



# Eco Friendly ENERGY

CONDENSED INTERIM FINANCIAL REPORT (UNAUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2024

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## COMPANY INFORMATION

### BOARD OF DIRECTORS

Mr. Mirza Javed Iqbal  
*Non-Executive Director - Chairman*  
 Mr. Jamshed Iqbal  
*Non-Executive Director*  
 Mr. Khurram Javaid  
*Executive Director*  
 Mr. Fahad Javaid  
*Executive Director*  
 Mr. Muhammad Mateen Jamshed  
*Non-Executive Director*  
 Mr. Muhammad Sayyam  
*Non-Executive Director*  
 Mr. Muhammad Waleed Bin Tariq Mughal  
*Non-Executive Director*

### AUDIT COMMITTEE

Mr. Mirza Javed Iqbal  
*Chairman*  
 Mr. Jamshed Iqbal  
*Member*  
 Mr. Muhammad Sayyam  
*Member*

### HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Mirza Javed Iqbal  
*Chairman*  
 Mr. Jamshed Iqbal  
*Member*  
 Mr. Muhammad Sayyam  
*Member*

### SHARE REGISTRAR & TRANSFER AGENT

Digital Custodian Company Limited  
 Pardesi House, 4th Floor Old Queen Road,  
 Karachi, Pakistan.  
 Tel: +92-21-32419770, +92-21-3243085  
 UAN 0231-111-322-229  
 E-mail: [share.registrar@digitalcustodian.com](mailto:share.registrar@digitalcustodian.com)

### SHAREHOLDER COMPLAINT HANDLING CELL

Incase of shareholder complaints/queries,  
 Please Contact:  
 Mr. Zeeshan Ejaz  
 Tel : +92-42-35960841Ext:136  
 E-mail: [fahadhafeez@mughalsteel.com](mailto:fahadhafeez@mughalsteel.com)

### STATUTORY AUDITORS

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

### LEGAL ADVISOR

Mr. Muhammad Atif Butt

### CHIEF OPERATING OFFICER

Mr. Shakeel Ahmad Mughal  
 Tel: +92-42-35960841 Ext:154  
 E-mail: [shakeel.ahmad@mughalsteel.com](mailto:shakeel.ahmad@mughalsteel.com)

### CHIEF FINANCIAL OFFICER

Mr. Muhammad Zafar Iqbal  
 Tel: +92-42-35960841 Ext:138  
 E-mail: [zafariqbal@mughalsteel.com](mailto:zafariqbal@mughalsteel.com)

### COMPANY SECRETARY

Mr. Muhammad Fahad Hafeez  
 Tel: +92-42-35960841 Ext:155  
 E-mail: [fahadhafeez@mughalsteel.com](mailto:fahadhafeez@mughalsteel.com)

### BANKERS / INSTITUTIONS

Bank Makramah Limited  
 Habib Bank Limited  
 MCB Bank Limited  
 Meezan Bank Limited  
 Faysal Bank Limited  
 United Bank Limited  
 MCB Islamic Bank Limited  
 Soneri Bank Limited  
 First Women Bank Limited  
 Askari Bank Limited  
 Faysal Bank Limited  
 Pair Investment Company Limited  
 Parwaaz Financial Services Limited

### GEOGRAPHICAL PRESENCE

Registered Office  
 31-A Shadman 1  
 Lahore, Pakistan  
 Tel: +92-42-35960841-3  
 Fax: +92-42-35960846

### Plant site

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

### Company Website:

The Company is operating website  
[www.mughalenergy.com.pk](http://www.mughalenergy.com.pk) containing  
 updated information regarding the Company.

Note: MEL's Annual & Interim Financial  
 Statements are also available at the  
 above website.



