



**Crowe Hussain Chaudhury & Co.**

(Chartered Accountants)

House no 982, Street no 21, Phase 4,  
Bahria Town, Islamabad

Tel: +92 (51) 5737581-2

Fax: +92 (51) 5732505

crowehorwathpk@gmail.com

cahabib@hotmail.com

www.crowepak.com

**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF  
POWER HOLDING LIMITED**

**Opinion**

We have audited the annexed financial statements of **"POWER HOLDING LIMITED"**, which comprise the statement of financial position as at 30 June 2021, the statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2021 and of the profit, the other comprehensive income, the changes in equity, cash flows for the year then ended.

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditors' 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.

**Responsibilities of Management and Board of Directors for the Financial Statements**

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

*Handwritten signature*



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 is 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.

Hz



We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### Report on Other Legal and Regulatory Requirements


Based on our audit, we further report that in our opinion:

- a) Proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) The statement of financial position, the statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with books of account and returns;
- c) Expenditure incurred during the year were for the purpose of the Company's business; and
- d) No zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit of the financial statements **POWER HOLDING LIMITED** for the year ended June 30, 2021 resulting in this independent auditors' report is Iqbal Hussain.

Place: Islamabad

Dated: 107 OCT 2021

  
CROWE HUSSAIN CHAUDHURY & CO.  
(CHARTERED ACCOUNTANTS)





**POWER HOLDING LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2021**

|  |      | 2021                     | 2020                     |
|--|------|--------------------------|--------------------------|
|  | Note | -----Pak Rupees-----     |                          |
| <b>NON - CURRENT ASSETS</b>  |      |                          |                          |
| Property and equipment   | 4    | 512,235                  | 595,930                  |
| Long term deposits   |      | 260,500                  | 260,500                  |
| Deferred tax asset   | 5    | 34,869                   | 34,188                   |
| Finance facilities - principal portion receivable                              | 6    | 718,253,452,444          | 832,525,003,260          |
|  |      | <b>718,254,260,048</b>   | <b>832,525,893,878</b>   |
| <b>CURRENT ASSETS</b>  |      |                          |                          |
| Current portion of finance facilities - receivable                             | 7    | 348,289,342,821          | 330,411,549,121          |
| Income tax withheld  | 8    | 14,968,801               | 20,472,750               |
| Cash and bank balances   | 9    | 210,299,552              | 842,615,780              |
|  |      | <b>348,514,611,174</b>   | <b>331,274,637,651</b>   |
|  |      | <b>1,066,768,871,222</b> | <b>1,163,800,531,529</b> |
| <b>SHARE CAPITAL AND RESERVES</b>  |      |                          |                          |
| <b>Authorized Capital</b>  |      | <b>15,000,000</b>        | <b>15,000,000</b>        |
| 1,500,000 (2020: 1,500,000) ordinary shares of Rs. 10 each.                    |      |                          |                          |
| <b>Issued, Subscribed and Paid up Capital</b>                                  |      |                          |                          |
| 1,500,000 (2020: 1,500,000) ordinary shares of Rs. 10 each fully paid in cash. | 10   | 15,000,000               | 15,000,000               |
| Accumulated profit   |      | 181,688,030              | 120,530,805              |
|  |      | <b>196,688,030</b>       | <b>135,530,805</b>       |
| <b>NON - CURRENT LIABILITIES</b>   |      |                          |                          |
| Long term financing  | 11   | 718,253,452,444          | 832,525,003,260          |
| <b>CURRENT LIABILITIES</b>   |      |                          |                          |
| Current portion of long term financing   | 12   | 211,746,550,811          | 171,357,166,666          |
| Markup accrued   | 13   | 67,485,019,299           | 68,234,101,833           |
| Bridge borrowing from CPPA - for MOF principal/ markup settlement              |      | 22,383,758,292           | 25,471,771,159           |
| Other payables   | 14   | 46,678,421,953           | 66,047,876,021           |
| Provision for taxation   |      | 24,980,393               | 29,081,786               |
|  |      | <b>348,318,730,748</b>   | <b>331,139,997,465</b>   |
|  |      | <b>1,066,768,871,222</b> | <b>1,163,800,531,530</b> |
| <b>CONTINGENCIES AND COMMITMENTS</b>   |      |                          |                          |
|  | 15   |                          |                          |

The annexed notes, from 1 to 31, form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

POWER HOLDING LIMITED  
STATEMENT OF PROFIT OR LOSS  
FOR THE YEAR ENDED 30 JUNE 2021

|   | Note | 2021<br>-----Pak Rupees----- | 2020               |
|---|------|------------------------------|--------------------|
| Grant - from power sector, GOP through CPPA-G   | 16   | 91,735,487,750               | 131,010,942,143    |
| Grant - from finance division, GOP              | 17   | 73,875,456                   | 5,673,089,825      |
|   |      | 91,809,363,206               | 136,684,031,968    |
| Less: Utilized for                              |      |                              |                    |
| - Finance cost                                  | 18   | 91,572,422,206               | 136,191,959,236    |
| - Other expenses                                | 19   | 236,941,000                  | 492,072,732        |
|   |      | 91,809,363,206               | 136,684,031,968    |
| Other income                                    | 20   | 100,151,066                  | 120,323,024        |
| Operating cost                                  | 21   | 12,204,427                   | 14,262,682         |
| Financial incidental charges                    | 22   | 1,809,703                    | 5,718,951          |
|   |      | 14,014,130                   | 19,981,633         |
| <b>Profit for the year - before taxation</b>    |      | <b>86,136,936</b>            | <b>100,341,391</b> |
| Provision for taxation                          | 23   | (24,979,711)                 | (29,093,193)       |
| <b>Net profit for the year - after taxation</b> |      | <b>61,157,225</b>            | <b>71,248,198</b>  |
| <b>Earning Per Share</b>                        | 24   | <b>40.77</b>                 | <b>47.50</b>       |

The annexed notes, from 1 to 31, form an integral part of these financial statements.

*Handwritten signature*

CHIEF EXECUTIVE

DIRECTOR


POWER HOLDING LIMITED  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2021

|  | 2021                     | 2020                     |
|--|--------------------------|--------------------------|
|  | -----Pak Rupees-----     |                          |
| Profit for the year                            | 61,157,225               | 71,248,198               |
| Other comprehensive income                     | -                        | -                        |
| <b>Total comprehensive income for the year</b> | <u><u>61,157,225</u></u> | <u><u>71,248,198</u></u> |

The annexed notes, from 1 to 31, form an integral part of these financial statements.



CHIEF EXECUTIVE



DIRECTOR

POWER HOLDING LIMITED  
 STATEMENT OF CHANGES IN EQUITY  
 FOR THE YEAR ENDED 30 JUNE 2021

|   | Share capital        | Accumulated<br>profit | Total              |
|---|----------------------|-----------------------|--------------------|
|   | -----Pak Rupees----- |                       |                    |
| Balance as at July 01, 2019             | 15,000,000           | 49,282,607            | 64,282,607         |
| Profit for the year ended June 30, 2020 | -                    | 71,248,198            | 71,248,198         |
| Balance as at June 30, 2020             | 15,000,000           | 120,530,805           | 135,530,805        |
| Balance as at July 01, 2020             | 15,000,000           | 120,530,805           | 135,530,805        |
| Profit for the year ended June 30, 2021 |                      | 61,157,225            | 61,157,225         |
| Balance as at June 30, 2021             | <u>15,000,000</u>    | <u>181,688,030</u>    | <u>196,688,030</u> |

The annexed notes, from 1 to 31, form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

POWER HOLDING LIMITED  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2021

|   | 2021                    | 2020                    |
|---|-------------------------|-------------------------|
| Note  | -----Pak Rupees-----    |                         |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                     |                         |                         |
| Profit before tax for the year  | 86,136,936              | 100,341,391             |
| <b>Adjustments for non-cash and other items:</b>                                |                         |                         |
| - Grant from power sector, GOP through CPPA-G against markup                    | (82,610,385,756)        | (107,740,583,582)       |
| - Grant from finance division, GOP against markup                               | (13,430,456)            | (5,671,929,825)         |
| - Grant from power sector, GOP through CPPA-G against LDs                       | (8,948,605,994)         | (22,779,445,828)        |
| - Grant from power sector, GOP through CPPA-G against fees                      | (176,496,000)           | (490,912,732)           |
| - Grant from finance division, GOP against fee                                  | (60,445,000)            | (1,160,000)             |
| - Other income  | (100,151,066)           | (120,323,024)           |
| - Other charges   | 236,941,000             | 492,072,732             |
| - Depreciation on property and equipment  | 183,595                 | 163,986                 |
| - Finance cost  | 82,623,816,212          | 113,412,513,407         |
| - Liquidated damages  | 8,948,605,994           | 22,779,445,829          |
|   | <u>(99,967,471)</u>     | <u>(120,159,038)</u>    |
| <b>Loss for the year before working capital changes</b>                         | <b>(13,830,535)</b>     | <b>(19,817,647)</b>     |
| <b>Changes in working capital:</b>  |                         |                         |
| - Short term prepayments  | -                       | 48,055                  |
| - Other payable   | 22,130                  | 3,795,270               |
| <b>Net changes in working capital</b>   | <b>22,130</b>           | <b>3,843,325</b>        |
| Received from CPPA against markup   | 73,260,799,685          | 91,764,185,973          |
| Received from FD against markup   | 10,656,499,995          | -                       |
| Received from CPPA-G against arrangement / trustee fee                          | 236,941,000             | 492,152,732             |
|   | <u>84,154,240,680</u>   | <u>92,256,338,705</u>   |
| Finance cost paid   | (83,372,898,747)        | (99,408,525,687)        |
| Trustee, arrangement and legal fee paid   | (236,941,000)           | (492,072,732)           |
| Interest on bank deposit  | 100,151,066             | 120,323,024             |
| Income tax deducted / paid  | (23,577,829)            | (18,024,338)            |
|   | <u>(83,533,266,510)</u> | <u>(99,798,299,733)</u> |
| <b>Net cash used in operating activities</b>                                    | <b>607,165,766</b>      | <b>(7,557,935,350)</b>  |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                     |                         |                         |
| Purchase of property and equipment  | (99,900)                | (209,940)               |
| Long term deposits adjusted / paid  | -                       | (100,000)               |
| <b>Net cash used in investing activities</b>                                    | <b>(99,900)</b>         | <b>(309,940)</b>        |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                                     |                         |                         |
| Financing obtained during the year from banks                                   | 30,950,000,000          | 448,878,336,595         |
| Receipts from Finance Division for onward payment to banks                      | 72,634,333,337          | -                       |
| Receipts from Finance Division for onward payment against CPPA bridge borrowing | 3,743,500,002           | -                       |
|   | <u>(72,634,333,337)</u> | <u>-</u>                |
| Received from CPPA against FD payment obligations                               | 20,030,761,742          | 9,212,230,879           |
| Paid to CPPA on receipts from FD (adjustment of bridge borrowing)               | (23,765,810,503)        | -                       |
|   | <u>(1,247,833,334)</u>  | <u>-</u>                |
| Repayments to the banks during the year against principal portion               | (30,950,000,001)        | (250,783,286,596)       |
| Payment to CPPA for onward payment to IPPs                                      | -                       | (199,966,800,000)       |
| <b>Net cash generated in financing activities</b>                               | <b>(1,239,382,095)</b>  | <b>7,340,480,878</b>    |
| <b>Net decrease in cash and cash equivalents</b>                                | <b>(632,316,229)</b>    | <b>(217,764,410)</b>    |
| Cash and cash equivalents at beginning of the year                              | 9 842,615,780           | 1,060,380,190           |
| Cash and cash equivalents at end of the year                                    | 9 <u>210,299,551</u>    | <u>842,615,780</u>      |

The annexed notes, from 1 to 31, form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR



**POWER HOLDING LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**1 LEGAL STATUS AND OPERATIONS**

Power Holding Limited ("the Company") was incorporated in Pakistan on June 24, 2009, as a private limited company under the Companies Ordinance, 1984 (now Companies Act, 2017). The company was established under the administrative control of Ministry of Energy (Power Division) and is wholly owned by the Government of Pakistan. The registered office of the company is situated at Room # 602, Shaheed-e-Millat Secretariat, Jinnah Avenue, Blue Area, Islamabad. The status of the company was converted from private limited to public limited with effect from April 01, 2019.

