOUNT CODE	DESCRIPTION	DEBIT	CREDIT
1212100	Accounts Receivables - Settlement Advice		5,539
	TOTAL		5,539

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Server: erpprod.cppa.gov.pk User: MUSHTAQ.HUSSAIN Print Date: 24-Sep-25 12:09.55

Gujranwala Electric Power Company Ltd. GEPCO

136

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Central Power Purchasing Agency Guarantee Limited

CREDIT NOTE SETTLEMENT

Document No: 31501
PPA-91/GEPCO-12

ISSUNING OFFICE:	CENTRAL POWER PURCHASING AGENCY-GUARANTEE LIMITED	Effective Date	: 31-AUG-25
		Issue Date	: 03-NOV-25

RECEIVING OFFICE: GUJRANWALA ELECTRIC POWER COMPANY

TYPE: Credit Memo Late Payment Interest - DISCOs

Your account has been Credited for the amount Rs. 19,294,895

Nineteen million two hundred ninety-four thousand eight hundred ninety-five rupees only.
Being the Credit afforded on account of Supplemental Charges due to the terminated/emended of agreement through Negotiation Settlement Agreement (NSA) with(3)IPPs, the benifit of Late Payment interest reversed has been prorated among DISCOs

ACCOUNT CODE	DESCRIPTION	DEBIT	CREDIT
1212100	Accounts Receivables - Settlement Advice		19,294,895
	TOTAL		19,294,895

PREPARED BY   CHECKED BY   APPROVED BY

Server: erpprod.cppa.gov.pk   User: MUSHTAQ.HUSSAIN   Print Date: 05-Nov-25 10:11:59

Gujranwala Electric Power Company Ltd. GEPCO

137

4/3

Central Power Purchasing Agency Guarantee Limited

CREDIT NOTE SETTLEMENT

Document No: 31512
PPA-102/GEPCO-13

ISSUNING OFFICE: CENTRAL POWER PURCHASING AGENCY-GUARANTEE LIMITED

Effective Date : 30-SEP-25
Issue Date : 03-NOV-25

RECEIVING OFFICE: GUJRANWALA ELECTRIC POWER COMPANY

TYPE: Credit Memo Late Payment Interest - DISCOs

Your account has been Credited for the amount Rs. 2,969,849

Two million nine hundred sixty-nine thousand eight hundred forty-nine rupees only.
Being the Credit afforded on account of Supplemental Charges due to the terminated/emended of agreement through Negotiation Settlement Agreement (NSA) with(3)IPPs, the benifit of Late Payment interest reversed has been prorated among DISCOs

ACCOUNT CODE	DESCRIPTION	DEBIT	CREDIT
1212100	Accounts Receivables - Settlement Advice		2,969,849
	TOTAL		2,969,849

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User: MUSHTAQ.HUSSAIN

Print Date: 05-Nov-25 10:11:59

Gujranwala Electric Power Company Ltd. GEPCO

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Central Power Purchasing Agency Guarantee Limited

CREDIT NOTE SETTLEMENT

Document No: 31523
PPA-113/GEPCO-14

ISSUNING OFFICE: CENTRAL POWER PURCHASING AGENCY-GUARANTEE LIMITED

Effective Date : 30-SEP-25
Issue Date : 03-NOV-25

RECEIVING OFFICE: GUJRANWALA ELECTRIC POWER COMPANY

TYPE: Credit Memo Late Payment Interest - DISCOs

Your account has been Credited for the amount Rs. 902

Nine hundred two rupees only.
Being the Credit afforded on account of Late payment Interest recovered from IPPs during SEP-25 on account of Back Feed Energy.

ACCOUNT CODE	DESCRIPTION	DEBIT	CREDIT
1212100	Accounts Receivables - Settlement Advice		902
	TOTAL		902

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APPROVED BY

Server: erpprod.cppa.gov.pk

User: MUSHTAQ.HUSSAIN

Print Date: 05-Nov-25 10:11:59

Gujranwala Electric Power Company Ltd.
GEPCO

139

2/3

CPPA

Central Power Purchasing Agency Guarantee Limited

CREDIT NOTE SETTLEMENT

Document No: 31769
PPA-177/GEPCO-22

ISSUNING OFFICE: CENTRAL POWER PURCHASING AGENCY-GUARANTEE LIMITED

Effective Date : 31-OCT-25
Issue Date : 25-NOV-25

RECEIVING OFFICE: GUJRANWALA ELECTRIC POWER COMPANY

TYPE: Credit Memo Late Payment Interest - DISCOs

Your account has been Credited for the amount Rs. 677,136

Six hundred seventy-seven thousand one hundred thirty-six rupees only.

Being the Credit afforded on account of Supplemental Charges due to the terminated/emended of agreement through Negotiation Settlement Agreement (NSA) with (7)the benifit of Late Payment interest reversed has been prorated among DISCOs

ACCOUNT CODE	DESCRIPTION	DEBIT	CREDIT
1212100	Accounts Receivables - Settlement Advice		677,136
	TOTAL		677,136

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Server: erpprod.cppa.gov.pk User: MUSHTAQ.HUSSAIN Print Date: 26-Nov-25 10:11:27

Gujranwala Electric Power Company Ltd. GEPCO

140

2/2

Central Power Purchasing Agency Guarantee Limited

CREDIT NOTE SETTLEMENT

Document No: 32026
PPA-222/GEPCO-27

ISSUNING OFFICE: CENTRAL POWER PURCHASING AGENCY-GUARANTEE LIMITED

Effective Date : 30-NOV-25
Issue Date : 17-DEC-25

RECEIVING OFFICE: GUJRANWALA ELECTRIC POWER COMPANY

TYPE: Credit Memo Late Payment Interest - DISCOs

ne

Your account has been Credited for the amount Rs. 225

Two hundred twenty-five rupees only.
Being the Credit afforded on account of Late payment interest recovered from IPPs during Nov-25 on account of Back Feed Energy.

ACCOUNT CODE	DESCRIPTION	DEBIT	CREDIT
1212100	Accounts Receivables - Settlement Advice		225
	TOTAL		225

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User: MUSHTAQ.HUSSAIN

Print Date: 17-Dec-25 11:12:27

Gujranwala Electric Power Company Ltd. GEPCO

141

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CPPA

Central Power Purchasing Agency Guarantee Limited

CREDIT NOTE SETTLEMENT

Document No: 32127
PPA-247/GEPCO-30

ISSUNING OFFICE: CENTRAL POWER PURCHASING AGENCY-GUARANTEE LIMITED

Effective Date : 31-DEC-25
Issue Date : 16-JAN-26

RECEIVING OFFICE: GUJRANWALA ELECTRIC POWER COMPANY

TYPE: Credit Memo Late Payment Interest - DISCOs

Your account has been Credited for the amount Rs. 991,021,662

Nine hundred ninety-one million twenty-one thousand six hundred sixty-two rupees only.
Being the Credit afforded on account of Supplemental Charges due to the terminated/emended of agreement through Negotiation Settlement Agreement (NSA) with (6)IPPs the benifit of Late Payment interest reversed has been prorated among DISCOs

ACCOUNT CODE	DESCRIPTION	DEBIT	CREDIT
1212100	Accounts Receivables - Settlement Advice		991,021,662
	TOTAL		991,021,662

PREPARED BY

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APPROVED BY

Server: erpprod.cppa.gov.pk

User: MUSHTAQ.HUSSAIN

Print Date: 20-Jan-26 02:01:13

Gujranwala Electric Power Company Ltd. GEPCO

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Central Power Purchasing Agency Guarantee Limited

CREDIT NOTE SETTLEMENT

Document No: 32138
PPA-276/GEPCO-33

ISSUING OFFICE: CENTRAL POWER PURCHASING AGENCY-GUARANTEE LIMITED

Effective Date : 30-DEC-25
Issue Date : 16-JAN-26

RECEIVING OFFICE: GUJRANWALA ELECTRIC POWER COMPANY

TYPE: Credit Memo Late Payment Interest - DISCOs

Your account has been Credited for the amount Rs. 5,887

Five thousand eight hundred eighty-seven rupees only.

Being the Credit afforded on account of Late payment interest recovered from IPPs during Dec-25 on account of Back Feed Energy.

ACCOUNT CODE	DESCRIPTION	DEBIT	CREDIT
121211N	Accounts Receivables - Settlement Advice		5,887
	TOTAL		5,887

PREPARED BY

CHECKED BY

APPROVED BY

Server: [illegible]

User: MUSHTAQ HUSSAIN

Print Date: 20-Jan-26 02:01:10

Gujranwala Electric Power Company Ltd. GEPCO

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Central Power Purchasing Agency Guarantee Limited

CREDIT NOTE SETTLEMENT

Document No: 31758
PPA-166/GEPCO-21

ISSUNING OFFICE: CENTRAL POWER PURCHASING AGENCY-GUARANTEE LIMITED

Effective Date : 30-OCT-25
Issue Date : 25-NOV-25

RECEIVING OFFICE: GUJRANWALA ELECTRIC POWER COMPANY

TYPE: Credit Memo Late Payment Interest - DISCOs

Your account has been Credited for the amount Rs. 31,237

Thirty-one thousand two hundred thirty-seven rupees only.
Being the Credit afforded on account of Late payment interest recovered from IPPs during OCT-25 on account of Back Feed Energy.

ACCOUNT CODE	DESCRIPTION	DEBIT	CREDIT
1212100	Accounts Receivables - Settlement Advice		31,237
	TOTAL		31,237

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APPROVED BY

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User: MUSHTAQ.HUSSAIN

Print Date: 26-Nov-25 10.11.27

Gujranwala Electric Power Company Ltd. GEPCO

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CPPA

Central Power Purchasing Agency Guarantee Limited

CREDIT NOTE SETTLEMENT

Document No: 33169
PPA-469/GEPCO-56

ISSUNING OFFICE: CENTRAL POWER PURCHASING AGENCY-GUARANTEE LIMITED

Effective Date : 20-MAR-26
Issue Date : 20-APR-26

RECEIVING OFFICE: GUJRANWALA ELECTRIC POWER COMPANY

TYPE: Credit Memo Late Payment Interest - DISCOs

Your account has been Credited for the amount Rs. 1,151,833,624

One billion one hundred fifty-one million eight hundred thirty-three thousand six hundred twenty-four rupees only.
Being the Credit afforded on account of Supplemental Charges due to the emendment of agreement through Negotiation Settlement Agreement (NSA) with (9)IPPs,the benifit of Late Payment interest reversed has been prorated among DISCOs

ACCOUNT CODE	DESCRIPTION	DEBIT	CREDIT
1212100	Accounts Receivables - Settlement Advice		1,151,833,624
TOTAL			1,151,833,624

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CHECKED BY

APPROVED BY

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User: MUSHTAQ.HUSSAIN

Print Date. 20-Apr-26 12:01:21

Gujranwala Electric Power Company Ltd. GEPCO

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2/2

CPPA

Central Power Purchasing Agency Guarantee Limited

CREDIT NOTE SETTLEMENT

Document No: 33546
PPA-514/GEPCO-61

ISSUNING OFFICE: CENTRAL POWER PURCHASING AGENCY-GUARANTEE LIMITED

Effective Date : 20-APR-26
Issue Date : 20-MAY-26

RECEIVING OFFICE: GUJRANWALA ELECTRIC POWER COMPANY

TYPE: Credit Memo Late Payment Interest - DISCOs

Your account has been Credited for the amount Rs. 157,476,637

One hundred fifty-seven million four hundred seventy-six thousand six hundred thirty-seven rupees only.
Being the Credit afforded on account of Supplemental Charges due to the emendment of agreement through Negotiation Settlement Agreement (NSA) with (4)IPPs,the benifit of Late Payment Interest reversed has been prorated among DISCOs.

ACCOUNT CODE	DESCRIPTION	DEBIT	CREDIT
1212100	Accounts Receivables - Settlement Advice		157,476,637
TOTAL			157,476,637

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User: MUSHTAQ.HUSSAIN

Print Date: 20-May-26 10 05 53

Gujranwala Electric Power Company Ltd. GEPCO

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CPPA

Central Power Purchasing Agency Guarantee Limited

CREDIT NOTE SETTLEMENT

Document No: 34340
PPA-676/GEPCO-78

ISSUNING OFFICE: CENTRAL POWER PURCHASING AGENCY-GUARANTEE LIMITED

Effective Date : 30-JUN-26
Issue Date : 20-JUL-26

RECEIVING OFFICE: GUJRANWALA ELECTRIC POWER COMPANY

TYPE: Credit Memo Late Payment Interest - DISCOs

Your account has been Credited for the amount Rs. 115,294,429

One hundred fifteen million two hundred ninety-four thousand four hundred twenty-nine rupees only.

Being the Credit afforded on account of Supplemental Charges due to the emendment of agreement through Negotiation Settlement Agreement (NSA) with (19)IPPs,the benifit of Late Payment interest reversed has been prorated among DISCOs

ACCOUNT CODE	DESCRIPTION	DEBIT	CREDIT
1212100	Accounts Receivables - Settlement Advice		115,294,429
	TOTAL		115,294,429

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APPROVED BY

User: MUSHTAQ HUSSAIN

Print Date: 20-Jul-26 12 07:37

Gujranwala Electric Power Company GEPCO

147

CPPA

Central Power Purchasing Agency Guarantee Limited

CREDIT NOTE SETTLEMENT

Document No: 32426
PPA-318/GEPCO-38

ISSUNING OFFICE:	CENTRAL POWER PURCHASING AGENCY-GUARANTEE LIMITED	Effective Date	: 31-JAN-26
		Issue Date	: 17-FEB-26

RECEIVING OFFICE: GUJRANWALA ELECTRIC POWER COMPANY

TYPE: Credit Memo Late Payment Interest - DISCOs

Your account has been Credited for the amount Rs. 485,718

Four hundred eighty-five thousand seven hundred eighteen rupees only.

Being the Credit afforded on account of Late payment interest recovered from IPPs during Jan-26 on account of Back Feed Energy.

ACCOUNT CODE	DESCRIPTION	DEBIT	CREDIT
1212100	Accounts Receivables - Settlement Advice		485,718
	TOTAL		485,718

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User: MUSHTAQ.HUSSAIN

Print Date: 18-Feb-26 12:02:18

Gujranwala Electric Power Company
GEPCO

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CPPA Central Power Purchasing Agency Guarantee Limited

CREDIT NOTE SETTLEMENT

Document No: 34353
PPA-687/GEPCO-79

ISSUNING OFFICE: CENTRAL POWER PURCHASING AGENCY-GUARANTEE LIMITED

Effective Date : 29-JUN-26
Issue Date : 20-JUL-26

RECEIVING OFFICE: GUJRANWALA ELECTRIC POWER COMPANY

TYPE: Credit Memo Late Payment Interest - DISCOs

Your account has been Credited for the amount Rs. 243,568

Two hundred forty-three thousand five hundred sixty-eight rupees only.
Being the Credit afforded on account of Late payment interest recovered from IPPs during Jun-26 on account of Back Feed Energy.

ACCOUNT CODE	DESCRIPTION	DEBIT	CREDIT
1212100	Accounts Receivables - Settlement Advice		243,568
	TOTAL		243,568

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User: MUSHTAQ.HUSSAIN

Print Date: 20-Jul-26 12.07:37

Gujranwala Electric Power Company GEPCO

Annex- B. 3 Under / Over Recovery of Quarterly Adjustments

Gujranwala Electric Power Co. GEPCO

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Annex-B.3 (i)

4th Quarter FY 2024-25

Rs. In Million

Allowed Amount	-6,264
Qtr Rs. /kWh	-1.8867
Amount Recovered	***-6,191***
Under/(Over) Recovery	-73

Amount Recovered:

Total Units Purchased (MkWh)	***3,614***
Total Lifeline & ISP Units Sold (MkWh)	***13***
Total Lifeline Units Sold Grossed Up @ 8.85%	**14**
Net Unit Purchased	3,600
Units to be sold @ 8.85%	**3,281**
Rate	-1.8867
Amount Recovered (Rs. In Million)	***-6,191***

Total Units Purchased & Total Lifeline Units Sold:

Starting Month
01.08.2025

Ending Month
30/10/2025

(MkWh)

Months	**Units Purchased**	**Lifeline**	**ISP**	**Lifeline + ISP**
August-25	1,410	4		4
September-25	1,267	4		4
October-25	937	4		4
Total	***3,614***	***13***	-	***13***

Gujranwala Electric Power Co. Ltd. GEPCO

Annex-B.3 (ii)

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1st Quarter FY 2025-26

Rs. In Million

Allowed Amount	2,821
Qtr Rs. /kWh	1.4942
Amount Recovered	***2,744***
Under/(Over) Recovery	**77**

Amount Recovered:

Total Units Purchased (MkWh)	***2,242***
Total Lifeline & ISP Units Sold (MkWh)	***208***
Total Lifeline Units Sold Grossed Up @ 8.85%	**228**
Net Unit Purchased	2,015
Units to be sold @ 8.85%	**1,836**
Rate	1.4942
Amount Recovered (Rs. In Million)	***2,744***

Total Units Purchased & Total Lifeline Units Sold:

Starting Month
01.12.2025

Ending Month
28.02.2026

(MkWh)

Months	**Units Purchased**	**Lifeline**	**ISP**	**Lifeline + ISP**
December-25	753	3	61	64
January-26	812	3	70	73
February-26	678	3	68	71
Total	***2,242***	***8***	***199***	***208***

Gujranwala Electric Power Company Ltd. GEPCO

Annex-B.3 (iii)

2nd Quarter FY 2025-26

Rs. In Million

Allowed Amount	4,683
Qtr Rs. /kWh	1.7742
Amount Recovered	***4,483***
Under/(Over) Recovery	200

Amount Recovered:

Total Units Purchased (MkWh)	***2,955***
Total Lifeline & ISP Units Sold (MkWh)	***167***
Total Lifeline Units Sold Grossed Up @ 8.85%	**183**
Net Unit Purchased	2,772
Units to be sold @ 8.85%	**2,527**
Rate	1.7742
Amount Recovered (Rs. In Million)	***4,483***

Total Units Purchased & Total Lifeline Units Sold:

Starting Month
01.03.2026

Ending Month
31.05.2026

(MkWh)

Months	**Units Purchased**	**Lifeline**	**ISP**	**Lifeline + ISP**
March-26	792	3	41	44
April-26	902	4	70	74
May-26	1,261	5	44	49
Total	***2,955***	***12***	***155***	***167***

Gujranwala Electric Power Company Ltd.
GEPCO

Annex-B.4

CALCULATION OF DM RECOVERED FY 2025-26

Rs. In Million

Allowed Amount	43,643
Amount Recovered	***42,794***
Under/(Over) Recovery	**849**

(W-1)