# DIRECTORS' REVIEW

Dear Valued Shareholders,

On behalf of the Board of Directors of **MUGHAL ENERGY LIMITED**, we are pleased to present the un-audited condensed interim financial statements of the Company for the quarter ended September 30, 2024, the financial results of which are summarized below:

(Rs. in Millions)

	Quarter ended September 30,	
	2024	2023
Loss for the period	(1.267)	(10.796)
Loss per share - Basic and Diluted (Rs.)	(0.01)	(0.57)

## Business, financial & operational Review

The Company is yet to commence its commercial operations and therefore posted loss for the period ended September 30, 2024, which was mainly on account of salaries and various routine expenses. However, the Company expects profitable results post achieving commercial operations. The Company is currently in process of installation of a 36.50 MW captive hybrid power plant project. The installation is in process and CoD is expected in 1st quarter of calendar year 2025.

## Future outlook

The business prospects are highly dependent on macroeconomic factors and political stability. Going forward, the Company remains committed to successful and timely achievement of commencement of operations of its 36.50 MW captive hybrid power plant.

## Acknowledgement

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

For and on behalf of the Board of Directors



Mirza Javed Iqbal  
Chairman / Director



Khurram Javaid  
Chief Executive Officer / Director

Date: October 23, 2024  
Place: Lahore

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION  
AS AT SEPTEMBER 30, 2024

Rupees	Note	September 30, 2024 (Unaudited)	June 30, 2024 (Audited)
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5.	4,661,305,374	4,464,549,751
Long-term security deposits		87,500	87,500
		<u>4,661,392,874</u>	<u>4,464,637,251</u>
<b>CURRENT ASSETS</b>			
Advances		13,807,020	13,047,000
Due from the government		469,036,009	459,095,089
Cash and bank balances		29,341,620	205,656,677
		<u>512,184,649</u>	<u>677,798,766</u>
		<u>5,173,577,523</u>	<u>5,142,436,017</u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL &amp; RESERVES</b>			
Authorized share capital		<u>2,500,000,000</u>	<u>2,500,000,000</u>
Issued, subscribed and paid-up capital		2,166,732,420	2,166,732,420
Share premium		116,365,179	116,365,179
Revaluation surplus on property, plant and equipment		1,064,174,125	1,064,174,125
Accumulated loss		(106,719,806)	(105,452,774)
Equity contribution / loan from Directors		214,666,792	214,666,792
		<u>3,455,218,710</u>	<u>3,456,485,742</u>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Long-term financing- secured		<u>374,179,890</u>	<u>388,182,140</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		45,791,709	83,140,623
Accrued markup		32,984,548	33,054,027
Short-term borrowings		790,772,162	770,772,162
Short-term loans from Directors - unsecured		426,810,394	376,983,463
Current portion of long-term financing		47,820,110	33,817,860
		<u>1,344,178,923</u>	<u>1,297,768,135</u>
		<u>5,173,577,523</u>	<u>5,142,436,017</u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	6.		

The annexed notes, from 1 to 13, form an integral part of these condensed interim financial statements.



**Khurram Javaid**  
Chief Executive Officer/Director



**Muhammad Zafar Iqbal**  
Chief Financial Officer



**FAHAD JAVAID**  
Director

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS  
FOR THE QUARTER ENDED SEPTEMBER 30, 2024 (UNAUDITED)**

Rupees	Note	2024	2023
Revenue		-	-
Cost of revenue		-	-
<b>GROSS PROFIT / (LOSS)</b>		<b>-</b>	<b>-</b>
Administrative expenses		<b>(2,178,979)</b>	<b>(11,556,080)</b>
Other charges		<b>(52,500)</b>	<b>(118,710)</b>
Other income		<b>965,464</b>	<b>878,532</b>
Finance cost		<b>(1,017)</b>	<b>(31)</b>
<b>LOSS BEFORE TAXATION</b>		<b>(1,267,032)</b>	<b>(10,796,289)</b>
Taxation		-	-
<b>LOSS FOR THE PERIOD</b>		<b>(1,267,032)</b>	<b>(10,796,289)</b>
<b>LOSS PER SHARE - BASIC &amp; DILUTED</b>	7.	<b>(0.01)</b>	<b>(0.06)</b>

The annexed notes, from 1 to 13, form an integral part of these condensed interim financial statements.