The company was incorporated as a result of decision by Ministry of Finance in the meeting held on May 21, 2009 under the Chairmanship of the then Advisor to the Prime Minister on Finance to remove the bank borrowings of the power sector companies (National Transmission and Despatch Company Limited (NTDC), Water and Power Development Authority (WAPDA) and Power Distribution Companies (DISCOs)) along with mark-up as a consequence of unpaid subsidies by the Government of Pakistan. The, then Prime Minister of Pakistan also granted approval for the establishment of the company solely for the purpose of facilitation and not to earn profits or undertake any other business. Thus, the company, although public limited, functions as a not for profit entity.

**2 BASIS OF PREPARATION**

**2.1 Statement of compliance**

These financial statements have been prepared in accordance with approved accounting standards, as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017, provisions of and directives issued under the Companies Act, 2017. In case requirements differ, the provisions or directives of the Companies Act, 2017, shall prevail.

**2.2 Impact of Covid - 19 on financial statements**

The management of Power Holding Limited has evaluated the financial impact of the Covid - 19 on the financial statements and is of the view that there are no material financial implications of the Covid -19.

**2.3 Basis of measurement**

These financial statements have been prepared under the historical cost convention.

**2.4 Significant accounting estimates**

The preparation of financial statements in conformity with approved Accounting and Financial Reporting Standard requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgment about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimates are revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects current period and future periods.

Judgments made by the management in the application of approved accounting standards that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in the ensuing paragraphs.

POWER HOLDING LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021

**2.4.1 Property and equipment**

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost of property and equipment comprises historical cost.

Depreciation charge is based on written down method whereby the cost of an asset is written off to statement of profit or loss over its estimated useful life. Depreciation on addition is charged on monthly basis for which the asset is available for use. Gain or loss on disposal is taken to income currently.

Maintenance and normal repairs are charged to statement of profit or loss as and when incurred. Renewals and improvements are capitalized when it is probable that respective future economic benefits will flow to the Foundation and the cost of the item can be measured reliably, and the assets so replaced, if any, are retired.

The useful lives, residual values and depreciation method are reviewed on a regular basis. The effect of any changes in estimate is accounted for on a prospective basis.

**2.4.2 Taxation**

The Company takes into account the relevant provision of current income tax laws while providing for current and deferred taxes as explained in relevant note to these financial statements.

**2.4.3 Impairment**

**2.4.3.1 Impairment of financial assets**

The Company measures loss allowances for Expected Credit Losses (ECLs) on financial assets measured at amortised cost after considering the pattern of receipts from and future financial outlook of the counterparty and is reviewed by the management on regular basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of assets with a corresponding effect on the profit or loss.

**2.4.3.2 Impairment of non-financial assets**

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment loss. If any such indication exists, recoverable amount is estimated using criteria given in respective accounting standards to determine the extent of impairment loss, if any.

**2.5 Adoption of approved reporting standard**

The Company has adopted all standards and interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB and as notified by the Securities and Exchange Commission of Pakistan (SECP) that are relevant to its operations.

**2.6 Functional and presentational currency**

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

**2.7 Reclassification**

Prior year balances are reclassified to give better presentation.

**POWER HOLDING LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies set out below have been applied consistently in the preparation of these financial statements:

**3.1 New standards, interpretations and amendments**

There are certain amendments to existing and accounting reporting standards that have become applicable for accounting periods beginning on or after Jan 01, 2020. These are considered either to not be relevant or do not have any significant impact on these financial statements.

**3.2 Standards, amendments to approved accounting standards and interpretation that are not yet**

The following new standards and amendments to approved accounting standards are not effective for the financial year beginning on July 01, 2019 and have not been early adopted by the company:

- Amendments to IAS 1 presentation of financial statements and IAS 8 accounting policies, changes in accounting estimates and errors is applicable on accounting periods beginning on or after January 01, 2020. The amendments are intended to make definition of material in IAS 1 easier to understand and are not intended alter the underlying concept of materiality in IFRS. In addition IAASB has also issued guidance on how to make materiality judgements when preparing general purpose financial statements in accordance with IFRS. Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of financial statements, which provide financial information about a specific reporting entity.
- Amendments to IFRS 16 'Leases' is applicable on accounting periods beginning on or after June 01, 2020. Under IFRS 16, rent concessions often meet definition of lease modification, unless they were envisaged in the original lease agreement. The amendments exempt lessee from having to consider individual lease contract to determine whether rent concessions occurring as a direct consequence of covid 19 pandemic are lease modification and allows lessee to account for such rent concessions as if they were not lease modification. The amendments does not affect lessor. The amendments are not expected to have material impact on company financial statements.
- Amendments to IAS 37 provisions, contingent assets and contingent liabilities is applicable for accounting periods beginning on or after January 01, 2022. Under IAS 37, contract is onerous when unavoidable cost of meeting the contractual obligations i.e:lower of the cost of fulfilling a contract or terminating it, outweighs the economic benefits. The amendments clarify that cost of fulfilling a contract comprise both incremental cost and an allocation of other direct costs. The amendments are not expected to have material impact on company financial statements.
- Annual improvements 2018 applicable for annual periods beginning on or after January 01, 2022. These amendments include changes from 2018-2020 cycle of annual improvement project that mainly affect following standards:

Amendments to IFRS 1, 'First time adoption of IFRS, simplifies the application of IFRS 1 for a subsidiary that becomes a first time adopter of IFRS later then its parent.

Amendment to IFRS 9, financial instrument clarifies that for purpose of performing 10 % test for derecognition of financial liabilities in determining those fees paid net of fees received, a borrower includes fees paid or received between the borrower and lender, including fees paid or received by either of borrower or lender on the others behalf.

Amendments to IFRS 16 Leases and IAS 41 Agriculture.

**POWER HOLDING LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**3.3 Cash and cash equivalents**

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand, balances with bank that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in values.

**3.4 Property and equipment**

**Cost**

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Cost signifies historical cost, directly attributable cost of bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the management.

**Depreciation**

Depreciation is charged to statement of profit or loss applying the reducing balance method at the rates specified in note 4 to these financial statements, so as to write off the cost less residual value of assets over their estimated useful lives. Full month's depreciation is charged in the month of purchase and no depreciation is charged in the month of disposal.

Subsequent costs are included in the asset's carrying amount when it is probable that future economic benefits associated with the item will flow to the Company and the cost of item can be measured reliably. Carrying amount of the replaced asset is derecognized. All other repair and maintenance, if any, is charged to statement of profit or loss during the period. The gain or loss on disposal or retirement of assets represented by the difference between the sale proceeds and the carrying amount of the asset is recognized in statement of profit or loss.

Assets are derecognized when disposed off or when no future economic benefits are expected to flow from its use. Gains or losses on disposal of an item of Property and equipment are determined by comparing the proceeds from disposal with the carrying amount of Property and equipment, and are recognized net within "other income" in statement of profit or loss.

**3.5 Impairment**

The Company assesses at each statement of financial position date whether there is any indication that assets may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amounts. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in statement of profit or loss. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Where impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised recoverable amount but limited to the extent of the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognized for the asset in prior years. Reversal of impairment loss is charged to income.

The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as an income or expense.

**POWER HOLDING LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**3.6 Taxation**

**Current**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantially enacted at the reporting date. Current tax also includes any tax arising from dividends. Current tax assets and liabilities are offset if certain criteria is met.

**Deferred**

Deferred income tax is provided using the liability method for all temporary differences arising at the statement of financial position date between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences and deferred income tax assets are recognized for all deductible temporary differences and carry forward of unused tax losses, if any, to the extent that it is probable that taxable profit will be available against which such deductible temporary differences and tax losses can be utilized. Deferred tax assets and liabilities are measured at the tax rate that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the statement of financial position date.

**3.7 Staff retirement benefits**

The Company does not operate any staff retirement scheme for its employees. All the employees of the Company are contractual and/or are hired on contingent basis. No provision for gratuity has been made by the Company as at year end and therefore IAS-19 is not applicable.

**3.8 Financial instruments**

**(i) Recognition and initial measurement**

All financial assets and liabilities are recognized in the statement of financial position when the Company becomes a party to the contractual provisions of an instrument.

A financial asset (unless it is a trade debt without significant financing component) or financial liability is initially measured at fair value, plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

**(ii) Classification and subsequent measurement**

**(a) Financial assets**

On initial recognition, a financial asset is classified as measured at amortized cost, FVTOCI or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest of the principal amount outstanding.

**POWER HOLDING LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

Financial assets at amortized cost are subsequently measured using the effective interest method. The amortized cost is reduced by impairment losses. Foreign exchange gains and losses and impairment are recognized in profit or loss.

**(b) Financial assets**

The Company classified its financial assets into one or more of the following categories:

- FVTPL
- Loans and receivables

Loans and receivables and held to maturity financial assets were subsequently measured at amortized cost using effective interest method.

**Financial liabilities-Classification and subsequent measurement**

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

**(iii) Derecognition**

**(a) Financial assets**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

**(b) Financial liabilities**

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of modified liability are substantially different, in which case a new financial liability is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid is recognized in profit or loss.

**(iv) Off-setting of financial assets and liabilities**

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

**3.9 Receivables**

Receivable from the Finance Division, GOP / power sector, GOP through CPPA-G is recognized on the basis of term finance facilities availed by the Company for the purposes of funding of the repayment liabilities of the DISCOs. Other receivables are carried at original invoice amount less impairment, if any.

**3.10 Other payables**

Liabilities for amounts payable are measured at cost which is the fair value of the consideration to be paid in the future for goods and services received whether billed to the company or not.

POWER HOLDING LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021

**3.11 Grant from power sector, GOP through CPPA-G/ Finance Division, GOP**

Grant/receipts from the power sector, GOP through CPPA-G and Finance Division, GOP is recognized when the related markup on term finance facilities is recognized. The grant is charged to statement of profit or loss as and when due, whether received or not.