Units (MkWh)	5,897
Qtr Rs./kWh	3.8794
Recovered Amount	**22,878**
Units (MkWh)	4,973
Qtr Rs./kWh	4.0048
Recovered Amount	**19,916**

	Grossed Up @ 8.85%	**Grossed Up @ 8.85%**
Total Units Purchased (MkWh)	6,537	5,849
Total USPS & ISP Units Sold (MkWh)	61	359
Total USPS, ISP Units Sold Grossed Up @ 8.85%	**67**	**393**
Net Unit Purchased	6,470	5,456
Units to be sold @ 8.85%	**5,897**	**4,973**

FY 2025-26

Months	**Units Purchasd**	**ISP Units**
Jul-25	1,457	
Aug-25	1,410	
Sep-25	1,267	
Oct-25	937	
Nov-25	713	
Dec-25	753	61
Sub Total	**6,537**	**61**
Jan-26	812	70
Feb-26	678	68
Mar-26	792	41
Apr-26	902	70
May-26	1,261	44
Jun-26	1,405	66
Sub Total	**5,849**	**359**
Total	**12,386**	**420**

Gujranwala Electric Power Company Ltd. GEPCO

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Annex-B.5

CALCULATION OF SALES MIX VARIANCE

Rs. In Million

Allowed Amount	**374,085,340,974**
Amount Recovered	***371,266,902,329***
Under/(Over) Recovery	**2,818,438,645**

Allowed Sales Amount

	Rate	Units	Amount PKR
Sales Amount at New Rate Rate	35.2116	6,076,306,630	**213,956,478,533**
Sales Amount at New Rate Rate	34.2429	4,676,264,640	**160,128,862,441**
		10,752,571,270	**374,085,340,974**

Month	Gross Units Sold	Incremental Units	Net Units Sold	Revenu as per NEPRA Rate Subsidy Claims
Jul-25	1,288,909,355	-	1,288,909,355	44,398,363,027
Aug-25	1,287,298,835		1,287,298,835	44,436,205,690
Sep-25	1,147,856,956		1,147,856,956	39,092,564,297
Oct-25	993,364,945		993,364,945	33,309,440,710
Nov-25	750,825,816		750,825,816	24,313,233,847
Dec-25	669,116,810	61,066,087	608,050,723	20,681,775,928
	6,137,372,717		**6,076,306,630**	
Jan-26	726,667,582	69,623,294	657,044,288	21,729,635,241
Feb-26	665,223,816	68,374,689	596,849,127	21,136,207,558
Mar-26	658,832,765	40,603,448	618,229,317	22,479,518,000
Apr-26	769,543,760	70,247,996	699,295,764	25,501,729,088
May-26	975,373,703	44,074,508	931,299,195	33,051,957,465
Jun-26	1,239,200,275	65,653,326	1,173,546,949	41,136,271,478
	5,034,841,901		**4,676,264,640**	
Total	**11,172,214,618**	**419,643,348**	**10,752,571,270**	**371,266,902,329**

Gujranwala Electric Power Company Ltd. GEPCO

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ANNEX-B.6

MINIMUM TAX PAID DURING FY 2025-26

Sr. No.	CPR NO.	AMOUNT
1	IT-20251231-0101-2033984	550,000,000
2	IT-20250926-0101-1694228	400,000,000
3	IT-20251226-0101-1831125	750,000,000
4	IT-20260330-0101-1611251	700,000,000
5	IT-20260331-0101-1662586	340,000,000
6	IT-20260629-0101-1998521	1,000,000,000
7	IT-20260623-0101-1771683	1,000,000,000
8	IT-20250923-0101-1564025	1,100,000,000
	TOTAL	**5,840,000,000**

Gujranwala Electric Power Company Ltd. GEPCO

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INCOME TAX DEPARTMENT

COMPUTERIZED PAYMENT RECEIPT (CPR - IT)

SBP Banking Services Corporation **Alternative Delivery Channel - ADC (0101) : ISLAMABAD**

CPR No	: **IT-20251231-0101-2033984**	**Payment Date**	: 31-Dec-2025
Payment Section	: 147 - Advance Income Tax - 9202	**RTO/LTO**	: LTO LAHORE
Nature of Payment	: Advance Income Tax	**Tax Period**	: 2026
Account Head(NAM)	: B01131		

Details of Tax Payer

NTN / CNIC	: 2972920-3 / 0039028	**Status**	:
Taxpayer/Business	:		
Name & Address	: GUJRANWALA ELECTRIC POWER COMPANY LIMITED , 565-A,MODEL TOWN		
		Tax Amount	: 550,000,000

Amount of Tax in Words : Five Hundred Fifty Million Rupees And No Paisas Only

Payment Mode	Amount	Date	AC / Ref No	Bank & Branch
ADC (e-payment)	550,000,000	31-Dec-2025		

IT-20251231-0101-2033984

FBR ADC 0101

Signature & Stamp of Manager / Authorized officer

Gujranwala Electric Power Company GEPCO

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INCOME TAX DEPARTMENT

COMPUTERIZED PAYMENT RECEIPT (CPR - IT)

SBP Banking Services Corporation **Alternative Delivery Channel - ADC (0101) : ISLAMABAD**

CPR No : **IT-20250926-0101-1694228**

Payment Date : 26-Sep-2025

Payment Section : 147 - Advance Income Tax - 9202

RTO/LTO : LTO LAHORE

Nature of Payment : Advance Income Tax

Tax Period : 2026

Account Head(NAM) : B01131

Details of Tax Payer

NTN / CNIC : 2972920-3 / 0039028

Status :

Taxpayer/Business : GUJRANWALA ELECTRIC POWER CO. LTD

Name & Address : GUJRANWALA ELECTRIC POWER COMPANY LIMITED , 565-A,MODEL TOWN

Tax Amount : 400,000,000

Amount of Tax in Words : Four Hundred Million Rupees And No Paisas Only

Payment Mode	Amount	Date	AC / Ref No	Bank & Branch
ADC (e-payment)	400,000,000	26-Sep-2025		

IT-20250926-0101-1694228

FBR ADC 0101

Signature & Stamp of Manager / Authorized officer

Gujranwala Electric Power Company GEPCO

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INCOME TAX DEPARTMENT

COMPUTERIZED PAYMENT RECEIPT (CPR - IT)

SBP Banking Services Corporation — **Alternative Delivery Channel - ADC (0101) : ISLAMABAD**

CPR No	**: IT-20251226-0101-1831125**	**Payment Date**	: 26-Dec-2025
Payment Section	: 147 - Advance Income Tax - 9202	**RTO/LTO**	: LTO LAHORE
Nature of Payment	: Advance Income Tax	**Tax Period**	: 2026
Account Head(NAM)	: B01131		

Details of Tax Payer

NTN / CNIC	: 2972920-3 / 0039028	**Status**	:
Taxpayer/Business	: GUJRANWALA ELECTRIC POWER CO. LTD		
Name & Address	: GUJRANWALA ELECTRIC POWER COMPANY LIMITED , 565-A,MODEL TOWN		
		Tax Amount	: 750,000,000

Amount of Tax in Words : Seven Hundred Fifty Million Rupees And No Paisas Only

Payment Mode	Amount	Date	AC / Ref No	Bank & Branch
ADC (e-payment)	750,000,000	26-Dec-2025		

IT-20251226-0101-1831125

FBR ADC 0101

Signature & Stamp of Manager / Authorized officer

Gujranwala Electric Power Company GEPCO

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INCOME TAX DEPARTMENT

COMPUTERIZED PAYMENT RECEIPT (CPR - IT)

SBP Banking Services Corporation **Alternative Delivery Channel - ADC (0101) : ISLAMABAD**

CPR No	: **IT-20260330-0101-1611251**	**Payment Date**	: 30-Mar-2026
Payment Section	: 147 - Advance Income Tax - 9202	**RTO/LTO**	: LTO LAHORE
Nature of Payment	: Advance Income Tax	**Tax Period**	: 2026
Account Head(NAM)	: B01131		

Details of Tax Payer

NTN / CNIC	: 2972920-3 / 0039028	**Status**	:
Taxpayer/Business	:		
Name & Address	: GUJRANWALA ELECTRIC POWER COMPANY LIMITED , 565-A,MODEL TOWN		
		Tax Amount	: 700,000,000

Amount of Tax in Words : Seven Hundred Million Rupees And No Paisas Only

Payment Mode	Amount	Date	AC / Ref No	Bank & Branch
ADC (e-payment)	700,000,000	30-Mar-2026		

IT-20260330-0101-1611251

FBR ADC 0101

Signature & Stamp of Manager / Authorized officer

Gujranwala Electric Power Company Ltd. GEPCO

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INCOME TAX DEPARTMENT

COMPUTERIZED PAYMENT RECEIPT (CPR - IT)

SBP Banking Services Corporation **Alternative Delivery Channel - ADC (0101) : ISLAMABAD**

CPR No : **IT-20260331-0101-1662586**

Payment Date : 31-Mar-2026

Payment Section : 147 - Advance Income Tax - 9202

RTO/LTO : LTO LAHORE

Nature of Payment : Advance Income Tax

Tax Period : 2026

Account Head(NAM) : B01131

Details of Tax Payer

NTN / CNIC : 2972920-3 / 0039028

Status :

Taxpayer/Business :

Name & Address : GUJRANWALA ELECTRIC POWER COMPANY LIMITED , 565-A,MODEL TOWN

Tax Amount : 340,000,000

Amount of Tax in Words : Three Hundred Forty Million Rupees And No Paisas Only

Payment Mode	Amount	Date	AC / Ref No	Bank & Branch
ADC (e-payment)	340,000,000	31-Mar-2026		

IT-20260331-0101-1662586

FBR ADC 0101

Signature & Stamp of Manager / Authorized officer

Gujranwala Electric Power Company GEPCO

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INCOME TAX DEPARTMENT

COMPUTERIZED PAYMENT RECEIPT (CPR - IT)

SBP Banking Services Corporation **Alternative Delivery Channel - ADC (0101) : ISLAMABAD**

CPR No	**: IT-20260629-0101-1998521**	**Payment Date**	: 29-Jun-2026
Payment Section	: 147 - Advance Income Tax - 9202	**RTO/LTO**	: LTO LAHORE
Nature of Payment	: Advance Income Tax	**Tax Period**	: 2026
Account Head(NAM)	: B01131		

Details of Tax Payer

NTN / CNIC	: 2972920-3 / 0039028	**Status**	:
Taxpayer/Business	:		
Name & Address	: GUJRANWALA ELECTRIC POWER COMPANY LIMITED , 565-A,MODEL TOWN		
		Tax Amount	: 1,000,000,000

Amount of Tax in Words : One Billion Rupees And No Paisas Only

Payment Mode	Amount	Date	AC / Ref No	Bank & Branch
ADC (e-payment)	1,000,000,000	29-Jun-2026		

IT-20260629-0101-1998521

FBR ADC 0101

Signature & Stamp of Manager / Authorized officer

Gujranwala Electric Power Company Ltd. GEPCO

INCOME TAX DEPARTMENT

COMPUTERIZED PAYMENT RECEIPT (CPR - IT)

SBP Banking Services Corporation **Alternative Delivery Channel - ADC (0101) : ISLAMABAD**

CPR No	: IT-20260623-0101-1771683	**Payment Date**	: 23-Jun-2026
Payment Section	: 147 - Advance Income Tax - 9202	**RTO/LTO**	: LTO LAHORE
Nature of Payment	: Advance Income Tax	**Tax Period**	: 2026
Account Head(NAM)	: B01131		

Details of Tax Payer

NTN / CNIC	: 2972920-3 / 0039028	**Status**	:
Taxpayer/Business	: GUJRANWALA ELECTRIC POWER CO. LTD		
Name & Address	: GUJRANWALA ELECTRIC POWER COMPANY LIMITED , 565-A,MODEL TOWN		
		Tax Amount	: 1,000,000,000

Amount of Tax in Words : One Billion Rupees And No Paisas Only

Payment Mode	Amount	Date	AC / Ref No	Bank & Branch
ADC (e-payment)	1,000,000,000	23-Jun-2026		

IT-20260623-0101-1771683

FBR ADC 0101

Signature & Stamp of Manager / Authorized officer

Gujranwala Electric Power Company Ltd. GEPCO

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INCOME TAX DEPARTMENT

COMPUTERIZED PAYMENT RECEIPT (CPR - IT)

SBP Banking Services Corporation **Alternative Delivery Channel - ADC (0101) : ISLAMABAD**

CPR No : **IT-20250923-0101-1564025**

Payment Section : 147 - Advance Income Tax - 9202
Nature of Payment : Advance Income Tax
Account Head(NAM) : B01131

Payment Date : 23-Sep-2025
RTO/LTO : LTO LAHORE
Tax Period : 2026

Details of Tax Payer

NTN / CNIC : 2972920-3 / 0039028
Status :
Taxpayer/Business : GUJRANWALA ELECTRIC POWER CO. LTD
Name & Address : GUJRANWALA ELECTRIC POWER COMPANY LIMITED , 565-A,MODEL TOWN

Tax Amount : 1,100,000,000

Amount of Tax in Words : One Billion One Hundred Million Rupees And No Paisas Only

Payment Mode	Amount	Date	AC / Ref No	Bank & Branch
ADC (e-payment)	1,100,000,000	23-Sep-2025		

IT-20250923-0101-1564025

FBR ADC 0101

Signature & Stamp of Manager / Authorized officer

Gujranwala Electric Power Company Ltd
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Annex- B. 7 Claim for Sales Tax arising from ADRC Decisions

"TDS Decision"

ALTERNATIVE DISPUTE RESOLUTION COMMITTEE
DECISION IN THE CASE OF
GUJRANWALA ELECTRIC POWER COMPANY LIMITED (NTN: 2972920)
AGAINST ORDER-IN-ORIGINAL NO. 73/ST/2012 DATED 21.12.2012 PASSED UNDER SECTION 11(2) OF THE SALES TAX ACT, 1990
TAX PERIODS: JULY-2009 TO JUNE-2011

Federal Board of Revenue (the "Board"), vide Order C.No. 4(57)/ADRC/SEC(ST-OPS)/2024/31446-R dated 16.03.2026, constituted an Alternative Dispute Resolution Committee (the "Committee"), in terms of section 134A of the Income Tax Ordinance, 2001 (the "Act") as inserted by the Tax Laws (Amendment) Act, 2026 read with Section 47A of the Sales Tax Act, 1990, for the resolution of the Sales tax dispute of M/s Gujranwala Electric Power Company Limited (the "taxpayer"), a State-Owned Enterprise (SOE) bearing NTN: 2972920 in respect of the Assessment Order passed under section 11(2) read with section 36(1) of the Sales Tax Act, 1990 for Tax Periods July-2009 to June-2011.

The Members of the Committee, appointed by the Board, vide above said order are:

S. No.	Name	Designation
1.	Mr. Justice (R) Shahid Mubeen	Chairperson
2.	Mr. Zafar Iqbal Khan Chief Commissioner-IR, Large Taxpayers Office, Islamabad	Member
3.	Mr. Zeeshan Ijaz, C.A.	Member

2. The Board, vide the above Order, directed the Committee to examine the application of the Taxpayer for tax periods July-2009 to June-2011 and decide the tax dispute involved therein under section 134A of the Income Tax Ordinance, 2001 read with section 47A of the Sales Tax Act, 1990; for which the provisions of section 134A of the Income Tax Ordinance, 2001 (the "Ordinance") and rules made thereunder relating to alternative dispute resolution shall, mutatis mutandis, apply to applications for alternative dispute resolution under the Sales Tax Act, 1990.

3. As per section 134A of the Ordinance, the Committee shall decide the dispute within ninety (90) days of its appointment for the reasons to be recorded in writing. The Committee was appointed on 16.03.2026, and therefore, the limitation of 90 days will expire on 13th June, 2026.

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4. The date & venue of conducting proceedings (i.e., Conference Room, 2nd Floor, LTO Lahore) by the Committee were communicated to the Taxpayer. Hearings were held on 21st May, 2026 and 04th June, 2026. The arguments before the Committee were advanced by the following representatives:

S. No.	Represented on Behalf of	Name & designation of Representative(s)
1.	Taxpayer	1. Malik Asif Rafiq Rajwana, Advocate. 2. Mr. Iyaz Ahmed, CFO, GEPCO 3. Mr. Usman Ali, Deputy Manager, GEPCO 4. Barrister Muhammad Hasnat Khan, Advocate. 5. Ahmad Hasnain, Advocate 6. Barrister Shahnawaz Abid Bodla, Advocate.
2.	Department	1. The Commissioner Inland Revenue, Zone IV, LTO Lahore. 2. The Additional Commissioner Inland Revenue, Range-01, Zone IV, LTO Lahore. 3. The Deputy Commissioner Inland Revenue, Unit-01, Range-01, Zone IV, LTO Lahore. 4. Mr. Ghias Ahmed Khilji, Sr. Auditor, Unit-01, Range-01, Zone-IV, LTO Lahore.