  
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**Khurram Javaid**  
Chief Executive Officer/Director

  
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**Muhammad Zafar Iqbal**  
Chief Financial Officer

  
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**FAHAD JAVAID**  
Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME  
FOR THE QUARTER ENDED SEPTEMBER 30, 2024 (UNAUDITED)

Rupees	Note	2024	2023
Loss for the period		(1,267,032)	(10,796,289)
Other comprehensive income		-	-
Total comprehensive loss for the period		<u>(1,267,032)</u>	<u>(10,796,289)</u>

The annexed notes, from 1 to 13, form an integral part of these condensed interim financial statements.



Khurram Javaid  
Chief Executive Officer/Director



Muhammad Zafar Iqbal  
Chief Financial Officer



FAHAD JAVAID  
Director

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY  
FOR THE QUARTER ENDED SEPTEMBER 30, 2024 (UNAUDITED)**

Rupees	Issued, subscribed and paid-up capital	Capital reserves		Revenue reserve	Equity contribution / loan from Directors	Total equity
		Share premium	Revaluation surplus on property, plant and equipment	Accumulated loss		
BALANCE AS AT JUNE 30, 2023-(audited)	1,972,622,420	-	1,064,174,125	(86,282,493)	130,860,574	3,081,374,626
Loss for the period	-	-	-	(10,796,289)	-	(10,796,289)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(10,796,289)	-	(10,796,289)
Repayments during the period	-	-	-	-	(14,443,493)	(14,443,493)
BALANCE AS AT SEPTEMBER 30, 2023-(unaudited)	1,972,622,420	-	1,064,174,125	(97,078,782)	116,417,081	3,056,134,844
BALANCE AS AT JUNE 30, 2024-(audited)	2,166,732,420	116,365,179	1,064,174,125	(105,452,774)	214,666,792	3,456,485,742
Loss for the period	-	-	-	(1,267,032)	-	(1,267,032)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(1,267,032)	-	(1,267,032)
BALANCE AS AT SEPTEMBER 30, 2024-(unaudited)	2,166,732,420	116,365,179	1,064,174,125	(106,719,806)	214,666,792	3,455,218,710

The annexed notes, from 1 to 13, form an integral part of these condensed interim financial statements.



**Khurram Javaid**  
Chief Executive Officer/Director



**Muhammad Zafar Iqbal**  
Chief Financial Officer



**FAHAD JAVAID**  
Director

**CONDENSED INTERIM STATEMENT OF CASH FLOWS  
FOR THE QUARTER ENDED SEPTEMBER 30, 2024 (UNAUDITED)**

Rupees	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(1,267,032)	(10,796,289)
<b>Adjustments:</b>		
Profit on saving accounts	(7,144)	(7,332)
Finance cost	1,017	31
	(6,127)	(7,301)
<b>Loss before working capital changes</b>	<b>(1,273,159)</b>	<b>(10,803,590)</b>
Working capital changes:		
Decrease / (Increase) In current assets		
Advances	(760,020)	9,158,584
Deposits, prepayments and other receivables	-	9,070,244
Due from the government	(9,560,111)	(1,474,818)
	(10,320,131)	16,754,011
Increase / (Decrease) in current liabilities		
Trade and other payables	(37,348,914)	16,117,919
<b>Cash used in / generated from operations</b>	<b>(48,942,204)</b>	<b>22,068,340</b>
Payment of income tax	(380,809)	(131,780)
<b>Net cash used in / generated from operating activities</b>	<b>(49,323,013)</b>	<b>21,936,560</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for acquisition of property, plant and equipment	(130,977,832)	(18,748,885)
Profit received	7,144	7,332
<b>Net cash used in investing activities</b>	<b>(130,970,688)</b>	<b>(18,741,553)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from short-term borrowings	20,000,000	-
Proceeds of short-term loans from Directors	49,826,931	-
Repayment of equity contribution / loan from Directors	-	(14,443,493)
Payment of finance cost	(65,848,287)	(17,619,524)
<b>Net cash generated from / used in financing activities</b>	<b>3,978,644</b>	<b>(32,063,017)</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(176,315,057)</b>	<b>(28,868,010)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>205,656,677</b>	<b>60,941,033</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>29,341,620</b>	<b>32,073,023</b>