**3.12 Other income**

Profit on bank deposits is recognized on time proportion basis taking into account principal outstanding and rates of profit applicable thereon.

**3.13 Transactions with related parties**

Transactions with related parties are carried out on commercial terms and conditions.

**3.14 Provisions**

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

**3.15 Borrowing costs**

All borrowing costs are charged to profit or loss in the period in which they are incurred.

POWER HOLDING LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021

4 PROPERTY AND EQUIPMENT

|                         | COST                 |                          |                  | ACCUMULATED DEPRECIATION |                                       |                  | WRITTEN<br>DOWN<br>VALUE |
|-------------------------|----------------------|--------------------------|------------------|--------------------------|---------------------------------------|------------------|--------------------------|
|                         | As at<br>1st July    | Additions<br>(Disposals) | As at<br>30 June | As at<br>1st July        | Charge for<br>the year<br>(Disposals) | As at<br>30 June |                          |
|                         | -----Pak Rupees----- |                          |                  | -----Pak Rupees-----     |                                       |                  | Pak Rupees               |
|                         |                      |                          |                  |                          |                                       |                  |                          |
|                         |                      |                          |                  | Rate                     |                                       |                  | As at<br>30 June         |
|                         |                      |                          |                  | %                        |                                       |                  |                          |
| <u>2021</u>             |                      |                          |                  |                          |                                       |                  |                          |
| Vehicles                | 3,008,140            | -                        | 3,008,140        | 20%                      | 2,688,286                             | 72,176           | 2,760,462                |
| Office equipments       | 221,784              | -                        | 221,784          | 30%                      | 112,380                               | 34,400           | 146,780                  |
| Computer and equipments | 671,514              | 99,900                   | 771,414          | 30%                      | 504,842                               | 77,019           | 581,861                  |
|                         | <u>3,901,438</u>     | <u>99,900</u>            | <u>4,001,338</u> |                          | <u>3,305,508</u>                      | <u>183,595</u>   | <u>3,489,103</u>         |

|                         | COST                 |                          |                  | ACCUMULATED DEPRECIATION |                                       |                  | WRITTEN<br>DOWN<br>VALUE |
|-------------------------|----------------------|--------------------------|------------------|--------------------------|---------------------------------------|------------------|--------------------------|
|                         | As at<br>1st July    | Additions<br>(Disposals) | As at<br>30 June | As at<br>1st July        | Charge for<br>the year<br>(Disposals) | As at<br>30 June |                          |
|                         | -----Pak Rupees----- |                          |                  | -----Pak Rupees-----     |                                       |                  | Pak Rupees               |
|                         |                      |                          |                  | Rate                     |                                       |                  | As at<br>30 June         |
|                         |                      |                          |                  | %                        |                                       |                  |                          |
| <u>2020</u>             |                      |                          |                  |                          |                                       |                  |                          |
| Vehicles                | 3,008,140            | -                        | 3,008,140        | 20%                      | 2,608,322                             | 79,964           | 2,688,286                |
| Office equipments       | 111,644              | 110,140                  | 221,784          | 30%                      | 89,094                                | 23,285           | 112,379                  |
| Computer and equipments | 571,714              | 99,800                   | 671,514          | 30%                      | 444,106                               | 60,737           | 504,843                  |
|                         | <u>3,691,498</u>     | <u>209,940</u>           | <u>3,901,438</u> |                          | <u>3,141,522</u>                      | <u>163,986</u>   | <u>3,305,508</u>         |



POWER HOLDING LIMITED  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2021

|  | Note | 2021<br>-----Pak Rupees----- | 2020                   |
|--|------|------------------------------|------------------------|
| <b>5 DEFERRED TAX ASSET</b>  |      |                              |                        |
| Deferred tax asset   | 5.1  | <u>34,869</u>                | <u>34,188</u>          |
| 5.1 Deferred tax asset arises due to accelerated depreciation.         |      |                              |                        |
| <b>6 FINANCE FACILITIES PRINCIPAL PORTION RECEIVABLE - NON CURRENT</b> |      |                              |                        |
| From Power Sector, GOP through CPPA                                    | 6.1  | <u>199,966,800,000</u>       | <u>199,966,800,000</u> |
| From Finance Division, GOP   | 6.2  | <u>518,286,652,444</u>       | <u>632,558,203,260</u> |
|  |      | <u>718,253,452,444</u>       | <u>832,525,003,260</u> |

**6.1 Non - Current Principal Portion Receivable - From Power Sector, GOP Through CPPA**

|   | Opening balance<br>as at 01-07-2020 | Transferred to<br>current portion | Receivable against<br>fresh facility<br>during the year | Closing balance<br>as at 30-06-2021 |
|---|-------------------------------------|-----------------------------------|---|-------------------------------------|
| Note                                    | -----Pak Rupees-----                |                                   |   |                                     |
| Rs. 199,966.8 bln PFS-II (dd: 21-05-20) | <u>199,966,800,000</u>              | -                                 | -   | <u>199,966,800,000</u>              |
| <b>6.1.1</b>                            | <u>199,966,800,000</u>              | -                                 | -   | <u>199,966,800,000</u>              |

6.1.1 The receivables represent the outstanding amounts from power sector, Government of Pakistan through Central Power Purchasing Agency (Guarantee) Limited (CPPA) against Pakistan Energy Sukuk - II on behalf and under guarantee of Government of Pakistan for the purposes of funding the repayment liabilities of the DISCOs / power sector.

**6.2 Non-current principal portion receivable - from Finance Division, GOP**

|  | Opening balance<br>as at 01-07-2020 | Transferred to<br>current portion | Receivable against<br>fresh facility<br>during the year | Closing balance<br>as at 30-06-2021 |
|--|-------------------------------------|-----------------------------------|---|-------------------------------------|
| Note   | -----Pak Rupees-----                |                                   |   |                                     |
| Rs. 200.00 bln PFS-I (dd: 01-03-19)          | 200,000,000,000                     | -                                 | -   | 200,000,000,000                     |
| Rs. 136.4542 bln (dd: 30-09-19)              | 136,454,200,000                     | 34,113,550,000                    | -   | 102,340,650,000                     |
| Rs. 80.00 bln (dd:30-03-2018)                | 46,666,666,666                      | 26,666,666,667                    | -   | 19,999,999,999                      |
| Rs. 50.00 bln (1st tranche) (dd: 04-05-2018) | 33,333,333,332                      | 16,666,666,667                    | -   | 16,666,666,666                      |
| Rs. 50.00 bln (2nd tranche) (dd: 30-05-2018) | 33,333,333,332                      | 16,666,666,667                    | -   | 16,666,666,666                      |
| Rs. 41.457 bln (dd: 30-09-19)                | 41,457,336,595                      | 10,364,334,149                    | -   | 31,093,002,446                      |
| Rs. 41.00 bln (dd: 21-05-20)                 | 41,000,000,000                      | -                                 | -   | 41,000,000,000                      |
| Rs. 35.806 bln (dd: 20-11-18)                | 29,838,333,333                      | 11,935,333,333                    | -   | 17,903,000,000                      |
| Rs. 30.00 bln (dd: 20-12-19)                 | 30,000,000,000                      | 5,000,000,000                     | -   | 25,000,000,000                      |
| Rs. 25.00 bln (I) (dd: 15-03-19)             | 25,000,000,000                      | 8,333,333,333                     | -   | 16,666,666,667                      |
|  | <u>617,083,203,259</u>              | <u>129,746,550,815</u>            | -   | <u>487,336,652,444</u>              |
| Rs. 30.95 bln (dd: 09-11-17)                 | 15,475,000,000                      | 15,475,000,000                    | -   | -                                   |
| Rs. 30.95 bln (dd: 30-09-20)                 | -                                   | -                                 | 30,950,000,000  | 30,950,000,000                      |
| <b>6.2.1</b>                                 | <u>632,558,203,260</u>              | <u>145,221,550,815</u>            | <u>30,950,000,000</u>                                   | <u>518,286,652,444</u>              |

6.2.1 The receivables represent the outstanding amounts of bank loans receivable from Finance Division, Government of Pakistan against syndicated term finance facilities, syndicated Islamic term finance facility, privately placed term finance certificates, term finance facilities and Pakistan Energy Sukuk - I on behalf and under guarantee of Government of Pakistan for the purposes of funding the repayment liabilities of the DISCOs / power sector.

Power Division in consultation with the Finance Division has devised a comprehensive plan for retirement of PHL debt liabilities which has been duly approved by the ECC of the Cabinet whereby PHL Debt has been being taken-over by the Finance Division from Power Sector. In this regard Rs. 72.635 billion (Note- 7.1.1) was allocated by the Finance Division during FY 2020-21 for principal repayment of PHL finance facilities and has been released to the lenders.

POWER HOLDING LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021

|  | Note | 2021<br>-----Pak Rupees----- | 2020                   |
|--|------|------------------------------|------------------------|
| <b>7 CURRENT PORTION OF RECEIVABLE</b>                           |      |                              |                        |
| Current portion of principal receivable - from Finance Division  | 7.1  | 213,618,300,807              | 175,724,583,335        |
| Markup receivable  | 7.2  | 87,345,372,680               | 88,638,856,148         |
| Liquidated damages receivable                                    | 7.3  | 46,674,014,440               | 66,043,490,638         |
| Receivable from Finance Division against fee settlements by CPPA |      | 651,654,894                  | 4,619,000              |
|  |      | <u>348,289,342,821</u>       | <u>330,411,549,121</u> |

**7.1 Current portion of principal receivable - from Finance Division**

|   |       |                        |                        |
|---|-------|------------------------|------------------------|
| Current portion of long term receivable | 7.1.1 | <u>213,618,300,807</u> | <u>175,724,583,335</u> |
|---|-------|------------------------|------------------------|

