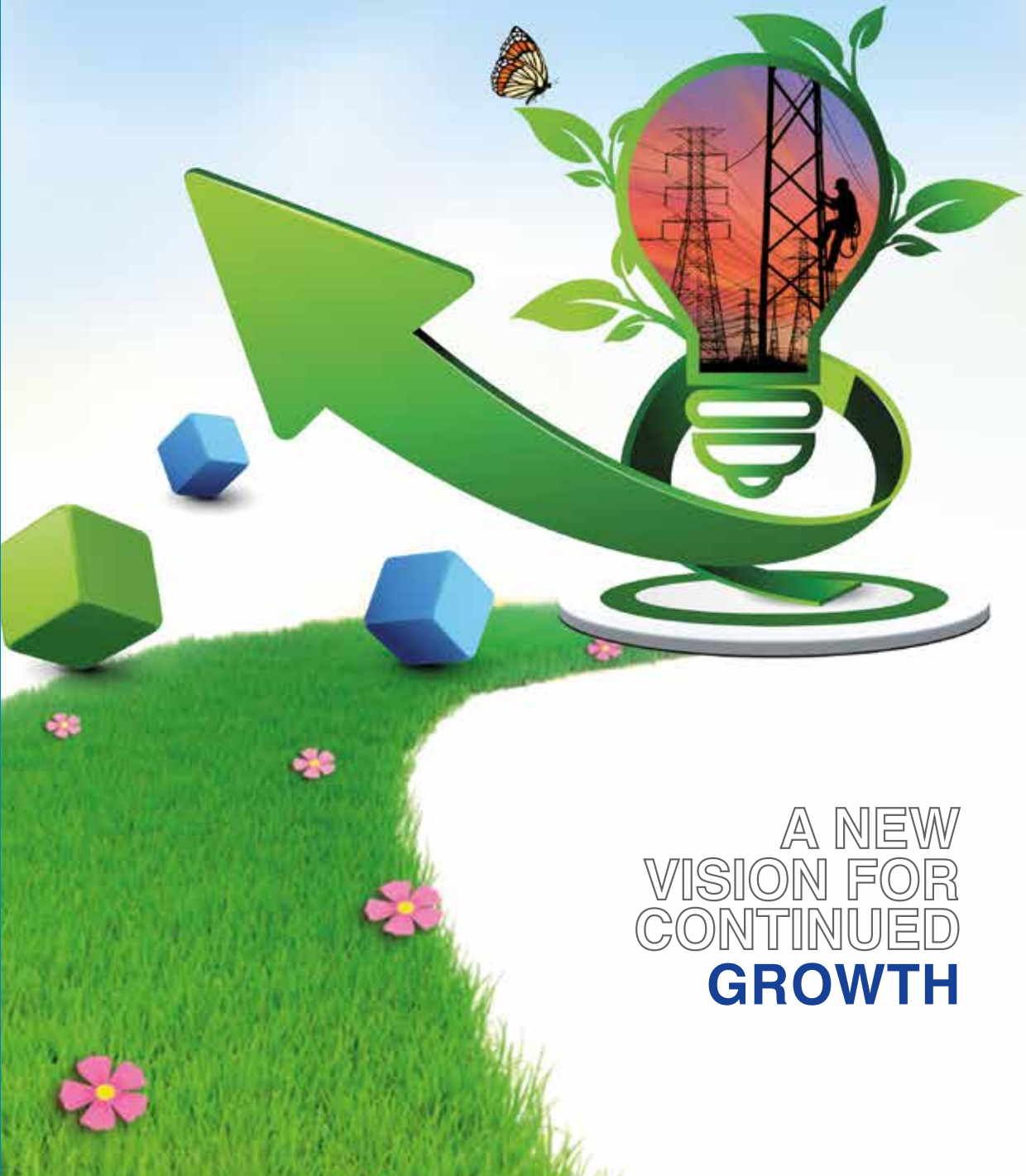




N I S H A T

PAKGEN POWER LIMITED

FIRST QUARTERLY REPORT  
FOR THE PERIOD ENDED  
MARCH 31, 2022



A NEW  
VISION FOR  
CONTINUED  
**GROWTH**

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# COMPANY PROFILE

## THE COMPANY

**Pakgen Power Limited** ("the Company") was incorporated in Pakistan on 22 June 1995 under the repealed Companies Ordinance, 1984 now the Companies Act, 2017. The registered office is situated at 53-A, Lawrence Road, Lahore. The principal activities of the Company are to own, operate and maintain an oil fired power station ("the Complex") having gross capacity of 365 MW in Mehmood Kot, Muzaffargarh, Punjab, Pakistan.