5. During the meetings held on 21st May, 2026 and 04th June, 2026, the learned Representatives of the Taxpayer apprised the Committee regarding the issue involved, which is summarized as below:

> "The Taxpayer is a State-Owned Enterprise (SOE), being a public non-listed company, 100% of whose shares are owned by the Government of Pakistan through the President of Pakistan, registered as a sales tax registered person bearing Sales Tax Registration No. 25-00-2716-002-82. The tax dispute brought before the Committee originates from the Sales Tax Order-in-Original No. 73/ST/2012 dated 21-12-2012 (Case No. ST/GEPCO/Audit-01/GRW) for the tax periods July 2009 to June 2011, wherein a demand of Rs. 5,693,551,177/-

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was created on the issue of non-charging of sales tax on the difference between the value of supply declared in the audited accounts and the value of supply declared in the sales tax returns, which difference essentially represents the Tariff Differential Subsidy (TDS) received by the Taxpayer from the Federal Government. The Taxpayer assailed the order before the Commissioner Inland Revenue (Appeals) which upheld the assessment order in favor of the department, the Appellate Tribunal Inland Revenue which decided the appeal in favor of the taxpayer, the Hon'ble Lahore High Court which decided the Sales Tax Reference in favor of the department, and during the pendency of the subject matter before the Hon'ble Supreme Court of Pakistan in CPLA No. 2969-L/2022, it was referred to the ADRC after promulgation of the Tax Laws (Amendment) Act, 2026. By the consent of both parties, and as referred by the Board, the present proceedings are confined to the issue of non-charging of sales tax on the Tariff Differential Subsidy (TDS) and the consequential apportionment of input tax. The summary of the issue is reproduced hereunder:"

Sr No.	Disputed Order before ADRC	Tax Period	Issue Before the ADRC	Sales Tax Liability (Principal Amount)
1	CPLA No. 2969-L/2022 read with ONO 73/ST/2012	July 2009 to June 2011	Non-charging of sales tax on the Tariff Differential Subsidy (TDS)	Rs. 5,693,551,177

6. The learned AR for the taxpayer and the learned DR submitted their written arguments along with supporting documents, which are reproduced as under:

7. The assessing officer, through the Order-in-Original No. 73/ST/2012 dated 21-12-2012, raised a sales tax demand of Rs. 5,693,551,177/- by alleging suppression of taxable supplies, having cross-matched the value of supply declared in the audited accounts with the value of supply declared in the sales tax returns for the tax periods July 2009 to June 2010 and July 2010 to June 2011. The assessing officer recorded that the difference between the two represents the Tariff Differential Subsidy (TDS) received by the Taxpayer from the Government of Pakistan, and held that such subsidy forms part of the value of supply in terms of section 3 of the STA, 1990 read with Rule 13(2)(b) of the Sales Tax Special Procedure Rules, 2007, and is therefore chargeable to sales tax. The amount confirmed under the order worked out to Rs. 5,693,551,177 together with default surcharge under Section 34 and penalty of Rs. 284,677,559 under Section

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33(5) of the STA, 1990. The detail of the demand created under the assessment order is reproduced hereunder:

Tax Year	Value of Supplies per Audited Accounts	Value of Supply per Sales Tax Returns	Rate	Sales Tax Payable (Rs.)
2009-10	57,507,068,351	37,212,114,839	16%	3,247,192,562
2010-11	59,976,214,457	45,585,869,661	17%	2,446,358,615
Total	**117,483,282,808**	**82,797,984,500**	-	**5,693,551,177**

8. Both parties made submissions on the issue before the Committee, which are reproduced as under. The learned A.R. stated the following in the Taxpayer's defense:

Without prejudice to the other grounds taken in the appeal/application,

a) That the grounds already taken in the proceedings at the earlier forums may also be considered as integral part/propositions of the instant case/matter.

b) That subsidy under section 2(46)(i) of the Sales Tax Act, 1990 is not taxable, with retrospective effect, as per the Explanation thereto, which clarifies that the value of supply does not include the amount of subsidy provided by the Federal Government or Provincial Governments to the electricity consumers and has never been chargeable to tax under the Sales Tax Act, 1990. The relevant part of Section 2(46)(i) is reproduced below:

"2 (46) "value of supply" means:-- ... (a) in respect of a taxable supply, the consideration in money including all Federal and Provincial duties and taxes, if any, which the supplier receives from the recipient for that supply but excluding the amount of tax: ... (i) in case of supply of electric power and gas by a distribution company, the total amount billed including price of electricity and natural gas, as the case may be, charges, rents, commissions and all duties and taxes local, provincial and federal but excluding the amount of late payment surcharge and the amount of sales tax.

Explanation.- It is clarified that the value of supply does not include the amount of subsidy provided by the federal government or provincial governments to the electricity [or natural gas including re-gasified liquefied natural gas] consumers and has never been chargeable to tax under the Act;"

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c) That the amendment of the Explanation inserted in Section 2(46)(i) of the Sales Tax Act, 1990 through the Finance Act, 2022 is clearly applied retrospectively and is also curative and remedial legislation, as it redresses an existing grievance and is a beneficial amendment to the Taxpayer, and should be interpreted retrospectively, its benefit being extended to the Taxpayer. The Taxpayer does not bill the subsidy amount to the consumer, nor does the consumer bear any liability in respect thereof; once the statute itself excludes the subsidy from the value of supply, the Department cannot reintroduce the same amount through the backdoor.

d) That the Tariff Differential Subsidy is statutorily excluded from the value of supply and the supply of electricity remains a single, indivisible taxable supply. The provisions of section 8(2) of the STA, 1990 and Rules 24 & 25 of the Sales Tax Rules, 2006 are attracted only where a registered person simultaneously makes taxable and exempt supplies. Since the Taxpayer makes no exempt supply, and the statutory precondition of dealing in taxable and non-taxable supplies is absent, no apportionment or disallowance of input tax attributable to the subsidy is warranted. A statutory exclusion from the value of supply cannot be converted into an apportionment trigger by administrative re-characterization.

Further, during the hearing, the taxpayer presented following comments on the issue involved:

a. NEPRA determines electricity tariff for all types of categories of electricity consumers.

b. Government of Pakistan (GOP) also determine tariffs for all types of categories of electricity consumers, where tariff is reduced for only those Residential Consumers, who are using 300 or below units during a month.

c. The difference between NEPRA Tariff and GOP tariff is called "Tariff Differential Subsidy", which is paid by the Government of Pakistan.

d. It can be explained from the following example;

Units Consumed	NEPRA Tariff / Unit	GOP Tariff / Unit	Subsidy / Unit
From 0 to 100	Rs. 10	Rs. 06	Rs. 04
From 101 to 200	Rs. 15	Rs. 12	Rs. 03
From 201 to 300	Rs. 20	Rs. 18	Rs. 02
From 300 to 500	Rs. 25	Rs. 25	-
From 500 to 700	Rs. 30	Rs. 30	-
Above 700	Rs. 35	Rs. 35	-

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e. Let's Assume that a Residential Consumer has used 200 units during January 2026, he will be charged electricity charges of Rs. 1,800/- [(100x6) + (100x12)] as per the Government of Pakistan tariff and Sales Tax @ 18% will be charged on value of Supply of 200 units which is Rs. 324/-. Consumer will make payment of Rs. 2,124/- (1,800+324).

f. The Government of Pakistan will make payment to GEPCO as subsidy for the difference of NEPRA and GOP Tariff applied on 200 units used by the consumer i.e. Rs. 700 [(100x4) + (100x3)].

g. The Section 2(46)(i) of Sales Tax Act, 1990 clearly states in explanation that *"the value of supply does not include the amount of subsidy provided by the federal government or provincial governments to the electricity or natural gas including re-gasified liquefied natural gas consumers and has never been chargeable to tax under the Act."*

h. That means that for 200 units used by the consumer, the value of taxable supply for the purpose of chargeability of Sales Tax is Rs. 1,800/- excluding the amount of subsidy.

i. That also means that 200 units are taxable supply on which Sales Tax has been charged as per GOP Tariff and Section 2(46)(i) of Sales Tax Act, 1990.

j. Hence, all the electricity units supplied to different consumers are taxable supplies, on which GST has been charged (except supplies to AJK) and no supply is either non-taxable supply or exempt supply.

k. Hence, the department contention that subsidy is non taxable supply u/s 8(2) of Sales Tax Act, 1990 is not correct and appointment of expenses u/r 25 of the Sales Tax Rules, 2006 is also not correct. Neither the Supply of 200 units in above example is Non taxable nor it is exempt, it is a taxable Supply.

l. It is necessary to mention here that department has never raised question related to apportionment of expenses in Show Cause Notice, Order in Original, Before Commissioner Inland Revenue (Appeals), Before Appellate Tribunal Inland Revenue, Before Hon'ble Lahore High Court, Lahore or before Hon'ble Supreme Court of Pakistan. Now, in ADRC after 16 years, a new question of law can't be raised legally.

9. The learned D.R. presented the following comments during the hearing:

Tariff Differential Subsidy (TDS)

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(i) The real controversy: not output tax on subsidy, but apportionment of input tax

a. The taxpayer's grounds proceed on a misdirection. The department does not seek to charge output sales tax on the amount of TDS. It is conceded that, by virtue of the Explanation inserted in Section 2(46)(i) of the Sales Tax Act, 1990 ("the STA") through the Finance Act, 2022, the amount of subsidy provided by the Federal Government to electricity consumers does not form part of the value of supply and "has never been chargeable to tax under the Act." The actual controversy is the statutory corollary of that very relief: the apportionment and disallowance of the input tax attributable to the non-chargeable-to-tax portion of the consideration, in terms of Sections 7(1) and 8(2) of the STA read with Rules 24 and 25 of the Sales Tax Rules, 2006. Accordingly, the learned DR pressed for the disallowance of the proportionate input tax attributable to the TDS amounting to Rs. 4,031,559,757.

b. The same Explanation upon which the taxpayer founds its relief carries, within itself, the language of disallowance. The legislature did not merely "exclude" the subsidy from the value of supply; it declared, in express terms, that the subsidy *"has never been chargeable to tax under the Act."* The legislature has thereby created a deliberate bifurcation of the consideration for a single supply of electricity into a chargeable component (the amount billed to and borne by the consumer) and a non-chargeable component (the TDS borne by the Federal Government). The expression "non-chargeable" dovetails precisely with the expression "non-taxable supplies" employed by the legislature in Section 8(2) of the STA, which mandates apportionment of input tax where a registered person deals in taxable and non-taxable supplies.

(ii) "Non-taxable" is not "exempt" — the taxpayer's equation is impermissible intendment

c. The taxpayer contends that all units supplied are taxable supplies, that no supply is non-taxable or exempt, and that therefore Section 8(2) and Rule 25 are not attracted. The contention is misconceived. Section 13 of the STA strictly confines "exempt supplies" to those specified in the Sixth Schedule. Had the legislature intended the apportionment under Section 8(2) to operate only qua exempt supplies, it would have said so; instead it consciously used the wider expression "non-taxable supplies." Reading the word "exempt" into the words "non-taxable" is not interpretation but intendment into the

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plain provisions of a fiscal statute, which, on the strength of the dicta of the Hon'ble Supreme Court in *PLD 1962 SC 130*, cannot be presumed against the revenue. Equally, where a special relief — in essence an exemption from charging sales tax on the TDS — is granted in the fiscal statute, the superior courts have consistently held that such relieving provisions are to be construed strictly and any ambiguity resolved in favour of the revenue.

d. The apportionment urged by the department is not premised on re-characterising the units supplied to lifeline or protected consumers as "exempt supplies." It flows from the legislature's own artificial construct, which has rendered one part of the consideration for the supply chargeable to tax and the other part non-chargeable. The basic scheme of the STA, embodied in Section 7(1), is that the deduction of input tax is allowed only "for the purpose of taxable supplies made," i.e., only against outputs which are charged to output tax. Input tax credit is the privilege of a registered person who charges his supplies to output tax; where a statutorily non-chargeable component exists in the consideration, the input tax attributable to that component fails the nexus test and stands disallowed by the combined operation of Sections 7(1) and 8(2) read with Rules 24 and 25.

(iii) The taxpayer's own precedent under the Income Tax Ordinance concludes the point

e. The taxpayer's submission that "it is unimaginable that a supply may be taxable as well as non-taxable at the same time" stands conclusively answered — by the taxpayer's own litigation. On the identical issue of TDS under the Income Tax Ordinance, 2001, the question before the superior courts was whether TDS, though not part of taxable income by virtue of Clause 102A of Part I of the Second Schedule, nevertheless forms part of "turnover" for the purposes of minimum tax under Section 113. The Hon'ble Lahore High Court answered the question in the affirmative in *ITR No. 73049 of 2022 titled "CIR vs. M/s Gujranwala Electric Power Company"* — the present taxpayer itself — and the judgment attained finality upon dismissal by the Hon'ble Supreme Court of Pakistan of CPLA Nos. 513 to 522 of 2024 vide order dated 06-12-2024. The superior courts have thus authoritatively held, in the taxpayer's own case, that a single receipt or transaction can simultaneously be non-taxable under one provision and reckonable to tax under another, where the Government's intervention confers a special status upon

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it. The taxpayer cannot be heard to describe as "unimaginable" a legal position which has been affirmed against it up to the Supreme Court.

(iv) Economic substance: re-claiming input tax already reimbursed through TDS is a double deduction

f. Under the Multi-Year-Tariff (MYT) regime, NEPRA determines the revenue requirement of the DISCOs treating the cost of electricity purchased — inclusive of sales tax — as a pass-through item. For supplies to lifeline and protected domestic consumers, the DISCOs, on the directions of the Federal Government, sell electricity at rates far below the NEPRA-determined supply tariff; the output tax charged on such consumers therefore always remains lower than the attributable input tax paid on purchases from CPPA-G. That differential cost — including the embedded cost of input tax — is reimbursed to the DISCO by the Federal Government through the TDS itself. Once the cost of input tax has been made good to the taxpayer by the Federal Government in the shape of TDS, the re-claiming of the same proportionate input tax from the tax authorities is a double deduction resulting in a direct loss of revenue to the Federal Government.

(v) Settled administrative position and consistent ADRC precedent

g. The issue of sales tax vis-à-vis TDS stands resolved at the highest administrative forum. In a meeting chaired by the then SAPM, with the participation of the Ministry of Finance, the Power Division, the FBR and the Power Planning & Monitoring Company (PPMC), a legal position was endorsed that any liability/refund relatable to TDS is subject to mandatory adjustment of the proportionate inadmissible input tax in terms of Rule 24 of the Sales Tax Rules, 2006. This settlement was circulated by the Revenue Division vide letter F.No. 1(311)-STM/2016 dated 13-03-2023 to the PPMC and the Ministry of Finance, and refunds to DISCOs have been processed on that very basis. The taxpayer, a wholly-owned SOE under the administrative control of the same Federal Government, cannot accept the benefits flowing from that framework and simultaneously resile from its corollary.

h. Further, the position taken by the department is supported by an unbroken line of ADRC precedent in the matters of the DISCOs: the ADRC decisions dated 13-12-2024, 13-05-2026 and 08-06-2026 (IESCO) have each disallowed the input tax attributable to the

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amounts of TDS, the last of these laying down the precise computational methodology (paras 35–37): the proportionate input tax attributable to TDS is computed by the formula *Input tax attributable to TDS = TDS amount / (TDS amount + total value of supply) × total claimed input tax*, after allowing credit of any input tax already disallowed under the AJK issue, so that no double disallowance occurs. The department prays that the identical methodology be applied to the taxpayer's figures for July, 2009 to June, 2011 upon verification of the record.

(vi) Rebuttal of the limitation objection: "apportionment was never raised in 16 years"

The taxpayer's objection that the question of apportionment of input tax was never raised in the show cause notice, the order-in-original, or before the appellate fora and therefore cannot now be raised in the ADRC, is misconceived for the following reasons:

(a) The ADRC constituted under Section 47A of the STA read with Section 134A of the ITO, 2001 is not a fourth tier of appeal confined to the pleadings of the show cause notice. It is a consensual, quasi-administrative settlement forum augmented with a non-obstante clause and vested with inherent powers to modify the original orders in order to make a just and fair settlement of the dispute in its totality [Section 134A(1), (5) and (10)].

(b) The apportionment of input tax is not a fresh levy or a new demand; it is the inseparable statutory corollary of the very relief the taxpayer invokes. The Explanation to Section 2(46)(i) was itself inserted through the Finance Act, 2022 — years after the show cause notice and the appellate rounds in the taxpayer's case — with retrospective declaratory effect ("has never been chargeable"). If the taxpayer is entitled to invoke that subsequently-inserted relief retrospectively for the tax periods 2008–09, then by the same token the retrospective declaration of non-chargeability triggers, for the same periods, the apportionment consequence under Sections 7(1) and 8(2). The relief and its corollary travel together; the taxpayer cannot claim the one and exclude the other.

(c) A party before an ADRC cannot *approbate and reprobate* — it cannot seek relief from output tax on the footing that the TDS is a non-chargeable component of the consideration, and in the same breath deny that any non-chargeable component exists when the question of input tax attribution arises.

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(d) In any event, the necessary-corollary principle has been applied by this forum in materially identical circumstances: "The necessary corollary of the relief granted to the taxpayer from the liability of output (sales) tax on Federal Government payments shall be to disallow the input tax credit which is only available to the registered persons who charge their supplies to the output tax".

AWARD

10. Having considered the submissions advanced by both parties and having examined the particulars and the record to the extent necessary, the Committee has resolved the present matter under Section 134A(5) of the ITO, 2001 read with Section 47A of the STA, 1990 in the following terms:

11. On the question of the levy of output sales tax on the Tariff Differential Subsidy (TDS), we hold that the amount of subsidy provided by the Federal Government to the electricity consumers does not form part of the value of supply and has never been chargeable to tax, by virtue of the Explanation to section 2(46)(i) of the STA, 1990 inserted through the Finance Act, 2022, which is clarificatory in nature and operates retrospectively. The Taxpayer does not bill the subsidy amount to the consumer, and the consumer bears no liability in respect thereof. Accordingly, we find no provision of law to sustain the output sales tax demand raised in the Order-in-Original No. 73/ST/2012 on the value of the TDS, and the said output tax demand stands deleted.

12. At the same time, the very Explanation to section 2(46)(i) does not merely exclude the subsidy from the value of supply, but expressly provides that the said amount of subsidy "has never been chargeable to tax under the Act". By the operation of sections 7(1) and 8(2) of the STA, 1990 read with the relevant rules made thereunder, input tax is admissible only to the extent it is attributable to taxable supplies on which output tax is charged. The specific use of the words "non-chargeable" in section 8(2), as also in the Explanation to section 2(46)(i), makes a case for the apportionment and disallowance of the input tax attributable to the non-chargeable to tax portion of the value of supply, i.e., the TDS. The necessary corollary of relieving the Taxpayer of output (sales) tax on the TDS is the disallowance of the corresponding proportionate input tax credit, which is otherwise available only to a registered person who subjects its supplies to the output tax.

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13. We further find that, under the Multi-Year-Tariff regime determined by NEPRA, the cost of input tax incurred by the Taxpayer on the purchase of electricity from CPPA-G, to the extent attributable to the protected and lifeline consumers, is reimbursed by the Federal Government in the form of TDS. Once the cost of such input tax stands reimbursed to the Taxpayer by the Federal Government, re-claiming the same input tax from the tax authorities would amount to a double-deduction and a loss of revenue to the Federal exchequer. The Taxpayer being a wholly owned SOE of the Federal Government, and the Federal Government being the interested party on both sides of the ledger, it would not be just and fair to allow the re-claiming of the proportionate input tax which the Taxpayer has, in effect, already received from the Federal Government.

14. By striking a fine balance between the two opposing positions in a reconciliatory manner which is the central object of the alternate dispute resolution mechanism, the Committee decides with consensus that the taxpayer shall not be burdened with output sales tax on the value of the TDS; however, on the issue of disallowance of proportionate Input Tax attributable to the value of TDS, the Committee by a majority decision of two-to-one (2:1), Dissenting Note of our esteemed colleague Mr. Zeeshan Ijaz appended hereto, has decided to disallow the proportionate input tax attributable to the TDS (the non-chargeable to tax portion of the value of supply) in terms of section 8(2) of the STA, 1990 read with Rules 24 and 25 of the Sales Tax Rules, 2006 to the taxpayer.