**7.1.1 The break-up of current portion of principal receivable from Finance Division is as follows:**

|  | Opening balance<br>as at 01-07-2020 | Transferred from<br>long term portion<br>during the year | Receipts during<br>the year | Closing balance as<br>at 30-06-2021 |
|--|-------------------------------------|--|-----------------------------|-------------------------------------|
|  | -----Pak Rupees-----                |  |                             |                                     |
| Rs. 136.4542 bln (dd: 30-09-19)              | -                                   | 34,113,550,000   | -                           | 34,113,550,000                      |
| Rs. 80.00 bln (dd:30-03-2018)                | 33,333,333,334                      | 26,666,666,661   | 33,333,333,335              | 26,666,666,659                      |
| Rs. 50.00 bln (1st tranche) (dd: 04-05-2018) | 16,666,666,667                      | 16,666,666,671   | 16,666,666,668              | 16,666,666,669                      |
| Rs. 50.00 bln (2nd tranche) (dd: 30-05-2018) | 16,666,666,667                      | 16,666,666,669   | 16,666,666,668              | 16,666,666,667                      |
| Rs. 41.457 bln (dd: 30-09-19)                | -                                   | 10,364,334,149   | -                           | 10,364,334,149                      |
| Rs. 35.806 bln (dd: 20-11-18)                | 5,967,666,667                       | 11,935,333,331   | 5,967,666,666               | 11,935,333,332                      |
| Rs. 30.00 bln (dd: 20-12-19)                 | -                                   | 5,000,000,000  | -                           | 5,000,000,000                       |
| Rs. 25.00 bln (I) (dd: 15-03-19)             | -                                   | 8,333,333,333  | -                           | 8,333,333,333                       |
|  | <u>72,634,333,335</u>               | <u>129,746,550,813</u>                                   | <u>72,634,333,337</u>       | <u>129,746,550,809</u>              |
| Rs. 7.487 bln (dd: 02-07-15)                 | 5,615,250,000                       | -  | 3,743,500,002               | 1,871,749,998                       |
| Rs. 30.95 bln (dd: 09-11-17)                 | 15,475,000,000                      | 15,475,000,000   | 30,950,000,000              | -                                   |
|  | <u>93,724,583,335</u>               | <u>145,221,550,813</u>                                   | <u>107,327,833,339</u>      | <u>131,618,300,807</u>              |
| <b>From non-banking companies - secured</b>  |                                     |  |                             |                                     |
| Rs. 82.00 bln (dd: 10-09-12)                 | 82,000,000,000                      | -  | -                           | 82,000,000,000                      |
|  | <u>175,724,583,335</u>              | <u>145,221,550,813</u>                                   | <u>107,327,833,339</u>      | <u>213,618,300,807</u>              |

|   | Note  | 2021<br>-----Pak Rupees----- | 2020                  |
|---|-------|------------------------------|-----------------------|
| <b>7.2 MARKUP RECEIVABLE</b>                            |       |                              |                       |
| Markup receivable from Power Sector, GOP through CPPA-G | 7.2.1 | 67,472,039,763               | 68,122,453,692        |
| Markup receivable from Finance Division, GOP            | 7.2.2 | 19,873,332,917               | 20,516,402,456        |
|   |       | <u>87,345,372,680</u>        | <u>88,638,856,148</u> |

**7.2.1 Markup receivable - from Power Sector, GOP through CPPA-G**

|  |                       |                       |
|--|-----------------------|-----------------------|
| Rs. 200.00 bln PES-I (dd: 01-03-19)          | 5,648,767,123         | 9,526,027,397         |
| Rs. 199.9668 bln PES-II (dd: 21-05-20)       | 1,704,867,628         | 1,801,454,333         |
| Rs. 136.4542 bln (dd: 30-09-19)              | 3,290,714,534         | 4,541,943,470         |
| Rs. 82.00 bln (dd: 10-09-12)                 | 50,715,115,616        | 42,985,818,083        |
| Rs. 80.00 bln (dd:30-03-2018)                | 1,137,105,019         | 2,429,106,846         |
| Rs. 50.00 bln (1st tranche) (dd: 04-05-2018) | 452,531,964           | 704,739,725           |
| Rs. 50.00 bln (2nd tranche) (dd: 30-05-2018) | 257,106,163           | 387,945,205           |
| Rs. 41.457 bln (dd: 30-09-19)                | 999,780,584           | 1,384,470,595         |
| Rs. 41.00 bln (dd: 21-05-20)                 | 386,399,726           | 395,610,685           |
| Rs. 35.806 bln (dd: 20-11-18)                | 300,152,379           | 378,229,079           |
| Rs. 30.95 bln (dd: 09-11-17)                 | -                     | 391,886,356           |
| Rs. 30.95 bln (dd 30-09-20)                  | 652,841,493           | -                     |
| Rs. 30.00 bln (dd: 20-12-19)                 | 1,280,136,986         | 2,203,989,041         |
| Rs. 25.00 bln (I) (dd: 15-03-19)             | 646,520,548           | 991,232,877           |
|  | <u>67,472,039,763</u> | <u>68,122,453,692</u> |

POWER HOLDING LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021

|   | Note       | 2021                  | 2020                  |
|---|------------|-----------------------|-----------------------|
|   |            | -----Pak Rupees-----  |                       |
| <b>7.2.2 Markup receivable - from Finance Division, GOP</b>             |            |                       |                       |
| Rs. 80,00 bln (dd:30-03-2018)   |            | 2,988,361,643         | 2,988,361,643         |
| Rs. 50,00 bln (1st tranche) (dd: 04-05-2018)                            |            | 1,982,410,959         | 1,982,410,959         |
| Rs. 50,00 bln (2nd tranche) (dd: 30-05-2018)                            |            | 2,032,821,918         | 2,032,821,914         |
| Rs. 35,806 bln (dd: 20-11-18)   |            | 1,963,659,899         | 1,963,659,900         |
| Rs. 30,00 bln (dd: 08-03-17)  |            | 5,386,569,863         | 5,386,569,863         |
| Rs. 25,00 bln (dd: 29-04-2016)  |            | 1,903,417,809         | 1,903,417,809         |
| Rs. 25,00 bln (I) (dd: 15-03-19)  | 2321958903 | 3,313,191,780         | 3,313,191,781         |
| Rs. 7,487 bln (dd: 02-07-15)  |            | 302,899,047           | 945,968,589           |
|   |            | <u>19,873,332,917</u> | <u>20,516,402,456</u> |
| <b>7.3 LIQUIDATED DAMAGES RECEIVABLE</b>                                |            |                       |                       |
| Liquidated damages on interest  |            | 33,677,576,084        | 24,728,970,090        |
| Liquidated damages on principal amount                                  |            | 12,996,438,356        | 41,314,520,548        |
|   |            | <u>46,674,014,440</u> | <u>66,043,490,638</u> |
| <b>8 INCOME TAX WITHHELD</b>  |            |                       |                       |
| Balance at the beginning of the year                                    |            | 20,472,750            | 7,802,090             |
| Income tax deducted during the year                                     |            | 14,968,801            | 18,024,338            |
|   |            | <u>35,441,551</u>     | <u>25,826,428</u>     |
| Less: Adjusted against advance tax                                      |            | 20,472,750            | 5,353,678             |
| Balance at the end of the year  | 8.1        | <u>14,968,801</u>     | <u>20,472,750</u>     |
| 8.1 The income tax refundable comprise of:                              |            |                       |                       |
| Tax deducted u/s 151 on profit on bank deposits                         |            | 14,964,701            | 20,458,500            |
| Tax deducted u/s 234 along with token tax                               |            | 4,100                 | 14,250                |
|   |            | <u>14,968,801</u>     | <u>20,472,750</u>     |
| <b>9 CASH AND BANK BALANCES</b>   |            |                       |                       |
| Cash in hand  |            | -                     | -                     |
| Cash at bank:   |            |                       |                       |
| Current accounts  |            | 6,093                 | 6,093                 |
| Saving accounts   | 9.1        | 210,293,459           | 842,609,687           |
|   |            | <u>210,299,552</u>    | <u>842,615,780</u>    |
|   |            | <u>210,299,552</u>    | <u>842,615,780</u>    |
| 9.1 This carries effective markup rate of 5.3% per annum (2020: 7.20%). |            |                       |                       |
| <b>10 SHARE CAPITAL</b>   |            |                       |                       |
| <b>Authorized Capital</b>   |            |                       |                       |
| 1,500,000 (2020: 1,500,000) ordinary shares of Rs. 10 each.             |            | 15,000,000            | 15,000,000            |
| <b>Issued, Subscribed and Paid up Capital</b>                           |            |                       |                       |
| 1,500,000 (2020: 1,500,000) ordinary shares of Rs. 10 each.             |            | 15,000,000            | 15,000,000            |
| <b>11 LONG TERM FINANCING</b>   |            |                       |                       |

| Note                    | Opening balance as at 01-07-2020 | Transferred to current portion | Fresh Facility obtained during the year | Closing balance as at 30-06-2021 |                        |
|-------------------------|----------------------------------|--------------------------------|---|----------------------------------|------------------------|
|                         | -----Pak Rupees-----             |                                |   |                                  |                        |
| Conventional facilities | 11.1                             | 364,174,736,593                | 130,363,150,815                         | 30,950,000,000                   | 264,761,585,776        |
| Islamic facilities      | 11.2                             | 468,350,266,667                | 14,858,400,000                          | -                                | 453,491,866,668        |
|                         |                                  | <u>832,525,003,260</u>         | <u>145,221,550,815</u>                  | <u>30,950,000,000</u>            | <u>718,253,452,444</u> |

POWER HOLDING LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021

|  | Opening balance<br>as at 01-07-2020 | Transferred to<br>current portion | Fresh Facility<br>obtained during<br>the year | Closing balance<br>as at 30-06-2021 |
|--|-------------------------------------|-----------------------------------|---|-------------------------------------|
|--|-------------------------------------|-----------------------------------|---|-------------------------------------|

11.1 Conventional facilities

From banking companies- secured:

|  |        |                        |                        |                       |                        |
|--|--------|------------------------|------------------------|-----------------------|------------------------|
| Rs. 136,4542 bln (dd: 30-09-19)                          | 11.1.1 | 136,454,200,000        | 34,113,550,000         | -                     | 102,340,650,000        |
| Rs. 80.00 bln (dd:30-03-2018)                            | 11.1.2 | 46,666,666,666         | 26,666,666,667         | -                     | 19,999,999,999         |
| Rs. 50.00 bln (1st tranche) / (45.55-C) (dd: 04-05-18)   | 11.1.3 | 30,366,666,666         | 15,183,333,333         | -                     | 15,183,333,332         |
| Rs. 50.00 bln (2nd tranche) / (44.8748-C) (dd: 30-05-18) | 11.1.4 | 29,916,533,333         | 14,958,266,667         | -                     | 14,958,266,666         |
| Rs. 41,457 bln (dd: 30-09-19)                            | 11.1.5 | 41,457,336,595         | 10,364,334,149         | -                     | 31,093,002,446         |
| Rs. 41.00 bln / (24.00-C) (dd:21-05-20)                  | 11.1.6 | 24,000,000,000         | -                      | -                     | 24,000,000,000         |
| Rs. 35,806 bln (dd: 20-11-18)                            | 11.1.7 | 29,838,333,333         | 11,935,333,333         | -                     | 17,903,000,000         |
| Rs. 30.00 bln / (10.00-C) (dd: 20 -12-19)                | 11.1.8 | 10,000,000,000         | 1,666,666,667          | -                     | 8,333,333,333          |
|  |        | 348,699,736,593        | 114,888,150,815        | -                     | 233,811,585,776        |
| Rs. 30.95 bln (dd: 09-11-17)                             |        | 15,475,000,000         | 15,475,000,000         | -                     | -                      |
| Rs. 30.95 bln (dd 30-09-20)                              | 11.1.9 | -                      | -                      | 30,950,000,000        | 30,950,000,000         |
|  |        | <b>364,174,736,593</b> | <b>130,363,150,815</b> | <b>30,950,000,000</b> | <b>264,761,585,776</b> |

11.1.1 This represents conventional syndicated term finance facility for five (05) years, inclusive of grace period of twenty four (24) months from the date of first disbursement, on markup basis at daily average of three months KIBOR plus 2.00% prevailing on issue date for first installment period and subsequently one day prior to each installment period for the markup due to the end of that quarter. However, in case installment payments are made on due dates or maximum within 30 days after due date, then PHL is entitled to a rebate of 1.00%. The financing is repayable by September, 2024 and is secured by unconditional, irrevocable first demand and continuing guarantee of the Government of Pakistan.