The annexed notes, from 1 to 13, form an integral part of these condensed interim financial statements.



\_\_\_\_\_  
**Khurram Javaid**  
Chief Executive Officer/Director



\_\_\_\_\_  
**Muhammad Zafar Iqbal**  
Chief Financial Officer



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**FAHAD JAVAID**  
Director

# SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2024 (UNAUDITED)

## 1. THE COMPANY AND ITS OPERATIONS

The Company was incorporated as Public Limited Company in Pakistan on August 19, 2012 and is domiciled in Lahore. The principal purpose of the Company is to carry on business of generating, purchasing, importing, transforming, converting, distributing, supplying, exporting and dealing in electricity and all other forms of energy and products or services associated therewith. The Company is a subsidiary of Mughal Iron & Steel Industries Limited, which holds 90% of the ordinary shares and 100% of the Class-B shares of the Company. Ordinary shares of the Company are listed on Growth Enterprise Market (GEM) board of Pakistan Stock Exchange Limited.

The geographical locations and addresses of the Company's business units including plant are as follows:

Business unit:	Geographical Location / Address:
- Registered office	31-A Shadman-1, Lahore.
- Plant site	17-KM, Sheikhpura Road, Lahore.

## 2. BASIS OF PREPARATION

### 2.1 Statement of compliance

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

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

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

### 2.2 Basis of measurement

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

### 2.3 Functional and presentation currency

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

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual audited financial statements of the Company for the year ended June 30, 2024, except detailed below or elsewhere.

These condensed interim financial statements are un-audited and do not include all the information and disclosures as are required for annual audited financial statements, and therefore, should be read in conjunction with the Company's annual audited financial statements for the year ended June 30, 2024. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual audited financial statements.

## 4. CRITICAL ACCOUNTING ESTIMATES & JUDGEMENTS

The preparation of condensed interim financial statements in conformity with the approved accounting standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing these condensed interim financial statements, the significant judgements made by management in applying the Company's accounting policies and key sources of estimation of uncertainty were the same as those applied to the annual audited financial statements of the Company for the year ended June 30, 2024, except as disclosed otherwise in respective notes.

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE QUARTER ENDED SEPTEMBER 30, 2024 (UNAUDITED)

Rupees	September 30, 2024	June 30, 2024
	(Unaudited)	(Audited)
<b>5. PROPERTY, PLANT AND EQUIPMENT</b>		
Operating fixed assets - freehold land - at revalued amount	1,451,584,602	1,451,584,602
Assets subject to operating lease - land - at revalued amount	121,690,398	121,690,398
Capital work-in-progress	<u>3,088,030,374</u>	<u>2,891,274,751</u>
	<u>4,661,305,374</u>	<u>4,464,549,751</u>

**6. CONTINGENCIES AND COMMITMENTS**

**Contingencies:**

There has been no significant change in the status of contingencies as reported in the annual audited financial statements of the Company for the year ended June 30, 2024, except as disclosed elsewhere in the interim financial report.