15. As far as the determination of the inadmissible input tax is concerned, the proportionate input tax attributable to the TDS has been worked out on a month-wise basis by apportioning the input tax of each tax period in the ratio that the value of the TDS (non-taxable supplies) bears to the gross value of supplies (taxable supplies plus subsidy) of that period, i.e., Inadmissible Input Tax = Input Tax × [Value of Subsidy ÷ (Value of Taxable Supplies + Value of Subsidy)]. On the basis of the foregoing, the inadmissible input tax attributable to the TDS is computed at **Rs. 4,031,559,757**. The previous orders on this issue shall accordingly stand **modified** by our majority decision of two-to-one, subject to payment of the said tax liability within the period fixed at the close of this decision, by operation of Section 134A(10) read with Section 47A of the STA, 1990. The summary of the computation is set out below:

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Tax Year	Total Input Tax (per returns)	Value of Taxable Supplies	Value of Subsidy (TDS) – Non-taxable	Gross Value of Supplies (Taxable + Subsidy)	Inadmissible Input Tax (apportioned to TDS)
2009-10	6,259,743,915	36,730,509,936	17,432,538,211	54,163,048,147	2,014,717,205
2010-11	8,187,768,368	44,671,401,637	14,599,945,997	59,271,347,634	2,016,842,552
Total	14,447,512,283	81,401,911,573	32,032,484,208	113,434,395,781	4,031,559,757

The detailed month-wise computation is set out in the tables below:

Month-wise computation – Tax Periods July 2009 to June 2010:

Tax Period	Input Tax (Rs.)	Value of Taxable Supplies (Rs.)	Value of Subsidy / TDS (apportioned as per ratio of monthly supplies) (Rs.)	Gross Value of Supplies (Rs.)	Inadmissible Input Tax (Rs.)
Jul-09	432,842,860	2,960,551,819	1,405,097,092	4,365,648,911	139,311,762
Aug-09	454,326,657	3,365,806,731	1,597,433,702	4,963,240,433	146,226,386
Sep-09	539,739,878	3,721,127,175	1,766,071,089	5,487,198,264	173,716,886
Oct-09	411,959,857	3,174,217,169	1,506,504,053	4,680,721,222	132,590,506
Nov-09	378,130,878	2,387,126,188	1,132,945,569	3,520,071,757	121,702,548
Dec-09	459,725,132	2,583,152,369	1,225,980,866	3,809,133,235	147,963,902
Jan-10	514,569,487	2,045,430,041	970,774,362	3,016,204,403	165,615,721
Feb-10	485,267,554	2,435,461,244	1,155,885,700	3,591,346,944	156,184,806
Mar-10	515,115,045	2,615,521,144	1,241,343,296	3,856,864,440	165,791,310
Apr-10	589,829,429	2,877,814,319	1,365,829,338	4,243,643,657	189,838,357
May-10	693,851,197	3,846,781,555	1,825,707,472	5,672,489,027	223,318,072
Jun-10	784,385,941	4,717,520,182	2,238,965,671	6,956,485,853	252,456,949
Total	6,259,743,915	36,730,509,936	17,432,538,211	54,163,048,147	2,014,717,205

Month-wise computation – Tax Periods July 2010 to June 2011:

Tax Period	Input Tax (Rs.)	Value of Taxable Supplies (Rs.)	Value of Subsidy / TDS (Rs.)	Gross Value of Supplies (Rs.)	Inadmissible Input Tax (Rs.)
Jul-10	615,643,569	4,704,358,876	1,537,524,748	6,241,883,624	151,647,688
Aug-10	513,094,118	5,198,929,604	1,699,165,208	6,898,094,812	126,387,314
Sep-10	471,503,553	4,802,385,400	1,569,562,739	6,371,948,139	116,142,566
Oct-10	495,568,495	3,901,223,038	1,275,036,009	5,176,259,047	122,070,335
Nov-10	338,810,620	2,887,484,466	943,716,018	3,831,200,484	83,457,133
Dec-10	494,105,207	2,922,882,012	955,284,991	3,878,167,003	121,709,892
Jan-11	392,910,347	2,525,486,008	825,404,128	3,350,890,136	96,783,186

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Feb-11	430,701,686	2,728,243,346	891,671,272	3,619,914,618	106,092,094
Mar-11	874,511,272	2,910,412,665	951,209,637	3,861,622,302	215,412,975
Apr-11	1,098,847,374	3,178,728,373	1,038,903,211	4,217,631,584	270,672,306
May-11	1,208,074,644	3,526,588,378	1,152,594,232	4,679,182,610	297,577,586
Jun-11	1,253,997,483	5,384,679,471	1,759,873,803	7,144,553,274	308,889,476
Total	**8,187,768,368**	**44,671,401,637**	**14,599,945,997**	**59,271,347,634**	**2,016,842,552**

16. In view of the foregoing, **the sum of the tax liability** determined under this ADRC decision by a majority decision of two-to-one on the issue of non-charging of sales tax on the Tariff Differential Subsidy (TDS) and the consequential apportionment of input tax is summarized as below:

Sr	Disputed Orders before ADRC	Tax Period	Issue Before the ADRC	Tax Liability determined under the ADRC Decision by majority decision of 2:1
1	CPLA No. 2969-L/2022 read with ONO 73/ST/2012	July 2009 to June 2011	Non-charging of sales tax on the TDS and apportionment of input tax	4,031,559,757
Tax Liability Payable / Recoverable				**4,031,559,757**

17. Accordingly, the Committee decides by a majority decision of two-to-one, in terms of Section 134A(5) and 134A(10) of the Income Tax Ordinance, 2001 read with Section 47A of the Sales Tax Act, 1990, that the taxpayer shall pay the tax liability of **Rs. 4,031,559,757/- within three weeks of receipt of this Decision**; and shall produce the evidence of payment of tax to the Commissioner IR, Zone-IV, LTO Lahore.

18. On the issue of the levy of default surcharge and penalty, we hold that the main issue involved in the subject matter is the interpretation of law and that the perusal of the record reveals that the Taxpayer acted in a *bona fide* manner, without any willful default. The Committee deliberated on the payment of the default surcharge and penalty. In order to provide relief to the taxpayer for adopting the ADRC mechanism and to encourage the resolution of the dispute in good faith without litigation, the Committee has decided to waive off the entire amount of the default surcharge under Section 34 and the penalty under Section 33(5). However, in case the taxpayer does not pay the tax liability within the aforementioned date, it is directed that the

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Commissioner IR shall recover the amount of tax liability along with the default surcharge and penalty as per law.

19. Order accordingly.

<u>Dated: 04.06.2026</u>

SHAHID MUBEEN (CHAIRPERSON)
Justice (Rtd.) Lahore High Court

ZAFAR IQBAL KHAN (MEMBER)
Chief Commissioner IR, LTO Islamabad

ZEESHAN IJAZ (MEMBER)
Chartered Accountant
(Dissenting Note separately attached)

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DISSENTING NOTE

I have had the benefit of reading the proposed decision of the learned Chairperson and the learned departmental Member. While I respectfully concur with the finding that the Tariff Differential Subsidy ("TDS") provided by the Federal Government to electricity consumers does not form part of the value of supply and has never been chargeable to sales tax, I am, with utmost respect, unable to agree with the conclusion that proportionate input tax attributable to the subsidy amount is liable to be disallowed under sections 7 and 8 of the Sales Tax Act, 1990 read with Rules 24 and 25 of the Sales Tax Rules, 2006.

My reasons for dissent are set out below.

The dispute which originated through Order-in-Original No. 73/ST/2012 was singular and clearly identifiable. The entire basis of the assessment was that TDS allegedly formed part of the value of taxable supplies and was therefore subject to output sales tax. The demand confirmed by the assessing officer was founded exclusively upon the allegation of non-charging of sales tax on TDS. The record further reveals that no show cause notice was ever issued proposing disallowance of proportionate input tax, no finding regarding apportionment under section 8(2) was recorded in the assessment order, no such issue was adjudicated by the Commissioner (Appeals), no such issue was raised before the Appellate Tribunal Inland Revenue, no such issue formed part of the Reference before the Hon'ble Lahore High Court and no such issue was pending before the Hon'ble Supreme Court in the CPLA arising from the aforesaid proceedings. The controversy throughout the litigation history has remained confined to the question whether TDS constituted part of the value of supply and whether output sales tax was chargeable thereon.

In my considered view, the Committee is empowered to resolve the dispute brought before it; it is not empowered to transform that dispute into a different dispute founded on a separate statutory provision never invoked by the Department during the preceding sixteen years of litigation.

The Department has argued that the Committee possesses sufficiently wide powers to determine the issue of input tax apportionment notwithstanding that such issue was never part of the original proceedings. I am unable to subscribe to this interpretation. Section 134A(5) provides that the Committee shall examine the issue and decide the dispute. The provision authorizes inquiry and investigation for purposes of deciding the dispute referred to it. However, neither the language nor the scheme of the provision authorizes the Committee to assume original assessment jurisdiction and create a fresh liability on a ground never advanced by the Department. The expressions "examine the issue" and "decide the dispute" necessarily presuppose the existence of an issue and a dispute already forming part of the proceedings.

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In my respectful opinion, these expressions cannot be interpreted as conferring jurisdiction to formulate a new charge, introduce a new question of law, raise a new basis of assessment, undertake an original adjudication under another statutory provision or substitute the foundation of the original assessment altogether. The alternate dispute resolution mechanism is intended to facilitate settlement of existing disputes. It is not intended to enlarge the scope of litigation or expose a taxpayer to a fresh liability never contemplated in the original proceedings.

The issue of output tax on TDS and the issue of admissibility of input tax under section 8(2) are legally and factually distinct. A determination regarding apportionment requires examination of entirely different matters including the existence of taxable and non-taxable supplies, applicability of sections 7 and 8, operation of Rules 24 and 25, methodology of allocation, quantification of inadmissible input tax and underlying factual assumptions regarding the taxpayer's business activities.

The taxpayer was never called upon under any statutory notice to respond to these matters. No opportunity contemplated by law was provided in relation to such allegation because no such allegation existed. Therefore, in my humble opinion, a liability of Rs. 4.032 billion cannot be sustained on a basis never put to the taxpayer in the course of assessment proceedings.

Even on merits, I find considerable difficulty in accepting the proposition that exclusion of subsidy from the value of supply automatically results in the existence of non-taxable supplies giving rise to apportionment under section 8(2). The Explanation to section 2(46)(i) merely provides that subsidy paid by the Federal or Provincial Government to electricity consumers does not form part of the value of supply and has never been chargeable to tax. It does not declare that electricity supplied to such consumers becomes a non-taxable supply, exempt supply, or any separate category of supply for purposes of section 8(2). The underlying transaction remains one and the same, the supply of electricity by the distribution company to its consumers. The fact that a portion of the consideration is recovered from the consumer and another portion is reimbursed by the Federal Government through the TDS mechanism does not result in two distinct supplies. At all times there remains only a single supply of electricity.

Section 8(2) becomes relevant where a registered person makes both taxable and non-taxable supplies. In the present case, there are not two supplies. There is only one taxable supply of electricity. The mechanism through which part of the consideration is borne by the Federal Government does not alter the character of the underlying supply. Adoption of the contrary view effectively converts a valuation provision into a classification provision, although the legislature has not employed language capable of producing that result. I would also like to highlight that the original dispute concerned output sales tax on TDS. The issue of disallowance of proportionate input tax under section 8(2) never formed part

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of the show cause notice, assessment order, appellate proceedings, reference proceedings before the High Court, or proceedings before the Supreme Court. Once the Committee reaches the conclusion that TDS is not chargeable to output sales tax, the Committee cannot, in my respectful view, replace the deleted demand with a new liability under another provision which was never invoked by the Department. Such a course amounts not to resolution of the dispute but to creation of a new dispute.

For the foregoing reasons, I concur with the finding that:

(a) the Tariff Differential Subsidy does not form part of the value of supply;

(b) the Explanation to section 2(46)(i) operates in favor of the taxpayer;

(c) no output sales tax is chargeable on TDS; and

(d) the demand raised through Order-in-Original No. 73/ST/2012 on account of output tax on TDS is unsustainable.

However, I respectfully dissent from the finding that proportionate input tax attributable to TDS is disallowable.

Accordingly, I would allow the taxpayer's application in its entirety and delete the demand arising from the impugned assessment order without any consequential disallowance of proportionate input tax.

ZEESHAN IJAZ (MEMBER)
Chartered Accountant

"AJK Decisions"

ALTERNATIVE DISPUTE RESOLUTION COMMITTEE
DECISION IN THE CASE OF
GUJRANWALA ELECTRIC POWER COMPANY LIMITED (NTN: 2972920)
AGAINST ORDER-IN-ORIGINAL NO. 02/2010 DATED 07.09.2010 PASSED UNDER
SECTION 11(2) OF THE SALES TAX ACT, 1990
TAX PERIODS: MAY-2008 TO JUNE-2009

Federal Board of Revenue (the "Board"), vide Order 4(64)/ADRC/SEC(ST-OPS)/2025/31888-R dated 17.03.2026, constituted, an Alternative Dispute Resolution Committee, (the "Committee"), in terms of section 134A of the Income Tax Ordinance, 2001 (the "Act") as inserted by the Tax Laws (Amendment) Act, 2026 read with Section 47A of the Sales Tax Act, 1990, for the resolution of Sales tax dispute of M/s Gujranwala Electric Power Company Limited (the "Taxpayer"), a State-Owned Enterprise (SOE) bearing NTN: 2972920 in respect of Assessment Order passed under section 11(2) of the Sales Tax Act, 1990 for Tax Periods May-2008 to June-2009.

The Members of the Committee, appointed by the Board, vide above said order are:

S. No.	Name	Designation
1.	Mr. Justice (R) Shahid Mubeen	Chairperson
2.	Mr. Zafar Iqbal Khan Chief Commissioner-IR, Large Taxpayers Office, Islamabad	Member
3.	Mr. Zeeshan Ijaz, C.A.	Member

2. The Board vide the above Order, directed the Committee to examine the application of the Taxpayer for tax periods May-2008 to June-2009 and decide the tax dispute involved therein under section 134A of the Income Tax Ordinance, 2001 read with section 47A of the Sales Tax Act, 1990; for which the provisions of section 134A of the Income Tax Ordinance, 2001 (the "Ordinance") and rules made thereunder relating to alternative dispute resolution shall, mutatis mutandis, apply to applications for alternative dispute resolution under the Sales Tax Act, 1990.

3. As per section 134A of the Ordinance, the Committee shall decide the dispute within ninety (90) days of its appointment for the reasons to be recorded in writing. The Committee was appointed on 17.03.2026, and therefore, limitation of 90 days will expire on 14th June, 2026.

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4. Date & Hearing of conducting proceedings (i.e., Conference Room (2nd Floor) of LTO Lahore) by the Committee were communicated to the taxpayer. Hearings were held on 21st May, 2026 and 04th June, 2026. The arguments before the Committee were advanced by the following representatives:

S. No.	Represented on Behalf of	Name & designation of Representative(s)
1.	Taxpayer	1. Malik Asif Rafiq Rajwana, Advocate. 2. Mr. Iyaz Ahmed, CFO, GEPCO 3. Mr. Usman Ali, Deputy Manager, GEPCO 4. Barrister Muhammad Hasnat Khan, Advocate. 5. Ahmad Hasnain, Advocate 6. Barrister Shahnawaz Abid Bodla, Advocate.
2.	Department	1. The Commissioner Inland Revenue, Zone IV, LTO Lahore. 2. The Additional Commissioner Inland Revenue, Range-01, Zone IV, LTO Lahore. 3. The Deputy Commissioner Inland Revenue, Unit-01, Range-01, Zone IV, LTO Lahore. 4. Mr. Ghias Ahmed Khilji, Sr. Auditor, Unit-01, Range-01, Zone-IV, LTO Lahore.

5. During the meeting held on 21st May, 2026 & 04th June, 2026, the learned Representatives of the taxpayer, apprised the Committee regarding the issue involved, which is summarized as below:

"The taxpayer is a state-owned-enterprise (SOE), being a public non-listed company, 100% of whose shares are owned by the Government of Pakistan through the President of Pakistan, registered as a sales tax registered person bearing Sales Tax Registration No. 25-00-2716-002-82. The tax dispute brought before us originates from the Sales Tax Order-in-Original No. 02/2010 dated 07-09-2010 (Case No. ST/Audit/Grw/09/334) for the tax periods May 2008 to June 2009 wherein demand of Rs. 107,810,988/- was created on the issue of non-charging of sales tax on supplies of electricity made to Azad Jammu & Kashmir. The taxpayer filed appeal before the CIR(A) who vide Order No. 46/ST/2010 dated 29.12.2010 upheld the assessment order. The ATIR later vide STA # 80/LB/2011 and STA #

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165/LB/2011 decided the case against the department. Later, the hon'ble Lahore High Court decided the Sales Tax Reference # 159 of 2015 in favor of department by placing reliance on hon'ble Islamabad High Court judgment in IESCO case (2016 PTD 2685). Later, the hon'ble Supreme Court of Pakistan in CPLA # 3095/-L/2022 and CPLA # 2078-L/2022 referred the matter to ADRC after promulgation of Tax Laws (Amendment) Act, 2026. By the consent of both parties, and as referred by the Board, the present proceedings are confined to the issue of non-charging of sales tax on the supply of electricity to the Azad Jammu & Kashmir (AJK). The summary of the issue is reproduced hereunder:

Sr No.	Disputed Order before ADRC	Tax Period	Issue Before the ADRC	Sales Tax Liability (Principal Amount)
1	CPLA No. 3098-L/2022 & CPLA No. 2807-L/2022 read with ONO 02/2010	May 2008 to June 2009	Non-charging of sales tax on the supply of electricity to the AJK (value of supply Rs. 696,324,474)	Rs. 107,810,988

6. The learned AR for the taxpayer and the learned DR submitted their written arguments along with supporting documents which are reproduced as under:

7. The assessing officer, through the Order-in-Original No. 02/2010 dated 07-09-2010, raised a sales tax demand of Rs. 107,810,988/- by alleging that the taxpayer failed to charge sales tax @ 16% on the supply of electricity to the AJK valuing Rs. 696,324,474 during the tax periods May 2008 to June 2009. The assessing officer recorded that, during the audit of the record, it was observed that GEPCO supplied electricity to the consumers of the AJK without charging sales tax, and that no lawful exemption notification under the Sales Tax Act, 1990 was available to the taxpayer in respect of such supply. The amount confirmed under this head in the order, after excluding the late payment surcharge already collected under Rule 13(2)(h) of the Special Procedure Rules, 2007, worked out to Rs. 107,810,988 together with default surcharge under Section 34 and penalty under Section 33(5) of the STA, 1990. The order was assailed in appeal by the taxpayer before the Commissioner Inland Revenue (Appeals) who upheld the assessment order, the Appellate Tribunal Inland Revenue which deleted the demand on the issue of supplies to AJK and the Hon'ble Lahore High Court who upheld the demand created in favor of the department.