The facility is raised for purposes of funding repayment of liabilities of the DISCOs towards Central Power Purchasing Agency (CPPA) for onward payment to Power Generation Companies (GENCOs) and Independent Power Producers (IPPs).

11.1.2 This represents conventional syndicated term finance facility for five (05) years, inclusive of grace period of twenty four (24) months from the date of first disbursement, on markup basis at daily average of three months KIBOR plus 2.00% prevailing on issue date for first installment period and subsequently one day prior to each installment period for the markup due to the end of that quarter. However, in case installment payments are made on due dates or maximum within 30 days after due date, then PHL would be given rebate of 1.30%. The financing is repayable by March, 2023 and is secured by unconditional, irrevocable first demand and continuing guarantee of the Government of Pakistan.

The facility is raised for purposes of funding repayment of liabilities of the DISCOs towards Central Power Purchasing Agency (CPPA) for onward payment to Power Generation Companies (GENCOs) and Independent Power Producers (IPPs).

11.1.3 This represents conventional syndicated term finance facility for five (05) years, inclusive of grace period of twenty four (24) months from the date of first disbursement, on markup basis at daily average of three months KIBOR plus 2.00% prevailing on issue date for first installment period and subsequently one day prior to each installment period for the markup due to the end of that quarter. However, in case installment payments are made on due dates or maximum within 30 days after due date, then PHL is entitled to a rebate of 1.30%. The financing is repayable by May, 2023 and is secured by unconditional, irrevocable first demand and continuing guarantee of the Government of Pakistan.

The facility is raised for purposes of funding repayment of liabilities of the DISCOs towards Central Power Purchasing Agency (CPPA) for onward payment to Power Generation Companies (GENCOs) and Independent Power Producers (IPPs).

11.1.4 This represents conventional syndicated term finance facility for five (05) years, inclusive of grace period of twenty four (24) months from the date of first disbursement, on markup basis at daily average of three months KIBOR plus 2.00% prevailing on issue date for first installment period and subsequently one day prior to each installment period for the markup due to the end of that quarter. However, in case installment payments are made on due dates or maximum within 30 days after due date, then PHL is entitled to a rebate of 1.30%. The financing is repayable by May, 2023 and is secured by unconditional, irrevocable first demand and continuing guarantee of the Government of Pakistan.

The facility is raised for purposes of funding repayment of liabilities of the DISCOs towards Central Power Purchasing Agency (CPPA) for onward payment to Power Generation Companies (GENCOs) and Independent Power Producers (IPPs).

11.1.5 This represents conventional syndicated term finance facility for five (05) years, inclusive of grace period of twenty four (24) months from the date of first disbursement, on markup basis at daily average of three months KIBOR plus 2.00% prevailing on issue date for first installment period and subsequently one day prior to each installment period for the markup due to the end of that quarter. However, in case installment payments are made on due dates or maximum within 30 days after due date, then PHL is entitled to a rebate of 1.00%. The financing is repayable by September, 2024 and is secured by unconditional, irrevocable first demand and continuing guarantee of the Government of Pakistan.

The facility is raised for purposes of funding repayment of liabilities of the DISCOs towards Central Power Purchasing Agency (CPPA) for onward payment to Power Generation Companies (GENCOs) and Independent Power Producers (IPPs).

**POWER HOLDING LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

11.1.6 This represents conventional syndicated term finance facility for five (05) years, inclusive of grace period of twenty four (24) months from the date of first disbursement, on markup basis at daily average of six months KIBOR plus 2.00% prevailing on issue date for first installment period and subsequently one day prior to each installment period for the markup due to the end of that semi-annual. However, in case installment payments are made on due dates or maximum within 30 days after due date, then PHL is entitled to a rebate of 1.30%. The financing is repayable by May, 2025 and is secured by unconditional, irrevocable first demand and continuing guarantee of the Government of Pakistan.

The facility is raised for purposes of funding repayment of liabilities of the DISCOs towards Central Power Purchasing Agency (CPPA) for onward payment to Power Generation Companies (GENCOs) and Independent Power Producers (IPPs).

11.1.7 This represents conventional syndicated term finance facility for five (05) years, inclusive of grace period of twenty four (24) months from the date of first disbursement, on markup basis at daily average of three months KIBOR plus 2.00% prevailing on issue date for first installment period and subsequently one day prior to each installment period for the markup due to the end of that quarter. However, in case installment payments are made on due dates or maximum within 30 days after due date, then PHL is entitled to a rebate of 1.00%. The financing is repayable by November, 2023 and is secured by unconditional, irrevocable first demand and continuing guarantee of the Government of Pakistan.

The facility is raised for purposes of funding repayment of liabilities of the DISCOs towards Central Power Purchasing Agency (CPPA) for onward payment to Power Generation Companies (GENCOs) and Independent Power Producers (IPPs).

11.1.8 This represents conventional syndicated term finance facility for five (5) years, inclusive of grace period of twenty four (24) months from the date of first disbursement, on markup basis at daily average of six months KIBOR plus 2.00% prevailing on issue date for first installment period and subsequently one day prior to each installment period for the markup due to the end of that semi-annual. However, in case installment payments are made on due dates or maximum within 30 days after due date, then PHL would be given rebate of 1.30%. The financing is repayable by December, 2024 and is secured by unconditional, irrevocable first demand and continuing guarantee of the Government of Pakistan.

The facility is raised for purposes of funding repayment of liabilities of the DISCOs towards Central Power Purchasing Agency (CPPA) for onward payment to Power Generation Companies (GENCOs) and Independent Power Producers (IPPs).

11.1.9 This represents conventional syndicated term finance facility for five (05) years, inclusive of grace period of twenty four (24) months from the date of first disbursement on markup basis at daily average of three months KIBOR plus 2.00% prevailing on issue date for first installment period and subsequently one day prior to each installment period for the markup due to the end of that quarter. However, in case installment payments are made on due dates or maximum within 30 days after due date, then PHL is entitled to a rebate of 1.30%. The financing is repayable by September, 2025 and is secured by unconditional, irrevocable first demand and continuing guarantee of the Government of Pakistan.

The facility is raised for purposes of funding repayment of liabilities of the DISCOs towards Central Power Purchasing Agency (CPPA) for onward payment to Power Generation Companies (GENCOs) and Independent Power Producers (IPPs).

| Opening balance as at 01-07-2020 | Transferred to current portion | Fresh Facility obtained during the year | Closing balance as at 30-06-2021 |
|----------------------------------|--------------------------------|---|----------------------------------|
|----------------------------------|--------------------------------|---|----------------------------------|

Note -----Pak Rupees-----

**11.2 Islamic facilities from banking companies - secured**

|   |        |                        |                       |   |                        |
|---|--------|------------------------|-----------------------|---|------------------------|
| Rs. 200.00 bln PFS-I (dd: 01-03-19)                     | 11.2.1 | 200,000,000,000        | -                     | - | 200,000,000,000        |
| Rs. 199,966.8 bln PFS-II (dd: 21-05-20)                 | 11.2.2 | 199,966,800,000        | -                     | - | 199,966,800,000        |
| Rs. 50.00 bln (1st tranche) / (4.45-I) (dd: 04-05-18)   | 11.2.3 | 2,966,666,667          | 1,483,333,333         | - | 1,483,333,334          |
| Rs. 50.00 bln (2nd tranche) / (5.1252-I) (dd: 30-05-18) | 11.2.4 | 3,416,800,000          | 1,708,400,000         | - | 1,708,400,000          |
| Rs. 41.00 bln / (17.00-I) (dd: 21-05-20)                | 11.2.5 | 17,000,000,000         | -                     | - | 17,000,000,000         |
| Rs. 30.00 bln / (20.00-I) (dd: 20-12-19)                | 11.2.6 | 20,000,000,000         | 3,333,333,333         | - | 16,666,666,667         |
| Rs. 25.00 bln (I) (dd: 15-03-19)                        | 11.2.7 | 25,000,000,000         | 8,333,333,333         | - | 16,666,666,667         |
|   |        | <b>468,350,266,667</b> | <b>14,858,400,000</b> | - | <b>453,491,866,668</b> |

11.2.1 This represents privately placed sukuk issued as a redeemable capital instrument under section 66 of the companies act, 2017 based on Ijarah (sale and lease back arrangement) against unencumbered assets comprising of land in usable form owned by IESCO, LESCO, GEPCO, MEPCO, PESCO, FESCO, NPGCL, and CPGCL. The sukuk was issued for ten (10) years, redeemable in bullet at the expiry of the tenor on profit/rental basis at six months KIBOR plus 2.00% prevailing on issue date for first installment period and subsequently one day prior to each installment period for the profit due to the end of that semi-annual. However, in case profit payments are made on due dates or maximum within 30 days after due date, then PHL would be given rebate of 1.20%. The financing is repayable by March 2029 and is secured by unconditional, irrevocable first demand and continuing guarantee of the Government of Pakistan, creation of security interest/charge over the underlying transaction assets in favor of the Investors and tripartite escrow arrangement between the PHL, Meezan Bank Limited and Central Power Purchasing Agency (Guarantee) Limited ("CPPA").

The sukuk is issued for funding repayment of liabilities of the distribution companies (DISCOs) towards Central Power Purchasing Agency (CPPA) for onward payment to Power Generation Companies (GENCOs) and Independent Power Producers (IPPs).

**POWER HOLDING LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

11.2.2 This represents privately placed sukuk issued as a redeemable capital instrument under section 66 of the companies act, 2017 based on Ijarah (sale and lease back arrangement) against unencumbered assets comprising of land in usable form owned by IESCO, LESCO, QESCO, GEPCO, HESCO, MEPCO, PESCO, FESCO, SEPCO, and TESCO. The sukuk was issued for ten (10) years, redeemable in bullet at the expiry of the tenor on profit/rental basis at six months KIBOR minus 0.10% prevailing on issue date for first installment period and subsequently one day prior to each installment period for the profit due to the end of that semi-annual. The financing is repayable by May 2030 and is secured by unconditional, irrevocable first demand and continuing guarantee of the Government of Pakistan, creation of security interest/charge over the underlying transaction assets in favor of the Investors and tri-partite escrow arrangement between the PHL, Meezan Bank Limited and Central Power Purchasing Agency (Guarantee) Limited ("CPPA").

The sukuk is issued for funding repayment of liabilities of the distribution companies (DISCOs) towards Central Power Purchasing Agency (CPPA) for onward payment to Power Generation Companies (GENCOs) and Independent Power Producers (IPPs).

11.2.3 This represents Islamic syndicated term finance facility for five (05) years, inclusive of grace period of twenty four (24) months from the date of first disbursement, on markup basis at daily average of three months KIBOR plus 2.00% prevailing on issue date for first installment period and subsequently one day prior to each installment period for the markup due to the end of that quarter. However, in case installment payments are made on due dates or maximum within 30 days after due date, then PHL is entitled to a rebate of 1.30%. The financing is repayable by May, 2023 and is secured by unconditional, irrevocable first demand and continuing guarantee of the Government of Pakistan.