**Commitments:**

Capital commitments	<u>1,989,267,736</u>	<u>1,808,231,279</u>
Rupees	September 30, 2024	September 30, 2023

**7. LOSS PER SHARE - BASIC AND DILUTED**

Loss for the period	Rupees	(1,267,032)	(10,796,289)
Weighted average number of ordinary shares	Rupees	<u>194,103,187</u>	<u>174,692,187</u>
Loss per share - basic	Rupees	<u>(0.01)</u>	<u>(0.06)</u>

**7.1** For the purpose of calculating loss per share, Class-B shares have not been taken since they have no right in any dividend declared by the Company.

**7.2** There were no dilutive potential ordinary shares outstanding as at September 30, 2024 and September 30, 2023.

**8. RELATED PARTY / ASSOCIATED UNDERTAKING DISCLOSURE**

Related parties comprise of the holding company and entities regarded as related / associated due to common directorship or common management, major shareholders, key management personnel and their close family members ("the relatives"). Major shareholders are those persons having control of or significant influence over the reporting entity. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the reporting entity, directly or indirectly including Directors (whether executive or otherwise) of the reporting entity. Details of transactions / outstanding balances with related parties, not otherwise disclosed elsewhere, are as follows:

Rupees	Quarter ended		As at	
	September 30, 2024	September 30, 2023	September 30, 2024	June 30, 2024
<b>Mughal Iron &amp; Steel Industries Limited - Holding Company</b>				
<i>Detail of transactions</i>				
Commission expense	-	15,000,000		
Markup expense	42,712,571	-		
Short-term loan - proceeds	20,000,000	-		
<i>Detail of outstanding balances</i>				
Markup payable			24,919,106	26,258,526
Short-term loan			790,772,162	770,772,162
<b>Major shareholders, key management personnel and their relatives</b>				
<i>Detail of transactions</i>				
Remuneration	1,392,098	7,031,831		
Equity contribution / loan by directors - proceeds / repayments	-	14,443,493		
Short-term loan from directors - proceeds	49,826,931	-		
Rent expense	90,750	82,500		

## SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2024 (UNAUDITED)

### 9. FINANCIAL RISK MANAGEMENT

These condensed interim financial statements do not include all financial risk management information and disclosures, which are required in the annual financial statements and should be read in conjunction with the Company's annual audited financial statements for the year ended June 30, 2024. There has been no change in any risk management policies since the year end.

### 10. FAIR VALUE DISCLOSURES

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

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

Rupees	Level 2	Total
Freehold land (operating)	1,451,584,602	1,451,584,602
Land subject to operating lease	121,690,398	121,690,398
September 30, 2024	1,573,275,000	1,573,275,000
Freehold land (operating)	1,451,584,602	1,451,584,602
Land subject to operating lease	121,690,398	121,690,398
June 30, 2024	1,573,275,000	1,573,275,000

- Level 1: quoted prices in active markets for identical assets or liabilities;

- Level 2: those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

- Level 3: Inputs for the asset or liability that are not based on observable market data.

### 11. SHARIAH DISCLOSURE

Rupees	Quarter ended		As at	
	September 30, 2024	September 30, 2023	September 30, 2024	June 30, 2024
<i>Statement of financial position:</i>				
Financing / loans / advances obtained as per Islamic mode			641,477,186	591,650,255
Interest or mark-up accrued on any conventional loan or advance			32,984,548	33,054,027
Shariah compliant bank deposits / bank balances / TDRs			22,322,850	200,924,134
<i>Statement of profit or loss:</i>				
Profit earned from shariah compliant bank deposits / balances / TDRs	7,143	30,434		
Interest on any conventional loan or advance	65,777,791	17,276,467		

### 12. DATE OF AUTHORIZATION

These condensed interim financial statements were authorized for issue on October 23, 2024 by the Board of Directors of the Company.

### 13. GENERAL

The figures have been rounded off to the nearest rupee.

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

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

  
 Khurram Javid  
 Chief Executive Officer/Director

  
 Muhammad Zafar Iqbal  
 Chief Financial Officer

  
 FAHAD JAVAID  
 Director

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