8. Both parties made submissions on the issue before the Committee, which are reproduced as under:

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The learned A.R. stated the following in taxpayer's defense:

Without prejudice to the other grounds taken in the appeal/application,

a) That the grounds already taken in the proceedings at the earlier forums may also be considered as integral part/ propositions of the instant case/matter.

b) That the instant appeal is directed against Impugned Judgment dated 12-05-2022 passed by the Honourable Division Bench in STR No. 159 of 2015 as well as the orders passed by the Learned Commissioner Appeals (OIA) dated 29-12-2012 and the Order-in-Original (OIO) dated 07-09-2010 to the extent of issue involved here in this case/matter and that Sales Tax not charged on supply of electricity to Azad Jammu and Kashmir (AJK), are liable to be set aside interalia on the Grounds mentioned therein.

c) That the Learned Tribunal (ATIR) vide a consolidated order dated 07-05-2015 partially allowed the Appeal of the Appellant/taxpayer pertinently to the extent of Zero-Rated Supplies to the AJK Sales Tax by holding that supply of electricity was exempted from sales tax by the virtue of Agreement between two Governments that contain abiding commitment and that parties to the Agreement or Treaty shall not levy sales tax on the supply of electricity to each other. The Learned ATIR has also been pleased to hold that since AJK is not in the territory of Pakistan as per constitution of the Islamic Republic of Pakistan, therefore the levy of GST on electric supply to AJK by the departmental Authorities is illegal.

d) Without prejudice to the above, the Honourable Division Bench has erred at law by straight away relying on judgment titled as "M/s Islamabad Electric Supply Company Limited vs. Deputy Commissioner Inland Revenue, Audit-II, LTU, Islamabad and others." and reported as 2016 PTD 2685 against which leave has been granted by the Hon'ble Supreme Court of Pakistan in CP No. 1050 & 1051 of 2016 vide order dated 04-07-2016 which as per information is still pending.

e) That the Honourable Division Bench was not justified in treating the supplies made to the AJK Government subject to charging of Sales Tax whilst ignoring the fact that Sales Tax cannot be charged on the supply of electricity made to the AJK Government by virtue of Treaty/ Bilateral Agreement.

f) That the Honourable Division Bench has failed to appreciate the fact that the supply of electricity to Government of AJK was made under a valid agreement entered between the Government of Pakistan and Azad Jammu and Kashmir Government for raising Mangla Dam, wherein it had specifically been consented and agreed between both the Governments that no sales tax shall be charged on the (supplies subject matter of the agreement), and Azad Jammu and Kashmir being a foreign territory, the subject supply of electricity was "export" amenable to charge of tax at the rate of zero percent in terms of Section 4 of the Sales Tax Act, 1990. Thus, the view taken by the Honourable Division Bench is misconceived.

g) That the Honourable High Court while passing the impugned Judgement dated 12-05-2022 failed to take into consideration the authoritative judgments given by the august Supreme Court of Pakistan treating the state of Azad Jammu & Kashmir (AJK) as an independent state. The Impugned Judgment has been passed by the learned Division Bench contrary to the Article 189

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of the Constitution of Islamic Republic of Pakistan, 1973 which clearly states that any decision of the august Supreme Court on the question of law or based on principle of law or enunciates a principle of law shall be binding upon all other courts in Pakistan. As stated above, the august Supreme Court of Pakistan and Azad Jammu & Kashmir (AJK) has consistently treated Azad Jammu & Kashmir as a different state from Pakistan. In this regard, reliance is placed on PLD 2005 SC 373, PLD 1966 SC 88 and PLJ 2000 SC (AJK) 219, therefore the impugned Judgement is liable to be set aside on this ground alone.

h) That the Honourable Division Bench while passing the impugned Judgement dated 12-05-2022 has relied upon the ratio of IESCO's Judgment, wherein it has wrongly been held that the supply of electricity made to the State of Azad Jammu & Kashmir (AJK) from Pakistan does not constitute export and thus not taxed at zero rate. However, the learned Division Bench has not taken into consideration that the goods exported from Pakistan are zero rated under Section 4(a) of the Sales Tax Act, 1990. The Article 1 of the Constitution of Islamic Republic of Pakistan, 1973 clearly and unambiguously defines the territories of Pakistan, which includes (i) the province of Baluchistan, the Khyber Pakhtunkhwa, the Punjab, Sindh; (ii) The Islamabad Capital territory; (iii) Federally Administered Tribal Areas; and (iv) such States and Territories as are or may be included in Pakistan whether by accession or otherwise. It is crystal clear from the Article ibid that the state of Azad Jammu & Kashmir (AJK) does not come within the territorial limits of Pakistan. The State of Azad Jammu & Kashmir has its own President, Legislature, Judiciary, which is different/independent from the President, Legislature and Judiciary of Pakistan. It would also be a point of great consideration for this Honourable Court that both the august Supreme Courts of Pakistan and Azad Jammu & Kashmir had already held that Azad Jammu & Kashmir (AJK) is not part of Pakistan. In this regard, reliance is placed on PLD 2005 SUPREME COURT 373; PLD 1966 SUPREME COURT 88 and PLJ 2000 SUPREME COURT (AJK) 219. Rendering the Impugned Judgment per incurrium and in violation of Article 189 of the Constitution of Islamic Republic of Pakistan, 1973. Therefore, any goods supplied from the state of Pakistan to the state of Azad Jammu & Kashmir would come within the ambit of exports and shall be zero rated under Section 4 of the Sales Tax Act, 1990. Therefore, the impugned Order is liable to be set aside on this ground alone.

i) That the Honourable Division Bench had unlawfully assumed that the AJK is part of Pakistan without appreciating the fact that AJK is not a part of Pakistan as provided in the Article 1(2) & Article 257 of the Constitution of Pakistan 1973. Thus, the observations made by the DCIR qua charging of Sales Tax on the supplies made to the AJK Government were/are misconceived.

j) That the Department at the very outset whilst issuing SCN failed to appreciate the fact that the AJK is not a part of Pakistan as provided in the Constitution of Pakistan 1973. Article 257 of the Constitution has categorically mentioned that the AJK is a different State and is not a part of Pakistan.

k) That in order to substantiate the fact that AJK is not a part of Pakistan as provided in Article 1(2) & 257 of the Constitution. The Article 1 defines the territories of Pakistan; State of AJK does not come within the territorial limits of Pakistan. Own President, Legislature, Judiciary. Reliance is placed on PLD 2005 SC 373, PLD 1966 SC 88 and PLD 2000 SC (AJK) 219.

l) That the Honourable Division Bench while passing the impugned judgment dated 12-05-2022 has followed IESCO's Judgment wherein the Honourable Islamabad High Court has correctly

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held that Azad Jammu Kashmir is treated as foreign territory, however, erred by holding "that by no stretch of imagination, the Azad Jammu & Kashmir fall within the definition of sovereign state or country, which is recognized by the comity of nations. Therefore, the supply of goods to Azad Jammu & Kashmir would be charged with sales tax under the Sales Tax Act, 1990". It is significant to point out that the import and export is defined under Imports and Exports (Control) Act, 1950. Section 2(c) of the Act ibid states that "import and export means respectively bringing into and taking out of Pakistan by sea, land or air". While reading section 2(c) of Imports and Exports (Control) Act, 1950 read with section 4(a) of the Sales Tax Act, 1990. It is established that if any goods are supplied outside the territory of Pakistan, the same would be termed as goods exported and would be zero rated under section 4 of the Sales Tax Act, 1990. Therefore, the judgment is liable to be set aside on this ground also.

m) That the Honourable Division Bench while passing the impugned judgment dated 12-05-2022 has overlooked the fact that a treaty has been signed between the two states that no sales tax would be charged by either state on the supply of electricity. It is established principle of law laid down by the superior courts in Pakistan and the same principle is also recognized throughout the world that the internal legislation of a country cannot override or contradict with the treaties entered into between that state with another state. Treaties between the states are of binding nature and any law or legislation which is in contradiction to said treaty would have no effect as the treaties are guaranteed to be honoured by the states. As stated before, the state of Pakistan and the state of Azad Jammu & Kashmir (AJK) has agreed through a bilateral agreement treaty dated 27-6-2003 that no sales tax would be charged on the supply of electricity by either state, therefore, the impugned judgment is liable to be set aside on this ground also.

n) That the Honourable Division Bench of Islamabad High Court has erred while holding that since the procedure provided under Section 131 of the Customs Act, 1969 was not followed and in terms of Section 12 & 13 of the Customs Act, 1969 a warehouse situated in state of Azad Jammu & Kashmir are licensed by the Collectorate of Customs Rawalpindi/Islamabad. Therefore, the goods entering the territory of Azad Jammu & Kashmir (AJK) are neither treated as imported or exported from Pakistan. While coming to this conclusion the learned Division Bench failed to take into consideration that the electricity supplied by the taxpayer/GEPCO (petitioner) is transmitted through transmission lines and no procedure as followed in the case of ordinary goods, can be followed while supplying the electricity by one country to another country. Moreover, this Honourable Court and the august Supreme Court of Azad Jammu & Kashmir has repeatedly held that Azad Jammu & Kashmir is not a part of Pakistan, therefore, if the Customs authorities are not treating the goods supplied from Pakistan to Azad Jammu & Kashmir has exported goods, this error cannot be attributed to the taxpayer/GEPCO (petitioner) and the taxpayer/GEPCO is not liable to pay any tax due to illegal practice carried out by the Customs authorities. Therefore, the Impugned Judgment is liable to be set aside on this ground also.

o) That the Learned Appellate Tribunal Inland Revenue (ATIR) has already dilated upon this issue in its decision dated 07-05-2015 in MA (AG) No. 105/LB/2012 (GEPCO vs CIR), as by virtue of clause 5.3. of the Agreement no GST is levied and moreover AJK is not in the territory of Pakistan and thus sales tax is not charged on the supply of electricity.

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p) That the Supply of electricity to AJK was made under an agreement entered between the GOP & AJK for raising Mangla Dam, wherein it had specifically been consented and agreed between both the Governments that no sales tax shall be charged.

q) That the Honourable Division Bench and the Respondent has overlooked the fact that a treaty has been signed between the two States that no sales tax would be charged by either state on the supply of electricity. It is submitted that internal legislation of a country cannot override or contradict with the treaties entered into between that State with another State.

r) That there is no violation of any of the provisions of the Sales Tax Act, 1990 or Sales Tax Special Procedure Rules made thereunder. The issuance of SCN is without jurisdiction, as Department is not empowered to issue notice in respect of a matter alleged therein.

s) It is specifically averred that the instant SCN has been issued by the Department despite of the knowledge that AJK is a different State and there exists a valid Agreement between two States. The issuance of the SCN, manifest a sheer deviation from the law and is an arbitrary exercise of statutory powers and the same is, therefore, liable to be withdrawn.

t) That the impugned orders have been passed against the law and facts of the case hence the same do not attract the imposition of Default Surcharge u/s 34(1) and Penalty u/s 33(5) of the ST Act.

u) That the imposition of penalty or default surcharge is not applicable in the instant case. Moreover, the Penalty or Default surcharge cannot be imposed when there is no malafide intent or mensrea involved. Therefore, the imposition of Default surcharge and Penalty is illegal, unlawful, void and must be set-aside.

v) That the Tariff Notified by NEPPA and others is agreed between Govt. of Pakistan and the AJK through Bilateral Agreement (Treaty) dated 23-06-2003. And as per the clause 5.2. of the Bilateral Agreement (Treaty) dated 23-06-2003, @ 2.59 per unit is being charged/supplied by all DISCOs, the payments also being received from AJK. Whereas, the difference of NEPRA notified tariff and 2.59 of per unit is paid/contributed by the Federal Government of Pakistan through subsidy. And Subsidy u/s 2(46)(i) of Sales Tax Act, 1990 is not taxable with retrospective effect, as per Explanation therein, that the value of supply does not include the amount of subsidy provided by the Federal Government or Provincial Governments to the electricity consumers and has never been chargeable to tax under the Sales Tax Act, 1990. The relevant part of Section 2(46)(i) is reproduced below:

> "2 (46) "value of supply" means:-- ...
>
> (a) in respect of a taxable supply, the consideration in money including all Federal and Provincial duties and taxes, if any, which the supplier receives from the recipient for that supply but excluding the amount of tax: ...
>
> (i) in case of supply of electric power and gas by a distribution company, the total amount billed including price of electricity and natural gas, as the case may be, charges, rents, commissions and all duties and taxes local, provincial and federal but excluding the amount of late payment surcharge and the amount of sales tax.
>
> Explanation.- It is clarified that the value of supply does not include the amount of subsidy provided by the federal government or provincial governments to the electricity [or natural

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gas including re-gasified liquefied natural gas] consumers and has never been chargeable to tax under the Act;"

w) That After excluding subsidy, the supplies to AJK to the extent of Rs. 2.59 per unit are zero rated, due to the execution of Bilateral Agreement (Treaty) and the Federal Cabinet's through Resolution also endorsed the entry in the Fifth Schedule of the Sales Tax Act, 1990 with retrospective clarification, which deals with Zero rated supplies to AJK.

Retrospective Effect:

x) Without prejudice to the above, the amendment of Explanation inserted in the provision of Section 2(46)(i) of the Sales Tax Act, 1990 through Finance Act, 2022, is clearly applied retrospectively and is also curative and remedial legislation as its redressing the existing grievance and is a beneficial amendment to taxpayer and should be interpreted retrospectively and its benefit should be extended to the Appellant. Reliance in this regard is placed on the Judgments (Case Law) of Honourable Supreme Court and Honourable High Court as under:

[1992 SCMR 1652], [1997 PLD 582 SC], [2022 LHC 2164] PTR No.634 of 2010, [2018 PLC (CS) 381], [2015 PTD 1490], [2014 PLD 443 SINDH], [2014 PTD 1057], [2010 PTD 1717], [2008 PTD 894], [2002 PTD 632], [2006 PTD 336]

y) It is, therefore, humbly prayed (as proposition) that the impugned Judgment dated 12-05-2022 passed by the Honourable Division Bench as well as the orders passed by the Learned Commissioner Appeals (OIA) dated 29-12-2012 and the Order-in-Original (OIO) dated 07-09-2010 to the extent of issue involved here in this case/matter, and the demand created thereon may kindly be set-aside.

Further, during the hearing, the taxpayer presented following comments on the issue:

a. There is an agreement between Government of the Islamic Republic of Pakistan and Azad Government of the State of Jammu & Kashmir for Mangla Dam raising made in June 2003. The Clause 5.2 & 5.5 of the agreement states that AJ&K will pay Rs. 2.59/unit and Ministry will pick up the difference as Subsidy.

b. The Clause 5.3 of the agreement states that Ministry will ensure that CBR does not levy the GST on electricity generated and supplied to AJ&K.

c. GEPCO does not charge any Sales Tax on supplies made to AJ&K in presence of bilateral agreement between Government of the Islamic Republic of Pakistan and Azad Government of the State of Jammu & Kashmir and is also unable to charge in future.

d. The Supply made to AJ&K has 02 components like Tariff Differential Subsidy. The Government of Pakistan has set Rs. 2.59/unit to be charged from Government of AJ&K and difference of NEPRA tariff and Rs. 2.59/unit is subsidy taken by the Government of Pakistan.

e. Subsidy is not chargeable to tax u/s 2(46)(i) and also supply is not exempt nor non taxable, so apportionment of expenses on value of subsidy is not required.

f. To the extent of Rs. 2.59/unit although GEPCO is not charging GST on AJ&K due to bilateral agreement between Governments and also can't recover the same from AJ&K in future, GEPCO has offered to settle the AJ&K issue in ADRC in the same ratio settled in Assessment Order No. 03/2024 dated 11.09.2023 of Peshawar Electric Supply Company (PESCO).

9. The D.R. (Deputy Commissioner IR) presented following comments during the hearing:

a. The supply of electricity to the AJK is a taxable supply chargeable to sales tax at the standard rate under Section 3(1) of the STA, 1990 for the tax periods in dispute. The taxpayer has admittedly raised sales tax invoices (electricity bills) within the meaning of Section 23 of the STA, 1990 at the full value of supply, and that it is the self-declared version of the taxpayer in its sales tax returns for the relevant tax periods that the invoices/electricity bills were raised at the full value of supply. The statute does not provide for a subsequent reduction in the value of supply once a supply is made, a tax invoice mentioning the value of supply is issued, and the value is declared in the sales tax returns, except in the conditions provided under Section 9 of the STA, 1990, which is not the case here.

b. The taxpayer supplies electricity to the AJK under a *"contract of supply"*, and admittedly under the Mangla Raising Agreement, 2003, the perusal whereof reveals (Clause 5.2(a)) that the Federal Government, through the Ministry of Water and Power, agreed to pick up the additional liability in case of budgetary constraints of the Government of the AJK, in lieu of the supply of electricity to the AJK. The Federal Government payments (the AJK receivables) are received by the applicant as the consideration for the taxable supply from a third party within the meaning of Section 41 of the Contract Act, 1872, and the taxpayer is thus deemed to have received the consideration for the taxable supply from the recipient (the AJK Government) within the meaning of Section 2(46)(a) of the STA, 1990. The relevant provision of Section 41 is reproduced hereunder:

> *"41. Effect of accepting performance from third person. – When a promisee accepts performance of the promise from a third person, he cannot afterwards enforce it against the promisor."*

c. The legislature, by expressly exempting the supply of electricity to the AJK by inserting an entry at Sr. No. 177 in the Sixth Schedule to the STA, 1990 through the Finance Act, 2024, has expressed that, before the amendment, the supply remained taxable. The taxpayer is liable to pay sales tax on the total amount of the value of supply billed in terms of Section 2(46)(i), and on the total amount of the consideration raised in the tax invoices issued under Section 23, the taxpayer having received the total value of the consideration through a third party, i.e., the Government of Pakistan, through an internal arrangement with the Government of the AJK within the meaning of Section 41 of the Contract Act, 1872.

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d. On the question of input tax, the learned DR submitted that, by the operation of Sections 7(1) and 8(2) of the STA, 1990 read with the relevant rules, where the taxpayer is relieved from charging output (sales) tax on a portion of the value of supply borne by the Federal Government, it is not, at the same time, eligible to re-claim the input tax attributable to that portion of supply, more so where the cost of input tax incurred by the taxpayer on the purchase of electricity stands compensated/reimbursed by the Federal Government. To allow such input tax would amount to granting the relief twice over to the taxpayer at the cost of the same Federal exchequer. Accordingly, the learned DR pressed for disallowance of the proportionate input tax attributable to the Federal Government receipts.