The facility is raised for purposes of funding repayment of liabilities of the DISCOs towards Central Power Purchasing Agency (CPPA) for onward payment to Power Generation Companies (GENCOs) and Independent Power Producers (IPPs).

11.2.4 This represents Islamic syndicated term finance facility for five (05) years, inclusive of grace period of twenty four (24) months from the date of first disbursement, on markup basis at daily average of three months KIBOR plus 2.00% prevailing on issue date for first installment period and subsequently one day prior to each installment period for the markup due to the end of that quarter. However, in case installment payments are made on due dates or maximum within 30 days after due date, then PHL is entitled to a rebate of 1.30%. The financing is repayable by May, 2023 and is secured by unconditional, irrevocable first demand and continuing guarantee of the Government of Pakistan.

The facility is raised for purposes of funding repayment of liabilities of the DISCOs towards Central Power Purchasing Agency (CPPA) for onward payment to Power Generation Companies (GENCOs) and Independent Power Producers (IPPs).

11.2.5 This represents Islamic syndicated term finance facility for five (05) years, inclusive of grace period of twenty four (24) months from the date of first disbursement, on markup basis at daily average of six months KIBOR plus 2.00% prevailing on issue date for first installment period and subsequently one day prior to each installment period for the markup due to the end of that semi-annual. However, in case installment payments are made on due dates or maximum within 30 days after due date, then PHL is entitled to a rebate of 1.30%. The financing is repayable by May, 2025 and is secured by unconditional, irrevocable first demand and continuing guarantee of the Government of Pakistan.

The facility is raised for purposes of funding repayment of liabilities of the DISCOs towards Central Power Purchasing Agency (CPPA) for onward payment to Power Generation Companies (GENCOs) and Independent Power Producers (IPPs).

11.2.6 This represents Islamic syndicated term finance facility for five (05) years, inclusive of grace period of twenty four (24) months from the date of first disbursement, on markup basis at daily average of six months KIBOR plus 2.00% prevailing on issue date for first installment period and subsequently one day prior to each installment period for the markup due to the end of that semi-annual. However, in case installment payments are made on due dates or maximum within 30 days after due date, then PHL is entitled to a rebate of 1.30%. The financing is repayable by December, 2024 and is secured by unconditional, irrevocable first demand and continuing guarantee of the Government of Pakistan.

The facility is raised for purposes of funding repayment of liabilities of the DISCOs towards Central Power Purchasing Agency (CPPA) for onward payment to Power Generation Companies (GENCOs) and Independent Power Producers (IPPs).

11.2.7 This represents Islamic syndicated term finance facility for five (05) years, inclusive of grace period of twenty four (24) months from the date of first disbursement, on markup basis at daily average of six months KIBOR plus 2.00% prevailing on issue date for first installment period and subsequently one day prior to each installment period for the markup due to the end of that semi-annual. However, in case installment payments are made on due dates or maximum within 30 days after due date, then PHL is entitled to a rebate of 1.15%. The financing is repayable by March, 2024 and is secured by unconditional, irrevocable first demand and continuing guarantee of the Government of Pakistan.

The facility is raised for purposes of funding repayment of liabilities of the DISCOs towards Central Power Purchasing Agency (CPPA) for onward payment to Power Generation Companies (GENCOs) and Independent Power Producers (IPPs).

**12 CURRENT PORTION OF LONG TERM FINANCING**

|                         |      | Opening balance<br>as at 01-07-2020 | Transferred from<br>long term portion | Payments during<br>the year | Closing Balance<br>as at 30-06-2021 |
|-------------------------|------|-------------------------------------|---------------------------------------|-----------------------------|-------------------------------------|
|                         | Note | -----Pak Rupees-----                |                                       |                             |                                     |
| Conventional facilities | 12.1 | 168,165,433,333                     | 130,363,150,815                       | 101,640,433,337             | 196,888,150,812                     |
| Islamic facilities      | 12.2 | 3,191,733,333                       | 14,858,400,000                        | 3,191,733,334               | 14,858,399,999                      |
|                         |      | <u>171,357,166,666</u>              | <u>145,221,550,815</u>                | <u>104,832,166,670</u>      | <u>211,746,550,811</u>              |

POWER HOLDING LIMITED  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2021

| Opening balance<br>as at 01-07-2020 | Transferred from<br>long term portion | Payments during<br>the year | Closing Balance<br>as at 30-06-2021 |
|-------------------------------------|---------------------------------------|-----------------------------|-------------------------------------|
|-------------------------------------|---------------------------------------|-----------------------------|-------------------------------------|

Note

-----Pak Rupees-----

12.1 Conventional facilities

|  |                        |                        |                        |                        |
|--|------------------------|------------------------|------------------------|------------------------|
| Rs. 136.4542 bln (dd: 30-09-19)                          | -                      | 34,113,550,000         | -                      | 34,113,550,000         |
| Rs. 80.00 bln (dd:30-03-2018)                            | 33,333,333,334         | 26,666,666,665         | 33,333,333,335         | 26,666,666,663         |
| Rs. 50.00 bln (1st tranche) / (45.55-C) (dd: 04-05-18)   | 15,183,333,333         | 15,183,333,335         | 15,183,333,335         | 15,183,333,334         |
| Rs. 50.00 bln (2nd tranche) / (44.8748-C) (dd: 30-05-18) | 14,958,266,667         | 14,958,266,668         | 14,958,266,668         | 14,958,266,666         |
| Rs. 41.457 bln (dd: 30-09-19)                            | -                      | 10,364,334,149         | -                      | 10,364,334,149         |
| Rs. 35.806 bln (dd: 20-11-18)                            | 5,967,666,667          | 11,935,333,332         | 5,967,666,666          | 11,935,333,333         |
| Rs. 30.00 bln / (10.00-C) (dd: 20-12-19)                 | -                      | 1,666,666,667          | -                      | 1,666,666,667          |
| Rs. 7.487 bln (dd: 02-07-15)                             | 1,247,833,333          | -                      | 1,247,833,333          | -                      |
| Rs. 30.95 bln (dd: 09-11-17)                             | 15,475,000,000         | 15,475,000,000         | 30,950,000,000         | -                      |
|  | <b>86,165,433,333</b>  | <b>130,363,150,815</b> | <b>101,640,433,337</b> | <b>114,888,150,812</b> |
| <b>From non-banking companies - secured</b>              |                        |                        |                        |                        |
| Rs 82.00 bln (dd: 10-09-12)                              | 82,000,000,000         | -                      | -                      | 82,000,000,000         |
|  | <b>168,165,433,333</b> | <b>130,363,150,815</b> | <b>101,640,433,337</b> | <b>196,888,150,812</b> |

12.2 Islamic facilities

|  |                      |                       |                      |                       |
|--|----------------------|-----------------------|----------------------|-----------------------|
| Rs. 50.00 bln (1st tranche) / (45.55-C) (dd: 04-05-18)   | 1,483,333,333        | 1,483,333,333         | 1,483,333,333        | 1,483,333,333         |
| Rs. 50.00 bln (2nd tranche) / (44.8748-C) (dd: 30-05-18) | 1,708,400,000        | 1,708,400,000         | 1,708,400,000        | 1,708,400,000         |
| Rs. 30.00 bln / (20.00-I) (dd: 20-12-19)                 | -                    | 3,333,333,333         | -                    | 3,333,333,333         |
| Rs. 25.00 bln (I) (dd: 15-03-19)                         | -                    | 8,333,333,333         | -                    | 8,333,333,333         |
|  | <b>3,191,733,333</b> | <b>14,858,400,000</b> | <b>3,191,733,334</b> | <b>14,858,399,999</b> |

13 MARKUP ACCRUED

|  | Note | 2021<br>-----Pak Rupees----- | 2020                  |
|--|------|------------------------------|-----------------------|
| Markup / interest accrued on conventional facilities | 13.1 | 58,404,595,064               | 54,179,539,731        |
| Profit accrued on Islamic facilities                 | 13.2 | 9,080,424,235                | 14,054,562,102        |
|  |      | <b>67,485,019,299</b>        | <b>68,234,101,833</b> |

13.1 Markup / interest accrued on conventional facilities

|  |                       |                       |
|--|-----------------------|-----------------------|
| Rs. 136.4542 bln (dd: 30-09-19)                          | 3,290,714,534         | 4,541,943,470         |
| Rs 82.00 bln (dd: 10-09-12)                              | 50,715,115,616        | 42,985,818,083        |
| Rs. 80.00 bln (dd:30-03-2018)                            | 1,137,105,023         | 2,429,106,849         |
| Rs. 50.00 bln (1st tranche) / (45.55-C) (dd: 04-05-18)   | 412,256,619           | 642,017,891           |
| Rs. 50.00 bln (2nd tranche) / (44.8748-C) (dd: 30-05-18) | 230,751,754           | 348,179,270           |
| Rs. 41.457 bln (dd: 30-09-19)                            | 999,780,586           | 1,384,470,595         |
| Rs. 41.00 bln / (24.00-C) (dd:21-05-20)                  | 226,185,205           | 231,576,986           |
| Rs. 35.806 bln (dd: 20-11-18)                            | 300,152,380           | 378,229,078           |
| Rs. 30.95 bln (dd: 09-11-17)                             | -                     | 391,886,356           |
| Rs. 30.95 bln (dd: 30-09-20)                             | 652,841,493           | -                     |
| Rs. 30.00 bln / (10.00-C) (dd: 20-12-19)                 | 426,712,328           | 734,663,014           |
| Rs. 7.487 bln (dd: 02-07-15)                             | 12,979,526            | 111,648,139           |
|  | <b>58,404,595,064</b> | <b>54,179,539,731</b> |

13.2 Profit accrued on Islamic facilities

|   |                      |                       |
|---|----------------------|-----------------------|
| Rs. 200.00 bln PES-I (dd: 01-03-19)                     | 5,648,767,123        | 9,526,027,397         |
| Rs. 199,9668 bln PES-II (dd: 21-05-20)                  | 1,704,867,630        | 1,801,454,333         |
| Rs. 50.00 bln (1st tranche) / (4.45-I) (dd: 04-05-18)   | 40,275,345           | 62,721,834            |
| Rs. 50.00 bln (2nd tranche) / (5.1252-I) (dd: 30-05-18) | 26,354,410           | 39,765,935            |
| Rs. 41.00 bln / (17.00-I) (dd: 21-05-20)                | 160,214,521          | 164,033,699           |
| Rs. 30.00 bln / (20.00-I) (dd: 20-12-19)                | 853,424,658          | 1,469,326,027         |
| Rs. 25.00 bln (I) (dd: 15-03-19)                        | 646,520,548          | 991,232,877           |
|   | <b>9,080,424,235</b> | <b>14,054,562,102</b> |

**POWER HOLDING LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

|           |  | 2021                  | 2020                  |
|-----------|--|-----------------------|-----------------------|
|           | Note   | -----Pak Rupees-----  |                       |
| <b>14</b> | <b>OTHER PAYABLES</b>  |                       |                       |
|           | Liquidated damages on interest - 82.00 bn                        | 33,677,576,084        | 24,728,970,090        |
|           | Liquidated damages on principal amount - 82.00 bn                | 12,996,438,356        | 41,314,520,548        |
|           | Accrued liabilities  | 320,647               | 298,517               |
|           | Payable to CPPA-G against Pakistan Energy Sukuk - 1 CDC Security | 100,000               | 100,000               |
|           | Payable to CPPA-G against excess markup receipts                 | 3,986,866             | 3,986,866             |
|           |  | <u>46,678,421,953</u> | <u>66,047,876,021</u> |

14.1 This represents additional amount payable at the rate of 20% per annum on the amounts not paid after 15 days from the due date in respect of the financing facility availed by the company from OGDCL amounting to Rs. 82.00 bn.