## BOARD OF DIRECTORS

Mr. Ghazanfar Hussain Mirza	Chairman
Mr. Aurangzeb Firoz	
Mrs. Sadia Younas Mansha	
Mr. Samir Mustapha Chinoy	
Mr. Shahid Malik	
Dr. Arif Bashir	
Mr. Farrukh Ifzal	

## CHIEF EXECUTIVE OFFICER

Mian Hassan Mansha

## AUDIT COMMITTEE

Mr. Farrukh Ifzal	Chairman
Mr. Aurangzeb Firoz	
Mr. Shahid Malik	

## HUMAN RESOURCE & REMUNERATION(HR &R) COMMITTEE

Mr. Samir Mustapha Chinoy	Chairman
Mian Hassan Mansha	
Mr. Ghazanfar Hussain Mirza	

## CHIEF FINANCIAL OFFICER

Mr. Tanvir Khalid

## COMPANY SECRETARY

Mr. Khalid Mahmood Chohan

## BANKERS OF THE COMPANY

Habib Bank Limited  
The Bank of Punjab  
Silk Bank Limited  
United Bank Limited  
Allied Bank Limited  
National Bank of Pakistan  
Bank Alfalah Limited  
Faysal Bank Limited  
Askari Bank Limited  
Habib Metropolitan Bank Limited  
MCB Bank Limited  
Bank Islamic Pakistan Limited  
Bank Al-Habib Limited  
Al Baraka Bank (Pakistan) Limited

## AUDITOR OF THE COMPANY

Riaz Ahmad & Co.  
Chartered Accountants

## LEGAL ADVISOR OF THE COMPANY

Mr. M. Aurangzeb Khan  
Advocate High Court

## REGISTERED OFFICE

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

**HEAD OFFICE**

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

**SHARE REGISTRAR**

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

**PLANT**

Mehmood Kot, Muzaffargarh,  
Punjab – Pakistan.

# DIRECTORS' REPORT

The Directors of **Pakgen Power Limited “the Company”** are pleased to present their report together with the Condensed Interim Financial Information for the first quarter ended March 31, 2022.

We report that during the period under review power plant dispatched 354,999 Mwh of electricity as compared with 131,962 Mwh dispatched during the corresponding period of the previous financial year.

## Operation Financial Results:

The financial results of the Company for period ended March 31, 2022 are as follows:

Financial Highlights	PERIOD ENDED	
	31 March 2022	31 March 2021
Revenue (Rs ‘000’)	10,353,693	3,653,304
Gross profit (Rs ‘000’)	880,344	1,276,388
After tax profit (Rs ‘000’)	936,239	1,076,982
Earnings per share (Rs)	2.52	2.89

The Company has posted after tax profit of Rs.936.239 million as against Rs.1,076.982 million earned in the comparative period. The net profits of the Company demonstrated the Earning per Share of Rs. 2.52 as against 2.89 per share earned in the comparable previous period.

Our sole customer Central Power Purchasing Agency (Guarantee) Limited (CPPA-G) remains unable to meet its obligations in accordance with the Power Purchase Agreement (PPA) which are secured under a sovereign guarantee of Government of Pakistan. As on March 31, 2022, an amount of Rs.11.825 billion was receivable from CPPA-G.

## COMPOSITION OF BOARD:

<b>Total number of Directors:</b>		
(a)	Male	7
(b)	Female:	1
<b>Composition:</b>		
(i)	Independent Directors	2
(ii)	Non-executive Directors	5
(iii)	Executive Director - (Chief Executive Officer)	1

## COMMITTEES OF THE BOARD:

### Audit Committee of the Board:

Sr. #	Name of Members	
1	Mr. Farrukh Ifzal	(Member/ Chairman)
2	Mr. Aurangzeb Firoz	(Member )
3	Mr. Shahid Malik	(Member)

#### Human Resource & Remuneration (HR&R) Committee:

Sr. #	Name of Members	
1	Mr. Samir Mustapha Chinoy	Member/Chairman
2	Mian Hassan Mansha	Member
3	Mr. Ghazanfar Hussain Mirza	Member

#### DIRECTORS' REMUNERATION:

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

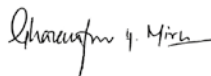
#### ACKNOWLEDGEMENT:

The board appreciates the management for establishing a modern and motivating working climate and promoting high levels of performance in all areas of the power plant. We also appreciate the efforts of the company's workforce for delivering remarkable results and we wish for their long relationship with the Company.