AWARD

10. Having considered the submissions advanced by both parties and having examined the particulars and the record to the extent necessary, the Committee has resolved the present matter under Section 134A (5) of the ITO, 2001 read with Section 47A of the STA, 1990 in the following terms:

11. Turning to the question of taxability, we hold that the supply of electricity to the AJK attracted sales tax at the standard rate prescribed under Section 3(1) of the STA, 1990. Statutory authority to the contrary took effect only through the Finance Act, 2024 (which inserted Sr. No. 177 in the Sixth Schedule), declaring the supply of electricity to the AJK exempt on a prospective basis. We therefore find no ground or provision of law to treat the supply as exempt or zero rated for the tax periods May 2008 to June 2009.

12. On the determination of the value of supply for the purpose of levying sales tax, we treat the tax invoices (the electricity bills) together with the taxpayer's tax declarations as the foremost evidence for ascertaining the statutory tax liability. Our reasoning is borne out by the corroborative material of the Mangla Raising Agreement, 2003, whereby the Federal Government, acting through the Ministry of Water and Power, undertook to absorb the additional liability should the Government of the AJK face budgetary constraints, in consideration of the supply of electricity. The requirement that the taxpayer receive consideration for the supply of electricity, pursuant to the contractual obligation of the Federal Government, is thus satisfied within the meaning of Section 2(46)(a) of the STA, 1990 read with Section 41 of the Contract Act, 1872.

13. In light of the above special circumstances, and given that the Federal Government bears a share of the liabilities arising from the invoices raised – apart from the payments made by the AJK Government – it would be a counter-productive exercise to burden the taxpayer (which is in any event a wholly owned SOE of the Federal Government) with output tax liability on that portion of the value

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of supply attributable to the Federal Government. As the Federal Government would thereby stand on both sides of the ledger, the charging and collection of sales tax from Federal Government receipts drawn under the grants and subsidies head of the budget – funds that are themselves sourced from Federal Government tax revenues – would amount to a mere procedural transaction, one liable to further aggravate the circular debt problems of the power sector while yielding no net effect on the Federal Government budget.

14. Accordingly, taking the matter in its entirety and bearing in mind the taxpayer's special status as a wholly owned SOE, the Committee has unanimously decided that the taxpayer may not be burdened with output tax liability to the extent of the payments borne by the Federal Government (the AJK receivables). The Committee grants relief to the taxpayer in this regard. At the same time, by operation of Sections 7(1) and 8(2) of the STA, 1990 read with the relevant rules, this Committee has decided through Majority Decision by Two-to-One (2:1) [Dissenting Note of our esteemed colleague Mr. Zeeshan Ijaz appended hereto] that the taxpayer is not entitled to claim input tax credit, proportionately, on that value of supply in respect of which it has been relieved of output (sales) tax. The necessary corollary of relieving the taxpayer of output (sales) tax on the Federal Government payments is the disallowance of the corresponding proportionate input tax credit, which is available only to taxpayers who subject their supplies to output tax. By striking this fine balance between the two opposing positions, we adopt through a conciliatory course that arrives at a middle ground in settling this dispute, which is the central object of the alternate dispute resolution mechanism.

15. With regard to that part of the value of supply representing the consideration received by the taxpayer directly from the AJK Government at the reported rate of Rs. 2.59 per unit, we observe that, owing to a misconstruction of law arising from an honest interpretation of the peculiar facts of the matter – and the bilateral arrangement embodied in the Mangla Raising Agreement, 2003 – sales tax was neither levied nor charged on the Government of the AJK. Conscious of the litigation on this issue presently pending before the Hon'ble Supreme Court of Pakistan, we find that the taxpayer's management refrained from levying and charging the sales tax owing to a *bona fide* misconstruction of law. The Committee therefore holds that the sales tax liability in the present ADRC proceedings is recoverable as a tax fraction of that value of supply forming the part of the consideration received directly from the AJK Government. The taxpayer is, moreover, allowed input tax credit only on such taxable value of supply charged at the fractional tax rate.

16. In view of the foregoing decision, the principal sales tax liability on the issue of the supply of electricity to the AJK – being the aggregate of the input tax disallowed on the Federal Government receipts and the sales tax recoverable at the tax fraction on the direct receipts from the AJK Government – is computed at **Rs. 102,465,531**. Accordingly, the previous orders on this issue shall stand **modified** by our majority decision of two-to-one, subject to payment of the aforesaid tax liability within the period fixed at the close of this decision, by operation of Section 134A(10) read with Section 47A of the STA, 1990. For the sake of clarity, the computation of the tax liability under this issue is set out in the table on the following page:

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Tax Liability Determined under the Decision of the ADRC on the Issue of Supply of Electricity to the AJK (Amount in Rs.)

Tax Period	Value of taxable supply (per ST returns) A	Value of supply – AJK supplies (per record) B	AJK direct receipts @ 2.59/KWH C	AJK Recv./ Fed. Govt. receipts D = B – C	Total Value of Supply E = A + B	Total Input Tax (per return) F	Input tax disallowed on Fed. Govt. G = F×D/E	Output Tax on AJK direct receipts at Tax Fraction H	Tax Liability under ADRC Decision I = G + H
May-08	2,062,005,025	38,997,490	27,725,950	11,271,540	2,101,002,515	353,867,177	1,898,440	3,824,269	5,722,709
Jun-08	2,323,830,738	58,520,673	38,425,240	20,095,433	2,382,351,411	413,535,563	3,488,224	5,300,033	8,788,257
Jul-08	2,617,575,339	28,918,666	19,746,160	9,172,506	2,646,494,005	445,692,897	1,544,731	2,723,608	4,268,339
Aug-08	2,936,179,400	42,848,447	28,930,300	13,918,147	2,979,027,847	478,407,630	2,235,141	3,990,386	6,225,527
Sep-08	3,155,825,329	91,576,536	32,162,620	59,413,916	3,247,401,865	564,694,706	10,331,559	4,436,223	14,767,782
Oct-08	3,155,152,272	76,519,250	22,797,180	53,722,070	3,231,671,522	456,549,019	7,589,496	3,144,439	10,733,935
Nov-08	1,734,955,306	62,431,928	24,674,930	37,756,998	1,797,387,234	306,890,902	6,446,735	3,403,439	9,850,174
Dec-08	1,903,174,781	34,170,585	22,079,426	12,091,159	1,937,345,366	250,623,686	1,564,167	3,045,438	4,609,605
Jan-09	1,631,174,426	34,808,291	22,015,974	12,792,317	1,665,982,717	282,570,347	2,169,728	3,036,686	5,206,414
Feb-09	1,823,856,113	37,526,439	24,066,280	13,460,159	1,861,382,552	320,023,304	2,314,175	3,319,487	5,633,662
Mar-09	2,171,064,744	45,398,743	30,200,436	15,198,307	2,216,463,487	342,563,128	2,348,958	4,165,577	6,514,535
Apr-09	2,139,620,113	35,065,674	19,699,540	15,366,134	2,174,685,787	356,197,896	2,516,862	2,717,178	5,234,040
May-09	2,992,207,981	47,241,832	30,933,018	16,308,815	3,039,449,813	504,854,100	2,708,902	4,266,623	6,975,525
Jun-09	3,136,730,625	62,299,920	42,719,460	19,580,460	3,199,030,545	333,731,449	2,042,686	5,892,339	7,935,025
Total	**33,783,352,192**	**696,324,474**	**386,176,514**	**310,147,960**	**34,479,676,666**	**5,410,201,804**	**49,199,805**	**53,265,726**	**102,465,531**

Note: The input tax disallowed (column G) is apportioned at F×D/E for each tax period; the sales tax on the direct receipts from the AJK Government (column H) is computed as a tax fraction (16/116) of the value of supply at Rs. 2.59 per unit (column C). The tax liability under the ADRC decision (column I) is the sum of columns G and H.

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17. In view of the foregoing, **the sum of the tax liability** on the issue of supply of electricity to the AJK and the consequential apportionment of input tax determined under this ADRC decision is summarized as below:

Sr	Disputed Orders before ADRC	Tax Period	Issue Before the ADRC	Tax Liability determined under the ADRC Decision
1	CPLA No. 3098-L/2022 & CPLA No. 2807-L/2022 read with ONO 02/2010	May 2008 to June 2009	Supply of electricity to the AJK and apportionment of input tax	102,465,531
Tax Liability Payable / Recoverable				**102,465,531**

18. Accordingly, the Committee decides, in terms of Section 134A(5) and 134A(10) of the Income Tax Ordinance, 2001 read with Section 47A of the STA, 1990, that the taxpayer shall pay the tax liability of **Rs. 102,465,531/- within three weeks of receipt of this Order**; and shall produce the evidence of payment of tax to the relevant Commissioner IR, Zone-IV, LTO Lahore

19. On the issue of levy of default surcharge and penalty imposed, we hold that the main issue involved in the subject matter is the interpretation of law and that the perusal of the record reveals that the taxpayer acted in a *bona fide* manner, without any willful default. The Committee deliberated on the payment of the default surcharge and penalty. In order to provide relief to the taxpayer for adopting the ADRC mechanism and to encourage the resolution of the dispute in good faith without litigation, the Committee has decided to waive off the entire amount of the default surcharge under Section 34 and the penalty under Section 33(5). However, in case the taxpayer does not pay the tax liability within the aforementioned date, it is directed that the Commissioner IR shall recover the amount of tax liability along with the default surcharge and penalty as per law.

20. Order accordingly.

Dated: 04.06.2026

SHAHID MUBEEN (CHAIRPERSON)
Justice (Rtd.) Lahore High Court

ZAFAR IQBAL KHAN (MEMBER)
Chief Commissioner IR, LTO Islamabad

ZEESHAN IJAZ (MEMBER)
Chartered Accountant
(*Dissenting Note separately attached*)

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DISSENTING NOTE

I have had the benefit of reading the proposed decision of the learned Chairperson and the learned departmental Member. While I respectfully concur with the finding that the Subsidy provided by the Federal Government against supplies made to AJK does not form part of the value of supply and has never been chargeable to sales tax, I am, with utmost respect, unable to agree with the conclusion that proportionate input tax attributable to the subsidy amount is liable to be disallowed under sections 7 and 8 of the Sales Tax Act, 1990 read with Rules 24 and 25 of the Sales Tax Rules, 2006.

My reasons for dissent are set out below.

The dispute which originated through Order-in-Original No. 02/2010 was singular and clearly identifiable. The entire basis of the assessment was that Subsidy allegedly formed part of the value of taxable supplies and was therefore subject to output sales tax. The demand confirmed by the assessing officer was founded exclusively upon the allegation of non-charging of sales tax on supplies to made to AJK which included portion of subsidy received from the Federal Government. The record further reveals that no show cause notice was ever issued proposing disallowance of proportionate input tax, no finding regarding apportionment under section 8(2) was recorded in the assessment order, no such issue was adjudicated by the Commissioner (Appeals), no such issue was raised before the Appellate Tribunal Inland Revenue, no such issue formed part of the Reference before the Hon'ble Lahore High Court and no such issue was pending before the Hon'ble Supreme Court in the CPLA arising from the aforesaid proceedings. The controversy throughout the litigation history has remained confined to the question whether subsidy constituted part of the value of supply and whether output sales tax was chargeable thereon.

In my considered view, the Committee is empowered to resolve the dispute brought before it; it is not empowered to transform that dispute into a different dispute founded on a separate statutory provision never invoked by the Department during the preceding sixteen years of litigation.

The Department has argued that the Committee possesses sufficiently wide powers to determine the issue of input tax apportionment notwithstanding that such issue was never part of the original proceedings. I am unable to subscribe to this interpretation. Section 134A(5) provides that the Committee shall examine the issue and decide the dispute. The provision authorizes inquiry and investigation for purposes of deciding the dispute referred to it.

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However, neither the language nor the scheme of the provision authorizes the Committee to assume original assessment jurisdiction and create a fresh liability on a ground never advanced by the Department. The expressions "examine the issue" and "decide the dispute" necessarily presuppose the existence of an issue and a dispute already forming part of the proceedings.

In my respectful opinion, these expressions cannot be interpreted as conferring jurisdiction to formulate a new charge, introduce a new question of law, raise a new basis of assessment, undertake an original adjudication under another statutory provision or substitute the foundation of the original assessment altogether. The alternate dispute resolution mechanism is intended to facilitate settlement of existing disputes. It is not intended to enlarge the scope of litigation or expose a taxpayer to a fresh liability never contemplated in the original proceedings.

The issue of output tax on Subsidy and the issue of admissibility of input tax under section 8(2) are legally and factually distinct. A determination regarding apportionment requires examination of entirely different matters including the existence of taxable and non-taxable supplies, applicability of sections 7 and 8, operation of Rules 24 and 25, methodology of allocation, quantification of inadmissible input tax and underlying factual assumptions regarding the taxpayer's business activities.

The taxpayer was never called upon under any statutory notice to respond to these matters. No opportunity contemplated by law was provided in relation to such allegation because no such allegation existed. Therefore, in my humble opinion, a liability of Rs. 107.8 M cannot be sustained on a basis never put to the taxpayer in the course of assessment proceedings.

Even on merits, I find considerable difficulty in accepting the proposition that exclusion of subsidy from the value of supply automatically results in the existence of non-taxable supplies giving rise to apportionment under section 8(2). The Explanation to section 2(46)(i) merely provides that subsidy paid by the Federal or Provincial Government to electricity consumers does not form part of the value of supply and has never been chargeable to tax. It does not declare that electricity supplied to such consumers becomes a non-taxable supply, exempt supply, or any separate category of supply for purposes of section 8(2). The underlying transaction remains one and the same, the supply of electricity by the distribution company to its consumers. The fact that a portion of the consideration is recovered from the consumer and another portion is reimbursed by the Federal Government through the Subsidy mechanism does not result in two distinct supplies. At all times there remains only a single supply of electricity.

Section 8(2) becomes relevant where a registered person makes both taxable and non-taxable supplies. In the present case, there are not two supplies. There is only one taxable supply of electricity. The mechanism through which part of the consideration is borne by the Federal Government does not alter the character of the underlying supply. Adoption of the contrary view effectively converts a valuation provision into a classification provision, although the legislature has not employed language capable of producing that result. I would also like to highlight that the original dispute concerned output sales tax on Subsidy. The issue of disallowance of proportionate input tax under section 8(2) never formed part of the show cause notice, assessment order, appellate proceedings, reference proceedings before the High Court, or proceedings before the Supreme Court. Once the Committee reaches the conclusion that Subsidy is not chargeable to output sales tax, the Committee cannot, in my respectful view, replace the deleted demand with a new liability under another provision which was never invoked by the Department. Such a course amounts not to resolution of the dispute but to creation of a new dispute.

For the foregoing reasons, I concur with the finding that:

(a) the Subsidy does not form part of the value of supply;

(b) the Explanation to section 2(46)(i) operates in favor of the taxpayer;

(c) no output sales tax is chargeable on Subsidy; and

(d) the demand raised through Order-in-Original No. 02/2010 on account of output tax on Subsidy is unsustainable.

However, I respectfully dissent from the finding that proportionate input tax attributable to Subsidy is disallowable.

Accordingly, I would allow the taxpayer's application in its entirety and delete the demand arising from the impugned assessment order without any consequential disallowance of proportionate input tax.

ZEESHAN IJAZ (MEMBER)
Chartered Accountant

Annex- B.8 Claim for PPMC Management Fee

Government of Pakistan
Ministry of Energy
(Power Division)
*****

No: MDPPMC/SOP/01 Islamabad, the 30th July, 2025

Subject: **STATUTORY REGULATORY ORDER (SRO)**

I am directed to enclose herewith Power Division's SRO No.1358-I (2025), dated July 29, 2025, for information and necessary action.

Encl: As Above.

(Umer Vaqar)
Section Officer (Corporate Affairs)

DISTRIBUTION.

1. The Chairman, NEPRA, Islamabad
2. The Chief Executive Officer, CPPA-G, Islamabad.
3. The Managing Director, NGC, Islamabad.
4. The Managing Director, EIDMC, Islamabad.
5. The Managing Director, ISMO, Islamabad.
6. The Managing Director, PPMC, Islamabad.
7. The Chief Executive Officer, IESCO, Islamabad.
8. The Chief Executive Officer, FESCO, Faisalabad.
9. The Chief Executive Officer, LESCO, Lahore.
10. The Chief Executive Officer, GEPCO, Gujranwala.
11. The Chief Executive Officer, SEPCO, Sukkur.
12. The Chief Executive Officer, PESCO, Peshawar.
13. The Chief Executive Officer, HAZECO, Hazara.
14. The Chief Executive Officer, QESCO, Quetta.
15. The Chief Executive Officer, TESCO, Peshawar.
16. The Chief Executive Officer, HESCO, Hyderabad.
17. The Chief Executive Officer, MEPCO, Multan.
18. The Chief Executive Officer, GHCL, Islamabad
19. The Chief Executive Officers of all GENCOs.
20. The Chief Executive Officer, PITC, Lahore.
21. The Managing Director, PPIB, Islamabad.

Copy for information to:

1. Special Assistant to the Minister, Power Division, Islamabad
2. Staff Officer to the Secretary, Power Division, Islamabad.
3. PS to Special Secretary, Power Division, Islamabad
4. SPS to the Additional Secretary-I, II and III Power Division, Islamabad.
5. PA to the Joint Secretary (CA&D), Power Division, Islamabad.

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TO BE PUBLISHED IN THE OFFICIAL GAZETTE
GOVERNMENT OF PAKISTAN

Government of Pakistan
Ministry of Energy
(Power Division)

Islamabad, the, July 29, 2025

NOTIFICATION

S.R.O: 1358-I (2025). National Electricity Policy. 2021 (the "Policy"), as approved by Council of Common Interests (CCI), mandates that the Federal Government may designate an entity to perform the tasks assigned in Sections 5.3.5 and 6.2 of the Policy. Such functions, inter alia, include the monitoring of implementation of the Policy and the National Electricity Plan, as formulated from time to time, and formulation, implementation and monitoring of strategic roadmap for state-owned distribution companies.

2. In pursuance thereof as well as the National Electricity Plan (2023-27) (the "Plan"), the Federal Government, inter alia, designated Power Planning and Monitoring Company (Pvt.) Limited (the "Company") as a designated entity for the implementation of Priority Areas of the Plan.

3. Federal Cabinet, through its decision dated 27-10-2021, also approved the functions to be performed by the Company. Such functions, inter alia, also include management, planning, monitoring in respect of various functions, and business of power sector entities as well as to act as support for the Ministry of Energy in monitoring, coordination and policy formulations in respect of DISCOs, GENCOs and NTDC.

4. Federal Cabinet also directed that the Company may continue to charge a fee from DISCOS, for the services rendered as may be approved by the Board of Directors of the Company, from time to time.