**15 CONTINGENCIES AND COMMITMENTS**

There are no other contingencies and commitments at the date of statement of financial position except guarantees from Government of Pakistan furnished to the financial institutions from whom financing facilities have been raised as explained in note 11.

**16 GRANT - FROM POWER SECTOR, GOP THROUGH CPPA-G**

This represents grant from Power sector, Government of Pakistan through Central Power Purchasing Agency Guarantee Limited (CPPA-G) for repayment of markup/profit, trustee fee, arrangement fee, legal charges, liquidated damages and other incidental charges in respect of power sector's obligation component of financing facilities availed by the company from banking companies/Oil and Gas Development Company (OGDCL)/Sukuk Investors.

|  | 2021                  | 2020                   |
|--|-----------------------|------------------------|
|  | -----Pak Rupees-----  |                        |
| Grant against markup / profit on financing facilities                        | 82,610,385,756        | 107,740,583,583        |
| Grant against trustee fee, arrangement fee and legal                         | 176,496,000           | 490,912,732            |
| Grant against liquidated damages on interest - Rs. 82.00 bn facility         | 8,948,605,994         | 6,817,528,020          |
| Grant against liquidated damages on principal amount - Rs. 82.00 bn facility | -                     | 15,961,917,808         |
|  | <u>91,735,487,750</u> | <u>131,010,942,143</u> |

**17 FROM FINANCE DIVISION, GOP**

This represents grant from Finance Division, Government of Pakistan for the repayment of markup/profit, trustee fee, arrangement fee and legal fee in respect of Finance Division's obligation component of financing facilities availed by the company from the banking companies.

|   | 2021                 | 2020                 |
|---|----------------------|----------------------|
|   | -----Pak Rupees----- |                      |
| Grant against markup / profit on financing facilities | 13,430,456           | 5,671,929,825        |
| Grant against trustee fee, arrangement fee and legal  | 60,445,000           | 1,160,000            |
|   | <u>73,875,456</u>    | <u>5,673,089,825</u> |

**18 FINANCE COST**

|   |      | 2021                  | 2020                   |
|---|------|-----------------------|------------------------|
|   | Note | -----Pak Rupees-----  |                        |
| Markup on conventional financing facilities                     | 18.1 | 42,873,055,939        | 73,543,386,835         |
| Profit on Islamic financing facilities                          | 18.2 | 39,750,760,273        | 39,869,126,572         |
|   |      | <u>82,623,816,212</u> | <u>113,412,513,407</u> |
| Liquidated damages on Rs. 82.00 bln delayed interest payments   |      | 8,948,605,994         | 6,817,528,020          |
| Liquidated damages on Rs. 82.00 bln delayed principal repayment |      | -                     | 15,961,917,809         |
|   |      | <u>91,572,422,206</u> | <u>136,191,959,236</u> |



POWER HOLDING LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021

|   | 2021                  | 2020                  |
|---|-----------------------|-----------------------|
| Note  | -----Pak Rupees-----  |                       |
| <b>18.1 Markup on conventional facilities:</b>                        |                       |                       |
| Rs. 136,4542 bln (dd: 29-12-16)                                       | -                     | 4,755,858,794         |
| Rs. 136,4542 bln (dd: 30-09-19)                                       | 11,387,345,991        | 14,599,365,704        |
| Rs. 82.00 bln (dd: 10-09-12)  | 7,729,297,534         | 11,464,273,973        |
| Rs. 80.00 bln (dd:30-03-2018)   | 5,461,208,219         | 10,897,841,095        |
| Rs. 50.00 bln (1st tranche) / (45.55-C) (dd: 04-05-18)                | 3,223,851,166         | 6,024,904,741         |
| Rs. 50.00 bln (2nd tranche) / (44.8748-C) (dd: 30-05-18)              | 3,303,039,369         | 6,191,419,187         |
| Rs. 41,457 bln (dd: 30-09-19)   | 3,459,688,568         | 4,440,103,466         |
| Rs. 41.00 bln / (24.00-C) (dd: 22-06-17)                              | -                     | 2,979,215,345         |
| Rs. 41.00 bln / (24.00-C) (dd:21-05-20)                               | 1,991,940,822         | 231,576,987           |
| Rs. 40.00 bln (dd: 30-01-15)  | -                     | 698,284,932           |
| Rs. 35.806 bln (dd: 20-11-18)   | 2,932,450,089         | 4,946,996,200         |
| Rs. 30.95 bln (dd: 09-11-17)  | 672,861,480           | 3,902,396,466         |
| Rs. 30.95 bln (dd: 30-09-20)  | 1,876,807,999         | -                     |
| Rs. 30.00 bln / (10.00-C) (dd: 08-03-17)                              | -                     | 634,104,110           |
| Rs. 30.00 bln / (10.00-C) (dd: 20 -12-19)                             | 821,134,246           | 734,663,014           |
| Rs. 25.00 bln (dd: 31-12-14)  | -                     | 362,805,365           |
| Rs. 15.00 bln (dd:08-11-12)   | -                     | 229,245,206           |
| Rs. 7.487 bln (dd: 02-07-15)  | 13,430,456            | 329,192,838           |
| Rs. 6.069 bln BFF (dd 13-03-12) TF (15-07-13)                         | -                     | 121,139,414           |
|   | <u>42,873,055,939</u> | <u>73,543,386,835</u> |
| <b>18.2 Markup / interest on Islamic facilities:</b>                  |                       |                       |
| Rs. 200.00 bln PES-I (dd: 01-03-19)                                   | 18,473,698,630        | 28,319,671,234        |
| Rs. 199.9668 bln PES-II (dd: 21-05-20)                                | 15,177,206,193        | 1,801,454,333         |
| Rs. 50.00 bln (1st tranche) / (4.45-I) (dd: 04-05-18)                 | 314,953,629           | 588,602,110           |
| Rs. 50.00 bln (2nd tranche) / (5.1252-I) (dd: 30-05-18)               | 377,243,739           | 707,128,758           |
| Rs. 41.00 bln / (17.00-I) (dd: 22-06-17)                              | -                     | 2,110,277,534         |
| Rs. 41.00 bln / (17.00-I) (dd: 21-05-20)                              | 1,410,958,083         | 164,033,698           |
| Rs. 30.00 bln / (20.00-I) (dd: 08-03-17)                              | -                     | 1,268,208,219         |
| Rs. 30.00 bln / (20.00-I) (dd: 20 -12-19)                             | 1,642,268,493         | 1,469,326,027         |
| Rs. 25.00 bln (I) (dd: 15-03-19)                                      | 2,354,431,506         | 3,440,424,658         |
|   | <u>39,750,760,273</u> | <u>39,869,126,572</u> |
| <b>19 OTHER EXPENSES</b>  |                       |                       |
| Participation and advisory fee  | 221,701,000           | 473,997,732           |
| Trustee fee   | 13,740,000            | 16,075,000            |
| Legal Council fee   | 1,500,000             | 2,000,000             |
|   | <u>236,941,000</u>    | <u>492,072,732</u>    |
| <b>20 OTHER INCOME</b>  |                       |                       |
| Profit on N.L.D.A No. 000063 (NBP B-Block Branch, Islamabad)          | 3,860,955             | 4,062,418             |
| Profit on N.L.D.A No. 3148981107 (NBP Super Market Branch, Islamabad) | 96,268,882            | 115,877,125           |
| Profit on PES-I & PES-II escrow accounts                              | 21,229                | 191,546               |
| Miscellaneous   | -                     | 191,935               |
|   | <u>100,151,066</u>    | <u>120,323,024</u>    |

POWER HOLDING LIMITED  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2021

|   | Note | 2021<br>-----Pak Rupees----- | 2020              |
|---|------|------------------------------|-------------------|
| <b>21 OPERATING COST</b>                        |      |                              |                   |
| Salaries  |      | 8,809,213                    | 8,596,022         |
| Legal and professional                          |      | 998,400                      | 3,053,576         |
| Insurance                                       |      | -                            | 48,056            |
| Vehicles' running and maintenance               |      | 1,010,081                    | 900,590           |
| Entertainment                                   |      | 64,724                       | 47,784            |
| Auditors' remuneration                          | 21.1 | 163,016                      | 163,016           |
| Electricity                                     |      | 163,381                      | -                 |
| Communication                                   |      | 107,515                      | 115,382           |
| Printing and stationery                         |      | 65,372                       | 95,402            |
| Repair and maintenance                          |      | 27,920                       | 30,068            |
| Fee and subscription                            |      | 49,495                       | 20,460            |
| Director's fee                                  |      | 245,000                      | 735,000           |
| Advertisement                                   |      | 301,684                      | 156,402           |
| Depreciation                                    | 4    | 183,595                      | 163,986           |
| Bank charges and commission                     |      | 4,776                        | 113,662           |
| Miscellaneous                                   |      | 10,255                       | 23,276            |
|   |      | <u>12,204,427</u>            | <u>14,262,682</u> |
| <b>21.1 Auditors' remuneration</b>              |      |                              |                   |
| Professional fee                                |      | 148,016                      | 148,016           |
| Out of pocket expenses                          |      | 15,000                       | 15,000            |
|   |      | <u>163,016</u>               | <u>163,016</u>    |
| <b>22 FINANCIAL INCIDENTAL CHARGES</b>          |      |                              |                   |
| Pakistan Energy Sukuk - I - Incidental Fee      |      | 1,639,525                    | 1,545,000         |
| Pakistan Energy Sukuk - II - Incidental Fee     |      | 170,178                      | 4,173,951         |
|   |      | <u>1,809,703</u>             | <u>5,718,951</u>  |
| <b>23 PROVISION FOR TAXATION</b>                |      |                              |                   |
| Current Year                                    |      |                              |                   |
| Current   |      | 24,980,393                   | 29,081,786        |
| Deferred  |      | (682)                        | 11,747            |
|   |      | 24,979,711                   | 29,093,533        |
| Prior Years                                     |      | -                            | (340)             |
|   |      | <u>24,979,711</u>            | <u>29,093,193</u> |
| <b>24 EARNING PER SHARE (BASIC AND DILUTED)</b> |      |                              |                   |
| Profit for the year (Rupees)                    |      | 61,157,225                   | 71,248,198        |
| Shares outstanding during the year (Number)     |      | 1,500,000                    | 1,500,000         |
| Earnings per share (Rupees)                     |      | <u>40.77</u>                 | <u>47.50</u>      |

No figures for diluted earnings per share has been presented as the company has not issued any instruments carrying options which would have an impact on earnings per share when exercised.

**25 RECLASSIFICATION**

No reclassification has been made during the year.

POWER HOLDING LIMITED  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2021

|   | 2021             | 2020     |
|---|------------------|----------|
|   | -----Number----- |          |
| 26 NUMBER OF EMPLOYEES                      |                  |          |
| Number of employees at the year end         | <u>7</u>         | <u>6</u> |
| Average number of employees at the year end | <u>7</u>         | <u>6</u> |

27 FINANCIAL RISK MANAGEMENT

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

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors have overall responsibility for the establishment and oversight of the Company's risk management framework and policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

27.1 Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk from its operating and financing activities including deposits with bank. The Company's credit risk exposure are categorized under the following headings:

27.1.1 Counterparties

The Company conducts transactions with the following major types of counterparties:

*Government of Pakistan*

The Company has major receivables from the Government of Pakistan related entities and the Company does not expect any threat to its recoverability.

*Banks*

The Company limits its exposure to credit risk by maintaining bank accounts only with counterparties that have a credit rating of at least A1 and A. Given these high credit ratings, management does not expect any counterparty to fail to meet its obligations.

27.1.2 Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

|                    | 2021                 | 2020               |
|--------------------|----------------------|--------------------|
|                    | -----Pak Rupees----- |                    |
| Long term deposits | 260,500              | 260,500            |
| Bank balances      | <u>210,299,552</u>   | <u>842,615,780</u> |
|                    | <u>210,560,052</u>   | <u>842,876,280</u> |

After giving due consideration to their strong financial standing the Company believes that no impairment allowance is necessary in respect of deposits, receivable from the Government of Pakistan related entities and other receivables as the Company is satisfied that recovery of the amount owing is possible. Accordingly the credit risk is minimal.

POWER HOLDING LIMITED  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2021

27.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The Company manages liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Management believes the liquidity risk to be low because of the government guarantee issued by the Ministry of Finance to honor the commitments. Following are the contractual maturities of financial liabilities, including interest payments.

The maturity profile of the Company's financial liabilities based on the contractual amounts are as follows:

|                        | Carrying Amount          | Less than one year     | Later than one year but not later than five years |
|------------------------|--------------------------|------------------------|---|
|                        | -----Pak Rupees-----     |                        |   |
| <b>30th June, 2021</b> |                          |                        |   |
| Long term financing    | 930,000,003,256          | 211,746,550,811        | 718,253,452,444                                   |
| Other payables         | 69,062,180,245           | 69,062,180,245         | -   |
| Markup accrued         | 67,485,019,299           | 67,485,019,299         | -   |
|                        | <u>1,066,547,202,799</u> | <u>348,293,750,355</u> | <u>718,253,452,444</u>                            |
| <b>30th June, 2020</b> |                          |                        |   |
| Long term financing    | 1,003,882,169,926        | 171,357,166,666        | 832,525,003,260                                   |
| Other payables         | 91,519,647,180           | 91,519,647,180         | -   |
| Markup accrued         | 68,234,101,833           | 68,234,101,833         | -   |
|                        | <u>1,163,635,918,939</u> | <u>331,110,915,679</u> | <u>832,525,003,260</u>                            |

27.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk. The Company is not exposed to market risk.

27.3.1 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.

The Company is not exposed to currency risk as all of its transactions are in local currency and no foreign currency receivables and payables exists at the balance sheet date.

27.3.2 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 instrument traded in the market. The Company is not exposed to other price risk.

27.3.3 Markup rate risk

This represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market markup rates.

The Company's exposure to markup rate risk relates primarily to redeemable capital in the form of Term Finance Certificate (TFCs). The TFCs obtained at variable rates expose the Company to cash flow markup rate risk. The Company is maintaining a National Income Daily Account on which profit rate is 6.50% which is the only interest-bearing asset.

POWER HOLDING LIMITED  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2021

Profile

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

|   | 2021                   | 2020                     |
|---|------------------------|--------------------------|
|   | -----Pak Rupees-----   |                          |
| <b>Financial assets</b>                 |                        |                          |
| Bank balance                            | <u>210,293,459</u>     | <u>842,609,687</u>       |
| <b>Financial liabilities</b>            |                        |                          |
| Floating rate instruments:              |                        |                          |
| Long term loans - secured               | 718,253,452,444        | 832,525,003,260          |
| Current portion long term loans         | <u>211,746,550,811</u> | <u>171,357,166,666</u>   |
|   | <u>930,000,003,255</u> | <u>1,003,882,169,926</u> |
| <b>Markup rate sensitivity analysis</b> | <u>9,300,000,033</u>   | <u>10,038,821,699</u>    |

Sensitivity to markup rate risk arises from mismatches of financial assets and liabilities that mature in a given period. If interest rates at the year end date, fluctuates by 1% higher/ lower with all other variables held constant, mark up expense for the year would have been Rs. 9,300 billion (2020: 10,039 billion) higher/ lower, mainly as a result of higher/ lower interest expense on floating rate borrowings. This analysis is prepared assuming the amounts of liability outstanding at balance sheet date was outstanding for the whole period.

27.3.4 Fair values of financial instruments

Fair value is the amount for which an asset could be exchanged or a liability settled between knowledgeable willing parties in an arms length transactions. The carrying values of all financial assets and liabilities reflected in financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each balance sheet date.

The fair value hierarchy has not been presented in these financial statements, as the Company does not hold any such financial instruments in their portfolio.

27.4 Capital management

The Company manages its capital to ensure that it will be able to continue as a going concern. Further, the Company is not subject to any externally imposed capital requirements.

28 RELATED PARTIES TRANSACTIONS

Following are the associated companies and related parties with whom the Company had entered into transactions during the year:

|  | Basis of Relationship    | Number of shares held in the Company | Aggregate %age shareholding in the Company |
|--|--------------------------|--------------------------------------|--|
| Central Power Purchasing Agency (CPPA) | Federal Government Owned | N/A                                  | N/A  |
| Ministry of Finance                    | Federal Government Owned | N/A                                  | N/A  |

POWER HOLDING LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021

28.1 Transactions with related parties

Related parties comprise of associated undertakings and key management personnel. The transactions with related parties are made under commercial terms and conditions. The remuneration of the chief executive, directors and executives is disclosed in note 36 to these financial statements. Transactions during the year and balances as at year end with the related parties are as follows:

|   | Note | 2021<br>-----Pak Rupees----- | 2020                     |
|---|------|------------------------------|--------------------------|
| <b>Transactions during the year are as follows:</b>                                       |      |                              |                          |
| <b>Central Power Purchasing Agency (CPPA)</b>   |      |                              |                          |
| Grant against markup / profit on financing facilities                                     | 16   | 82,610,385,756               | 107,740,583,583          |
| Grant against trustee fee, arrangement fee and legal                                      | 16   | 176,496,000                  | 490,912,732              |
| Grant against liquidated damages on interest - Rs. 82.00 bn facility                      | 16   | 8,948,605,994                | 6,817,528,020            |
| Grant against liquidated damages on principal amount - Rs. 82.00 bn facility              | 16   | -                            | 15,961,917,808           |
| <b>Ministry of Finance (MOF)</b>  |      |                              |                          |
| Grant against markup / profit on financing facilities                                     | 17   | 13,430,456                   | 5,671,929,825            |
| Grant against trustee fee, arrangement fee and legal                                      | 17   | 60,445,000                   | 1,160,000                |
| <b>Balances as at year end are as follows:</b>  |      |                              |                          |
| <b>Central Power Purchasing Agency (CPPA)</b>   |      |                              |                          |
| Receivable in respect of principal amount of loan - Non current                           |      | 199,966,800,000              | 199,966,800,000          |
| Amount receivable against markup  |      | 67,472,039,763               | 68,122,453,692           |
| Liquidated damages receivable   |      | 46,674,014,440               | 66,043,490,638           |
| Bridge borrowing from CPPA - for MOF principal/ markup settlement                         |      | 22,383,758,292               | 25,471,771,159           |
| <b>Ministry of Finance (MOF)</b>  |      |                              |                          |
| Receivable in respect of principal amount of loan   |      | 518,286,652,444              | 632,558,203,260          |
| Receivable in respect of principal amount of loan - Current                               |      | 213,618,300,807              | 175,724,583,335          |
| Amount receivable against mark-up   |      | 19,873,332,917               | 20,516,402,456           |
| Receivable from Finance Division against fee settlements by CPPA                          |      | 651,654,894                  | 4,619,000                |
| <b>Amount receivable against markup</b>   |      |                              |                          |
| From power sector, GOP through CPPA-G   |      | 67,472,039,763               | 68,122,453,692           |
| From Ministry of Finance, GOP   |      | 19,873,332,917               | 20,516,402,456           |
|   |      | <u>87,345,372,680</u>        | <u>88,638,856,147</u>    |
| <b>Amount receivable against liquidated damages from power sector, GOP through CPPA-G</b> |      |                              |                          |
|   |      | <u>46,674,014,440</u>        | <u>66,043,490,638</u>    |
| <b>Receivable in respect of principal amount of loan</b>                                  |      |                              |                          |
| From power sector, GOP through CPPA-G   |      | 199,966,800,000              | 199,966,800,000          |
| From Ministry of Finance, GOP   |      | 731,904,953,251              | 808,282,786,595          |
|   |      | <u>931,871,753,251</u>       | <u>1,008,249,586,595</u> |
| <b>Bridge borrowing from CPPA - for MOF principal/ markup settlement</b>                  |      |                              |                          |
|   |      | <u>22,383,758,292</u>        | <u>25,471,771,159</u>    |

The above stated parties are related to the company merely by way of Government holding.

POWER HOLDING LIMITED  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2021

29 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged in these financial statements in respect of remuneration and allowances including all benefits to the chief executive, directors and other executives of the company are given below:

|                        | 2021    |                  |                |
|------------------------|---------|------------------|----------------|
|                        | Numbers | Salaries         | Fee/Allowances |
| Chief Executive        | 1       | -                | 156,000        |
| Directors' Meeting Fee | 4       | -                | 245,000        |
| Executive              | 1       | 5,082,000        | 144,000        |
|                        |         | <u>5,082,000</u> | <u>545,000</u> |

|                        | 2020 |                  |                |
|------------------------|------|------------------|----------------|
|                        | No.  | Salaries         | Fee/Allowances |
| Chief Executive        | 1    | -                | -              |
| Directors' Meeting Fee | 5    | -                | 735,000        |
| Executive              | 1    | 5,505,500        | 144,000        |
|                        |      | <u>5,505,500</u> | <u>879,000</u> |

The chief executive officer and executive is also provided with company maintained cars.

30 DATE OF AUTHORIZATION

The financial statements were authorized for issue by the Board of Directors of the company on 07 OCT 2021

31 FIGURES

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

CHIEF EXECUTIVE

DIRECTOR