5. The purpose of these SOPs is to ensure an efficient and transparent structure for the allocation of the fee between DISCOs, as decided by the Board of Directors of the Company, from time to time, in the following manner:
(a) Board of Directors of the Company may, on annual basis, approve the annual budget and allocation of fees to DISCOs.

(b) The allocated amount for DISCOs shall be distributed and met as per approved ratio based on Distribution Margin of the respective DISCO.

(c) The invoice by the Company for the payment of the allocated amount for each respective DISCO shall be made to DISCOs through CPPA-G.

(d) Upon receipt of such invoice, the amount shall be paid by CPPA-G, on behalf of the respective DISCO, to the Company directly by making adjustment in relevant account of the concerned DISCO. Such payment shall be, accordingly, reflected by the respective DISCO in its accounts.

(e) Invoice(s) shall be issued by the Company on quarterly basis, in advance, and payment shall be made accordingly.

(f) A reconciliation exercise shall be conducted on quarterly basis, between the Company, CPPA-G and the respective DISCO for settlement of any excess / under-payment of the fee amount.

(Umer Vaqar)
Section Officer (Corporate Affairs)

CPPA

Central Power Purchasing Agency (Guarantee) Limited

A Company of Government of Pakistan

Chief Financial Officer (CPPA-G)

No: CFO/GMF(CA&T)/B&R/ 833-38

Dated:20-Jan-25

The Managing Director
PPMC, Evacuee Trust Building,
Islamabad

REMINDER-XII

SUBJECT: NON-BOOKING OF PEPCO/PPMC MANAGEMENT FEE BY DISCOS AGAINST PAYMENT MADE BY CPPA

Ref: (i) CFO/DGMF(CA&T)/(B&R)/Rec 19995-20003 Dated 01-10-20 (ii) CFO/DGMF(CA&T)/(B&R)/Rec 25780-88 Dated 22-12-2020 (iii) CFO/DGMF(CA&T)/(B&R)/Rec 15949-56 Dated 10-06-2021 (iv) CFO/DGMF(CA&T)/(B&R)/Rec 23295-301 Dated 23-09-2021 (v) CFO/DGMF(CA&T)/(B&R)/Rec 8349-54 Dated 10-05-2022 vi) CFO/GMF(CA&T)/(B&R)/Rec 16846-69 Dated 27-09-2022	(vii) CFO/GMF(CA&T)/(B&R)/Rec 18175-80 Dated 18-10-2022 (viii) CFO/GMF(CA&T)/(B&R)/Rec 11425-32 Dated 23-09-2024 (ix) CFO/GMF(CA&T)/(B&R)/Rec 13840-51 Dated 13-11-2024 (X) CFO/GMF(CA&T)/(B&R)/Rec 14918 Dated 16-12-2024 (XI) CFO/GMF(CA&T)/(B&R)/Rec 380-85 Dated 08-01-2024

We write in continuation of the series of correspondence as referred above and to highlight the issue of non-booking of PPMC's management fee by some DISCOs which has been a long outstanding issue and has piled up to a huge difference to the tune of **Rs. 1.4 billion**. You may appreciate that CPPA has always ensured the payment requirement of PPMC despite shortfall in remittances by DISCOs.

However, non-acknowledgement of your invoice by some DISCOs (as provided in summary form below) despite repeated and consistent requests has created an awkward situation where CPPA may be constrained to continue the existing practice of payment releases to PPMC on behalf of DISCOs. .

DISCO wise detail of the un-booked amount is tabulated below: -

Rs. In Thousand

DISCOs	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	Total
FESCO	-	-	-	-	-	-	-	-	-	-	30,940	10,200	41,140
GEPCO	312,174	-	8,226	51,391	75,158	37,799	82,031	58,500	38,500	14,000	25,935	8,550	712,264
HESCO	-	-	-	-	-	-	-	59,670	39,270	14,280	12,740	4,200	130,160
MEPCO	-	-	-	-	-	-	-	-	50,050	18,200	30,030	9,900	108,180
PESCO	-	216,019	-	-	-	-	29,189	80,145	52,745	19,180	35,490	11,700	444,468
Total	312,174	216,019	8,226	51,391	75,158	37,799	111,220	198,315	180,565	65,660	135,135	44,550	1,436,212

In view of the above, you are kindly requested to take up the matter with the delinquent DISCOs for resolution of the matter.

CFO SM

Chief Financial Officer

C.C To: -

CEO FESCO, CEO GEPCO, CEO HESCO, CEO MEPCO, CEO PESCO (for doing the needful please)

CHIEF EXECUTIVE OFFICER
GEPCO GUJRANWALA

DIARY NO: 252	
DATE: 22-01-25	
C.E.O	
DIR (HR & ADMN)	
G.M Technical	
G.M (Operation)	
C.E (P & E)	
C.E (O & M) Distt.	
C.E (O &M) T&G	
C.E (Dev) PMU	
CE/CSD	
CFO	
CLO	
CIA	
DG Mirad	
Company Secretary	

Shaheen Plaza, Plot no. 73-West, Fazal-e-Haq road, Blue Area, Islamabad | Phone: 051-111-922-772 Ext 133 & 113 | Fax: 051-9216949 | Email: billing@cppa.gov.pk

M (CA): M (CFC):

No. 705 Dt. 23-

Gujranwala Electric Power Company Ltd.
GEPCO

PEPCO/PPMC Management Fee

Sr. No.	Debit Memo No.	Amount	Yearly Amount	Year	Month
1	PPA-337/GEPCO-19	312,174,016	312,174,016	FY 2013-14	June-14
2	PPA-235/GEPCO-22	8,225,812	8,225,812	FY 2015-16	June-15
3	PPA-230/GEPCO-20	51,391,477	51,391,477	FY 2016-17	June-16
4	PPA-37/GEPCO-03	52,520,330			May-17
5	PPA-53/GEPCO-04	4,015,000	75,203,572	FY 2017-18	June-17
6	PPA-40/GEPCO-03	18,622,200			June-17
8	PPA-72/GEPCO-03	46,042			Sep-18
9	PPA-106/GEPCO-11	3,633,600			Nov-18
10	PPA-203/GEPCO-23	3,633,600			Jan-19
11	PPA-254/GEPCO-28	12,485,600	37,752,800	FY 2018-19	Mar-19
12	PPA-296/GEPCO-32	9,000,000			May-19
13	PPA-328/GEPCO-35	9,000,000			Jun-19
14	PPA-54/GEPCO-06	9,000,000			Aug-19
15	PPA-64/GEPCO-07	9,000,000			Sep-19
16	PPA-138/GEPCO-14	9,000,000			Dec -19
17	PPA-195/GEPCO-19	9,000,000			Jan-20
18	PPA-205/GEPCO-20	6,279,360	82,030,807	FY 2019-20	Jan-20
19	PPA-218/GEPCO-21	8,945,310			Feb-20
20	PPA-293/GEPCO-28	9,500,000			April-20
21	PPA-325/GEPCO-31	12,306,137			June-20
22	PPA-335/GEPCO-32	9,000,000			June-20
23	PPA-13/GEPCO-02	9,000,000			July-20
24	PPA-73/GEPCO-08	9,000,000			Sep-20
25	PPA-104/GEPCO-11	9,000,000			Nov-20
26	PPA-183/GEPCO-19	9,000,000	58,500,000	FY 2020-21	Jan-21
27	PPA-237/GEPCO-24	9,000,000			Mar-21
28	PPA-295/GEPCO-29	9,000,000			May-21
29	PPA-325/GEPCO-32	4,500,000			Jun-21
30	PPA-52/GEPCO-06	4,500,000			Jul-21
31	PPA-62/GEPCO-07	9,000,000			Sep-21
32	PPA-118/GEPCO-12	9,000,000	38,500,000	FY 2021-22	Nov-21
33	PPA-203/GEPCO-20	9,000,000			Jan-22
34	PPA-379/GEPCO-36	7,000,000			Jun-22
35	PPA-85/GEPCO-9	14,000,000	14,000,000	FY 2022-23	Sep-22
36	PPA-155/GEPCO-16	12,967,500		FY 2023-24	Dec-23
37	PPA-261/GEPCO-27	12,967,500	25,935,000		Mar-24
38	PPA-93/GEPCO-12	8,550,000	8,550,000	FY 2024-25	Sep-24
Total		712,263,484	712,263,484		

Gujranwala Electric Power Company Ltd.
GEPCO

POWER PLANNING AND MONITORING COMPANY (PVT) LIMITED

Office # 112, 1st Floor Evacuee Trust Complex F-5/1, Agha Khan Road, Islamabad
Tel:051-9211301, 051-9211302 Fax: 051-2726915, Email: cfo.ppmc1@gmail.com

Annex-B

Chief Financial Officer

No. 311-17/CFO/PPMC

Dated: 21-01-2025

Finance Director / CFO
(FESCO, GEPCO, HESCO, MEPCO, PESCO)

Subject: **NON-BOOKING OF PEPCO/PPMC MANAGEMENT FEE BY DISCOs AGAINST PAYMENT MADE BY CPPA-G**

Ref: CPPA-G's letter No. CFO/GMF(CA&T)/B&R/380-85 dated 08-01-2025.

1. It has been communicated by CPPA-G through the above referred letter that the following DISCOs have not yet booked the Debit Advices regarding the management fee of PPMC. The details are as follows:

Million Rs.

Sr. No.	DISCO	Amount
1	FESCO	41,140
2	GEPCO	712,264
3	HESCO	130,160
4	MEPCO	108,180
5	PESCO	444,468

2. In this regard, it is pertinent to mention that the Federal Cabinet, through its decision dated 27-10-2021, approved the mandate and functions of PPMC. These include providing support to the Ministry of Energy (Power Division) in the areas of monitoring and coordination related to DISCOs, Transmission & System Operations, Market Operations, Generation, and PITC on policy, technical, and performance monitoring matters.

3. The Federal Cabinet also directed that the **Company may continue to charge a fee from DISCOS, GENCOs and NTDC for the services rendered as may be approved by the Board of Directors of the Company, from time to time.** A copy of the Cabinet Decision dated 27.10.2021 is attached herewith for reference.

4. Additionally, it is highlighted that PPMC is paying the rent of the DG Audit Office and the third-party subsidy verification fee purely on behalf of DISCOs.

5. In light of the above, it is requested that the aforementioned decision of the Federal Cabinet be implemented in its true letter and spirit. Accordingly, the Debit Advices regarding the management fee of PPMC should be booked in your accounts at the earliest to address the matter and prevent any further inconvenience. It is further requested that the management fees for future periods be paid in a timely manner to ensure smooth operations and avoid any disruptions.

Chief Financial Officer
PPMC, Islamabad

Discuss

27/1/25

Cc

1. SO to MD PPMC.
2. Chief Financial Officer (CPPA-G).

M (CA) M (CPC)

D.No. 745 Dt. 23-1-25

Gujranwala Electric Power Company Ltd. GEPCO

Central Power Purchasing Agency (Guarantee) Limited
A Company of Government of Pakistan

OFFICE OF THE
CHIEF FINANCIAL OFFICER CPPA-G
SHAHEEN PLAZA, BLUE AREA, FAZAL-E-HAQ ROAD, ISLAMABAD

No. 9953 /CFO/Chief (PC&RA)/B&R/Rec Dated: 07-04-2026

Chief Financial Officer GEPCO,
GUJRANWALA.

SUBJECT: DEBIT MEMO FOR MAR-2026

Please find enclosed herewith Debit note details as below pertains to your company for necessary and early adjustment at your end.

SR.NO	DEBIT MEMO NO.	MONTH	AMOUNT	ENCLOSUERS
1.	PPA-125/GEPCO-12	MAR-2026	22,689,750	

MANAGER FINANCE (BILLING & RECOVERY)

Gujranwala Electric Power Company
GEPCO

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Central Power Purchasing Agency Guarantee Limited

DEBIT NOTE SETTLEMENT

Document No: 32990
PPA-125/GEPCO-12

ISSUNING OFFICE: **CENTRAL POWER PURCHASING AGENCY-GUARANTEE LIMITED**

Effective Date : 31-MAR-26
Issue Date : 31-MAR-26

RECEIVING OFFICE: **GUJRANWALA ELECTRIC POWER COMPANY**

TYPE: **Debit Memo for PEPCO Fee Allocation to DISCOs**

Your account has been Debited for the amount Rs. **22,689,750**

Twenty-two million six hundred eighty-nine thousand seven hundred fifty rupees only.
Being the Debit raised on account of Payment made to PPMC Management fee Invoice for the Ist Quarter 2025-26 (Jul-Sep), and the remaing portion [redacted] of Last Invoice, as per invoice and detail attached herewith.

ACCOUNT CODE	DESCRIPTION	DEBIT	CREDIT
1212100	Accounts Receivables - Settlement Advice	22,689,750	
	TOTAL	22,689,750	

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PREPARED BY **CHECKED BY** **APPROVED BY**

Server: erpprod.cppa.gov.pk User: MUSHTAQ.HUSSAIN Print Date: 31-Mar-26 03:03:11

Electric Power Company Ltd GEPCO

OTHER ANNEXURES		
Compliance to NEPRA Directions	D	209-220

REPLY TO NEPRA MYT DETERMINATION FY 2025-26 TO 2029-30 DIRECTIONS

ANNEX- D

REPLY TO NEPRA MYT DETERMINATION FY 2025-26 TO 2029-30 DIRECTIONS

Sr. No.	Directions	GEPCO Compliance
i	To provide the reconciled data of sales mix for last 3 years with its reported revenue as per audited financial statements.	The reconciled data of sales mix for last 3 years with its reported revenue as per audited financial statements has been attached as Annex-D.1.
Ii	To provide year wise detail of amounts deposited in the Fund, amount withdrawn along-with profit / interest earned thereon since creation of Fund each year.	The year wise detail of amounts deposited in the Fund, amount withdrawn along-with profit / interest earned thereon since creation of Fund attached as Annex- D.2.
Iii	To provide the amount of IDC capitalized with its subsequent adjustment request and reflect the same in its Audited Financial Statements each year.	IDC in respect of GEPCO is NIL. The requisite compliance has been made at Note No. 4.3.1 of Audited Financial Statements and attached as Annex-D.3.
Iv	To get its data, regarding units billed to lifeline consumers, domestic consumers(consuming up-to 300 units) and Agriculture consumers, reconciled with PITC and submit such reconciliation to the Authority every year.	The requisite reconciled data has been attached as Annex-D.4.
V	To ensure that by the time it files its next tariff / petition request; MDI for all consumers at all levels is properly recorded.	Compliance is already being ensured.

Gujranwala Electric Power Company Ltd. GEPCO

Vi	To provide a certification from its Auditors that Repair and Maintenance expenditure does not include and CAPEX nature item.	The requisite certification will be provided after completion of Audit for the FY 2025-26.
Vii	To ensure breakup of its Operating cost in terms of Distribution and Supply function separately in its audited financial statements.	The requisite certification will be provided after completion of Audit for the FY 2025-26.

GEPCO

ANNEX-D-1

RECONCILIATION OF SALES MIX DATA WITH AUDITED FINANCIAL STATEMENTS

1. It is submitted that the Authority, while calculating the Sales Mix Variance, compares the Revenue Allowed with Revenue Earned. Revenue Allowed is calculated by multiplying the Average Rate with Actual Units Sold. Revenue Earned is taken from the Subsidy Claims, which reflect Sales Amount at NEPRA class-wise rates.

2. The consumer mix has been calculated on the same analogy; however, the effect of incremental units (units beyond the approved sales mix) has not been considered in the Sales Mix Variance calculation.

3. It is apprised that the Revenue in Financial Statements has been booked as per International Financial Reporting Standards (IFRS), and certain accruals/adjustments are made provisionally accordingly. The amount of AQTAs and PYA determined and notified for lapsed periods is booked at 100%, even though its recovery period may exceed one year. Similarly, accruals booked in the previous year are reversed upon actual realization of revenue.

4. The detailed component-wise break-up is annexed as Annex-D-1-a for the consideration of the Authority. It contains three parts:

   Part 1: Revenue used in Sales Mix calculations is shown.

   Part 2: Revenue comprising CP-41 Variable & Fixed Charges along with Tariff Differential Subsidy is taken to show sales at base rate. After adjusting the impact of FPA / Billing Adjustments / Incremental Units, the sales are reconciled with the sales used in Sales Mix calculations.

   Part 3: Certain adjustments are shown to arrive at the sales revenue as per Audited Financial Statements.

Gujranwala Electric Power Company Ltd. GEPCO

ANNEX-D.1. a

Reconciliation of Revenue used in Sales Mix with Revenue in Audited Financial Statements

A. Revenue Earned as per NEPRA Rate according to Subsidy Claims for Gross & Net of Incremental Units:

	FY 2025-26	FY 2024-25	FY 2023-24
Revenue Earned at NEPRA Rate net of incremental units used in Salex Mix Variance Calculation	**374,085**	**373,391**	**316,466**

B Reconciliation of Revenue as per CPs & Subsidy Claims for Base Tariff:-

	FY 2025-26	FY 2024-25	FY 2023-24
Variable Charges as per CP-41	287,609	307,253	306,551
Fixed Charges as per CP-41	33,902	25,472	8,287
Tariff Differential Subsidy	43,225	36,836	31,753
Sub Total	**364,736**	**369,562**	**346,591**
Less: Fuel Price / Billing Adjustment / Incremental Units	(9,349)	(3,829)	30,125
Total	**374,085**	**373,391**	**316,466**

C Reconciliation of Revenue Booked as per Audited Financial Statements with Revenue Earned at "B"above.

	FY 2025-26	FY 2024-25	FY 2023-24
Revenue as per B above inclusive of FPA / Billing Adjustments	364,736	369,562	346,591
LPF Penality as per CP-41	669	627	293
AQTA As per CP-41	(9,257)	685	27,787
AQTA Subsidy	5,167	591	(5,837)
Reversal of Accrued Revenue	(10,357)	(9,389)	(47,425)
Reversal of FPA	(1,120)	(6,150)	(28,142)
FPA Provision	1,253	1,120	30,550
Accrued Revenue Booked	7,649	8,117	9,389
JV	(46)	39	
Spill Over	2,239	(2,418)	2,578
Revenue booked as per Financial Statement	**360,932**	**362,783**	**335,784**
As per Financial Statement	**360,932**	**362,783**	**335,784**
Difference	(0)	0	0

Gujranwala Electric Power Company Ltd. GEPCO

ANNEX-D.2

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Gujranwala Electric Power Company Ltd. GEPCO

PENSION FUND DETAILS

MYT 2020-21 TO 2024-25:

(Rs. in Millions)

Years	NEPRA allowed amount	Amount Paid to Pensioners	Transferred to Fund	Total Paid+Transferred	Profit Earned	Fund Balance	Accoumulated Fund Balance
2020-21	10,513	3,643	-	3,643	-	-	-
2021-22	11,937	4,238	1	4,239	-	1	1
2022-23	13,131	5,244	6,703	11,947	213	6,916	6,917
2023-24	9,227	7,693	19,121	26,814	1,278	20,399	27,315
2024-25	13,178	7,674	6,101	13,775	4,989	11,090	38,405
Total	**57,986**	**28,493**	**31,926**	**60,418**	**6,480**	**38,405**	

MYT 2025-26 TO 2029-30:

Years	NEPRA allowed amount	Amount Paid to Pensioners	Transferred to Fund	Total Paid+Transferred	Profit Earned	Fund Balance	Accoumulated Fund Balance
2025-26	11,205	7,531	5,500	13,031	4,109	9,609	48,014
Grand Total	**69,191**	**36,024**	**37,426**	**73,449**	**10,589**	**48,014**	

Annex-D.3

4.1.5 On 11 January 2019, the Government of Pakistan through Power Holding (Private) Limited has arranged Shariah Compliant Islamic Finance Facility through issuance of Sukuk-1 to Meezan Bank Limited amounting to Rupees 200,000 million, for the period of 10 years to settle energy sector circular debts of all distribution companies (DISCOs). The facility is secured against land of all DISCOs. Under this arrangement, the Company holds the title of the land as Trustee on behalf of Sukuk certificate holder. The legal documents executed by the Company and the relevant counter parties reveal that the said assets have been leased out under Ijarah agreement to GOP with an undertaking to resell the assets to the Company at the end of Ijarah term. Although the legal documents have contemplated the overall arrangement on the model of Sukuk Ijarah, the management of the Company has exercised its judgement, that the said transaction is in substance, a financing arrangement and therefore has not given rise to any revenue on account of disposal. The management also determined that the Company could not derecognize the assets as the conditions to recognize revenue on sale of land have not been satisfied (based on the substance over form and the fact that proceeds of Sukuk Bonds had been retained by the PHPL and the repayment of Sukuk and Ijarah rentals are the responsibility of the Government of Pakistan). Additionally, according to the directives issued by the Government of Pakistan vide letter No. PF-05(06)/12 dated 11 January 2019, the said transaction neither involves any physical transfer of the underlying assets nor creates any financial implication for the Company. However, during the reporting period, the company successfully discharged all charges over the assets pledged as security for the Sukuk facility.

4.2 Capital work in progress	**NOTE**	**31 March 2026 Rupees**	**30 June 2025 Rupees**
Distribution under civil works		882,764,207	344,646,279
Works under:			
- Own funds	4.2.1	9,900,778,000	7,663,767,686
- Deposit works	4.2.2	4,922,916,132	4,032,564,958
Stores held for capital expenditure	4.2.3	7,349,811,378	7,405,377,359
	4.3	23,056,269,717	19,446,356,282

4.2.1 Breakup of distribution equipment (own funds) is as follows:

Material	6,413,457,770	4,756,016,897
Overheads	2,465,804,656	888,124,263
Contract work	1,021,515,574	2,019,626,526
	9,900,778,000	7,663,767,686

4.2.2 Breakup of distribution equipment (deposit works) is as follows:

Material	3,623,038,130	2,911,155,365
Overheads	1,066,761,398	290,508,351
Labor	233,116,604	-
Contract work	-	830,901,242
	4,922,916,132	4,032,564,958

4.2.3 These represent items of stores, spares and loose tools held for capitalization.

4.3 Movement in capital work in progress

Balance at beginning of the period / year		19,446,356,282	19,174,551,844
Additions during the period / year		17,105,311,674	14,831,326,635
Transfers to operating fixed assets during the period / year			
- Buildings on freehold land		-	(376,148,129)
- Distribution equipments		(13,495,398,239)	(14,183,374,068)
Balance at end of the period / year	4.3.1	23,056,269,717	19,446,356,282

4.3.1 In 2024, NEPRA in its directive No. 17.1 (iv), directed to provide the IDC (Interest During Construction). In compliance, it is disclosed that the amount of IDC for the current period is Rupees Nil (30 June 2025: Rupees Nil)

4.4 Depreciation charge for the period / year has been allocated as follows:	**NOTE**	**31 March 2026 Rupees**	**30 June 2025 Rupees**
Administrative expenses	30	225,328,929	245,870,664
Distribution cost	31	3,530,153,218	3,851,973,732
		3,755,482,147	4,097,844,396

5 INTANGIBLE ASSET UNDER DEVELOPMENT

Balance as at 01 July		652,054,564	601,152,675
Additions during the period / year		34,125,000	50,901,889
Balance as at 31 March / 30 June	5.1	686,179,564	652,054,564

5.1 This represents expenditure incurred for Enterprise Resource Planning (ERP) system SAP, which is at the implementation phase.

Gujranwala Electric Power Company Ltd. GEPCO

ANNEX-D.4

RECONCILED DATA WITH PITC REGARDING UNITS BILLED

	Tariff Category		Units Billed GEPCO
Jul-25	**Residential - A1**		
	Life line	Up to 50 Units per month	1,371,588
		51 to 100 Units	2,955,053
	Protected	001 - 100 Units	36,458,171
		101 - 200 Units	206,180,471
	Non-Protected	001 - 100 Units per month	5,247,487
		101 - 200 Units per month	72,742,857
		201 - 300 Units per month	213,455,021
	Electric Vehicle Charging Stations (if any)		29,826
	Prepaid Consumers of all categories (if any)		
	Agricultural Tube-Wells - Tariff D		
		Agricultural Tube-wells	5,740,480
		Time of Use (TOU) - Peak	6,834,892
		Time of Use (TOU) - Off-Peak	36,937,231
Aug-25	**Residential - A1**		49512603
	Life line	Up to 50 Units per month	1,295,827
		51 to 100 Units	3,108,344
	Protected	001 - 100 Units	34,178,497
		101 - 200 Units	197,306,947
	Non-Protected	001 - 100 Units per month	6,575,204
		101 - 200 Units per month	92,571,063
		201 - 300 Units per month	211,900,844
	Electric Vehicle Charging Stations (if any)		51,571
	Prepaid Consumers of all categories (if any)		
	Agricultural Tube-Wells - Tariff D		
		Agricultural Tube-wells	6,703,941
		Time of Use (TOU) - Peak	7,008,480
		Time of Use (TOU) - Off-Peak	38,702,778
Sep-25	**Residential - A1**		
	Life line	Up to 50 Units per month	1,494,767
		51 to 100 Units	2,751,141
	Protected	001 - 100 Units	45,153,777
		101 - 200 Units	158,169,868
	Non-Protected	001 - 100 Units per month	12,215,548
		101 - 200 Units per month	141,710,976
		201 - 300 Units per month	169,098,351
	Electric Vehicle Charging Stations (if any)		39,038
	Prepaid Consumers of all categories (if any)		
	Agricultural Tube-Wells - Tariff D		
		Agricultural Tube-wells	5,448,117
		Time of Use (TOU) - Peak	6,644,165
		Time of Use (TOU) - Off-Peak	32,731,351

Gujranwala Electric Power Company Ltd. GEPCO

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Oct-25	**Residential - A1**		
	Life line	Up to 50 Units per month	1852235
		51 to 100 Units	2,198,461
	Protected	001 - 100 Units	60,935,075
		101 - 200 Units	112,269,599
	Non-Protected	001 - 100 Units per month	24,464,915
		101 - 200 Units per month	159,822,669
		201 - 300 Units per month	120,700,042
	Electric Vehicle Charging Stations (if any)		31,457
	Prepaid Consumers of all categories (if any)		
	Agricultural Tube-Wells - Tariff D		
		Agricultural Tube-wells	2,903,151
		Time of Use (TOU) - Peak	3,596,430
		Time of Use (TOU) - Off-Peak	18,672,539
Nov-25	**Residential - A1**		
	Life line	Up to 50 Units per month	2,289,556
		51 to 100 Units	886,611
	Protected	001 - 100 Units	81,779,089
		101 - 200 Units	33,587,493
	Non-Protected	001 - 100 Units per month	69,009,037
		101 - 200 Units per month	116,621,463
		201 - 300 Units per month	34,002,219
	Electric Vehicle Charging Stations (if any)		26,265
	Prepaid Consumers of all categories (if any)		
	Agricultural Tube-Wells - Tariff D		
		Agricultural Tube-wells	1,946,130
		Time of Use (TOU) - Peak	1,892,029
		Time of Use (TOU) - Off-Peak	10,856,317
Dec-25	**Residential - A1**		
	Life line	Up to 50 Units per month	2,121,138
		51 to 100 Units	612,737
	Protected	001 - 100 Units	72,861,964
		101 - 200 Units	18,840,349
	Non-Protected	001 - 100 Units per month	85,046,681
		101 - 200 Units per month	60,092,677
		201 - 300 Units per month	17,559,055
	Electric Vehicle Charging Stations (if any)		19,335
	Prepaid Consumers of all categories (if any)		
	Agricultural Tube-Wells - Tariff D		
		Agricultural Tube-wells	1,879,231
		Time of Use (TOU) - Peak	2,511,597
		Time of Use (TOU) - Off-Peak	12,157,673
Jan-26	**Residential - A1**		
	Life line	Up to 50 Units per month	2,093,240
		51 to 100 Units	863,897
	Protected	001 - 100 Units	78,778,198
		101 - 200 Units	33,346,038
	Non-Protected	001 - 100 Units per month	68,176,497
		101 - 200 Units per month	64,502,170
		201 - 300 Units per month	32,120,115
	Electric Vehicle Charging Stations (if any)		20,270
	Prepaid Consumers of all categories (if any)		
	Agricultural Tube-Wells - Tariff D		
		Agricultural Tube-wells	1,301,006
		Time of Use (TOU) - Peak	1,602,974
		Time of Use (TOU) - Off-Peak	7,662,961

Gujranwala Electric Power Company Ltd.
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Feb-26	**Residential - A1**		
	Life line	Up to 50 Units per month	2,099,706
		51 to 100 Units	748,966
	Protected	001 - 100 Units	89,724,510
		101 - 200 Units	29,225,962
	Non-Protected	001 - 100 Units per month	62,244,950
		101 - 200 Units per month	61,248,273
		201 - 300 Units per month	25,313,329
	Electric Vehicle Charging Stations (if any)		20,464
	Prepaid Consumers of all categories (if any)		
	Agricultural Tube-Wells - Tariff D		
		Agricultural Tube-wells	2,258,596
		Time of Use (TOU) - Peak	3,036,433
		Time of Use (TOU) - Off-Peak	13,883,617
Mar-26	**Residential - A1**		
	Life line	Up to 50 Units per month	2,272,196
		51 to 100 Units	1,045,321
	Protected	001 - 100 Units	122,725,532
		101 - 200 Units	43,903,499
	Non-Protected	001 - 100 Units per month	39,303,095
		101 - 200 Units per month	74,508,903
		201 - 300 Units per month	21,854,159
	Electric Vehicle Charging Stations (if any)		21,115
	Prepaid Consumers of all categories (if any)		
	Agricultural Tube-Wells - Tariff D		
		Agricultural Tube-wells	1,799,827
		Time of Use (TOU) - Peak	2,210,147
		Time of Use (TOU) - Off-Peak	10,849,925
Apr-26	**Residential - A1**		
	Life line	Up to 50 Units per month	2,214,256
		51 to 100 Units	1,728,492
	Protected	001 - 100 Units	124,593,222
		101 - 200 Units	125,795,081
	Non-Protected	001 - 100 Units per month	14,631,617
		101 - 200 Units per month	66,172,028
		201 - 300 Units per month	46,149,692
	Electric Vehicle Charging Stations (if any)		28,174
	Prepaid Consumers of all categories (if any)		
	Agricultural Tube-Wells - Tariff D		
		Agricultural Tube-wells	1,627,971
		Time of Use (TOU) - Peak	1,766,486
		Time of Use (TOU) - Off-Peak	9,434,234
May-26	**Residential - A1**		
	Life line	Up to 50 Units per month	1,810,891
		51 to 100 Units	2,834,419
	Protected	001 - 100 Units	83,117,925
		101 - 200 Units	256,167,350
	Non-Protected	001 - 100 Units per month	3,929,457
		101 - 200 Units per month	23,157,923
		201 - 300 Units per month	120,372,792
	Electric Vehicle Charging Stations (if any)		32,388
	Prepaid Consumers of all categories (if any)		
	Agricultural Tube-Wells - Tariff D		
		Agricultural Tube-wells	2,846,853
		Time of Use (TOU) - Peak	3,367,407
		Time of Use (TOU) - Off-Peak	15,442,434

Jun-26	**Residential - A1**		
	Life line	Up to 50 Units per month	1,462,952
		51 to 100 Units	3,338,882
	Protected	001 - 100 Units	45,478,665
		101 - 200 Units	276,680,421
	Non-Protected	001 - 100 Units per month	2,679,531
		101 - 200 Units per month	23,534,064
		201 - 300 Units per month	203,874,842
	Electric Vehicle Charging Stations (if any)		39,896
	Prepaid Consumers of all categories (if any)		
	Agricultural Tube-Wells - Tariff D		
		Agricultural Tube-wells	6,263,494
		Time of Use (TOU) - Peak	6,162,490
		Time of Use (TOU) - Off-Peak	31,687,546
Jul-26	**Residential - A1**		
	Life line	Up to 50 Units per month	1,444,767
		51 to 100 Units	3,390,747
	Protected	001 - 100 Units	42,855,094
		101 - 200 Units	248,779,230
	Non-Protected	001 - 100 Units per month	4,160,674
		101 - 200 Units per month	59,979,624
		201 - 300 Units per month	191,516,438
	Electric Vehicle Charging Stations (if any)		103,692
	Prepaid Consumers of all categories (if any)		
	Agricultural Tube-Wells - Tariff D		
		Agricultural Tube-wells	5,800,284
		Time of Use (TOU) - Peak	6,446,300
		Time of Use (TOU) - Off-Peak	35,644,946

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Government of Pakistan
Ministry of Energy
(Power Division)
*****

No: MDPPMC/SOP/01 Islamabad, the 30th July, 2025

Subject: **STATUTORY REGULATORY ORDER (SRO)**

I am directed to enclose herewith Power Division's SRO No.1358-I (2025), dated July 29, 2025, for information and necessary action.

Encl: As Above.

(Umer Vaqar)
Section Officer (Corporate Affairs)

DISTRIBUTION.

1. The Chairman, NEPRA, Islamabad
2. The Chief Executive Officer, CPPA-G, Islamabad.
3. The Managing Director, NGC, Islamabad.
4. The Managing Director, EIDMC, Islamabad.
5. The Managing Director, ISMO, Islamabad.
6. The Managing Director, PPMC, Islamabad.
7. The Chief Executive Officer, IESCO, Islamabad.
8. The Chief Executive Officer, FESCO, Faisalabad.
9. The Chief Executive Officer, LESCO, Lahore.
10. The Chief Executive Officer, GEPCO, Gujranwala.
11. The Chief Executive Officer, SEPCO, Sukkur.
12. The Chief Executive Officer, PESCO, Peshawar.
13. The Chief Executive Officer, HAZECO, Hazara.
14. The Chief Executive Officer, QESCO, Quetta.
15. The Chief Executive Officer, TESCO, Peshawar.
16. The Chief Executive Officer, HESCO, Hyderabad.
17. The Chief Executive Officer, MEPCO, Multan.
18. The Chief Executive Officer, GHCL, Islamabad
19. The Chief Executive Officers of all GENCOs.
20. The Chief Executive Officer, PITC, Lahore.
21. The Managing Director, PPIB, Islamabad.

Copy for information to:

1. Special Assistant to the Minister, Power Division, Islamabad
2. Staff Officer to the Secretary, Power Division, Islamabad.
3. PS to Special Secretary, Power Division, Islamabad
4. SPS to the Additional Secretary-I, II and III Power Division, Islamabad.
5. PA to the Joint Secretary (CA&D), Power Division, Islamabad.

Javed Iqbal
Joint Secretary (T&S)
Wednesday, 30 July, 2025, 4:13:31 PM

TO BE PUBLISHED IN THE OFFICIAL GAZETTE
GOVERNMENT OF PAKISTAN

Government of Pakistan
Ministry of Energy
(Power Division)

Islamabad, the, July 29, 2025

NOTIFICATION

S.R.O: 1358-I (2025). National Electricity Policy. 2021 (the "Policy"), as approved by Council of Common Interests (CCI), mandates that the Federal Government may designate an entity to perform the tasks assigned in Sections 5.3.5 and 6.2 of the Policy. Such functions, inter alia, include the monitoring of implementation of the Policy and the National Electricity Plan, as formulated from time to time, and formulation, implementation and monitoring of strategic roadmap for state-owned distribution companies.

2. In pursuance thereof as well as the National Electricity Plan (2023-27) (the "Plan"), the Federal Government, inter alia, designated Power Planning and Monitoring Company (Pvt.) Limited (the "Company") as a designated entity for the implementation of Priority Areas of the Plan.

3. Federal Cabinet, through its decision dated 27-10-2021, also approved the functions to be performed by the Company. Such functions, inter alia, also include management, planning, monitoring in respect of various functions, and business of power sector entities as well as to act as support for the Ministry of Energy in monitoring, coordination and policy formulations in respect of DISCOs, GENCOs and NTDC.

4. Federal Cabinet also directed that the Company may continue to charge a fee from DISCOS, for the services rendered as may be approved by the Board of Directors of the Company, from time to time.

5. The purpose of these SOPs is to ensure an efficient and transparent structure for the allocation of the fee between DISCOs, as decided by the Board of Directors of the Company, from time to time, in the following manner:

(a) Board of Directors of the Company may, on annual basis, approve the annual budget and allocation of fees to DISCOs.

(b) The allocated amount for DISCOs shall be distributed and met as per approved ratio based on Distribution Margin of the respective DISCO.

(c) The invoice by the Company for the payment of the allocated amount for each respective DISCO shall be made to DISCOs through CPPA-G.

(d) Upon receipt of such invoice, the amount shall be paid by CPPA-G, on behalf of the respective DISCO, to the Company directly by making adjustment in relevant account of the concerned DISCO. Such payment shall be, accordingly, reflected by the respective DISCO in its accounts.

(e) Invoice(s) shall be issued by the Company on quarterly basis, in advance, and payment shall be made accordingly.

(f) A reconciliation exercise shall be conducted on quarterly basis, between the Company, CPPA-G and the respective DISCO for settlement of any excess / under-payment of the fee amount.

(Umer Vaqar)
Section Officer (Corporate Affairs)

Javed Iqbal
Joint Secretary (T&S)
Wednesday, 30 July, 2025 4:13:31 PM