#### For and on behalf of the Board of Directors



**Mian Hassan Mansha**  
Chief Executive Officer  
Lahore: 27 April 2022



**Mr. Ghazanfar Hussain Mirza**  
Chairman

## ڈائریکٹرز رپورٹ پاک جن پاور لمیٹڈ

پاک جن پاور لمیٹڈ "دی کمپنی" کے ڈائریکٹرز 31 مارچ 2022ء مختتمہ مدت کے لئے مجمد عبوری مالیاتی معلومات پر مشتمل اپنی رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

ہم بیان کرتے ہیں کہ زیر جائزہ مدت کے دوران پاور پلانٹ نے گزشتہ مالی سال کی اسی مدت کے دوران 131,962 MWH ترسیل کے مقابلہ میں 354,999 MWH بجلی ترسیل کی۔

آپریشنل مالیاتی نتائج:

31 مارچ 2022ء کو ختم ہونے والی مدت کے لئے کمپنی کے مالیاتی نتائج مندرجہ ذیل ہیں:

مالی جھلکیاں	31 مارچ 2022ء مختتمہ سہ ماہی	31 مارچ 2021ء مختتمہ سہ ماہی
محصولات (000 روپے)	10,353,693	3,653,304
مجموعی منافع (000 روپے)	880,344	1,276,388
بعد از ٹیکس منافع (000 روپے)	936,239	1,076,982
آمدن فی حصص (روپے)	2.52	2.89

کمپنی نے ٹیکس کے بعد منافع 936,239 ملین روپے درج کیا جبکہ تقابلی مدت میں 1,076,982 ملین روپے منافع حاصل ہوا تھا۔ کمپنی کے خالص منافع نے گزشتہ مدت میں 2.89 روپے فی حصص منافع کے مقابلے 2.52 روپے فی حصص منافع ظاہر کیا ہے۔

ہماری واحد صارف سنٹرل پاور پراجیکٹس انجینی (گارنٹی) لمیٹڈ (CPPA-G) بجلی کی خریداری کے معاہدے (PPA) جو حکومت پاکستان کی ایک خود مختار ضمانت کے تحت حاصل کیا گیا، کے مطابق اپنی ذمہ داریوں کو پورا کرنے کے قابل نہیں رہا۔ 31 مارچ 2022ء کے مطابق سنٹرل پاور پراجیکٹس انجینی (گارنٹی) لمیٹڈ (CPPA-G) کے ذمہ بقایا رقم 11.825 ملین روپے تھی۔

بورڈ کی تشکیل:

ڈائریکٹرز کی کل تعداد	
(a) مرد	7
(b) خاتون	1
تشکیل	
(i) آزاد ڈائریکٹرز	2
(ii) نان ایگزیکٹو ڈائریکٹرز	5
(iii) ایگزیکٹو ڈائریکٹرز	1

بورڈ کی کمیٹیاں:

بورڈ کی آڈٹ کمیٹی:

نمبر شمار	نام رکن
1	جناب فرخ افضال (رکن/چیئر مین)
2	جناب اورنگ زیب فیروز (رکن)
3	جناب شاہد ملک (رکن)

ہیومن ریسورس اینڈ ریمیزیشن (HR&R) کمیٹی:

نمبر شمار	نام رکن
1	جناب میر مصطفیٰ چنائے (رکن/چیئر مین)
2	میاں حسن منشاء (رکن)
3	جناب غففر حسین مرزا (رکن)

ڈائریکٹرز کا مشاہرہ:

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

اظہار تشکر

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

منجانب مجلس نظاماء

*Ghaffar Hussain Mirza*

غففر حسین مرزا

چیئر مین

*Mian Hassan*

میاں حسن منشاء

چیف ایگزیکٹو آفیسر

لاہور: 27 اپریل 2022ء



# CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)

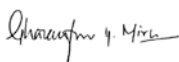
As at 31 March 2022

	Note	Un-audited 31 March 2022 (Rupees in thousand)	Audited 31 December 2021
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorised share capital 400,000,000 (31 December 2021: 400,000,000) ordinary shares of Rupees 10 each		4,000,000	4,000,000
Issued, subscribed and paid up share capital 372,081,591 (31 December 2021: 372,081,591) ordinary shares of Rupees 10 each		3,720,816	3,720,816
Capital reserve		116,959	116,959
Revenue reserve-un-appropriated profit		19,662,851	18,726,612
<b>Total equity</b>		<b>23,500,626</b>	<b>22,564,387</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Long term financing	4	-	-
Employee benefit - gratuity		5,022	2,267
		5,022	2,267
<b>CURRENT LIABILITIES</b>			
Trade and other payables		1,644,207	2,978,920
Accrued mark-up / profit		636	20,042
Short-term borrowings		269	7,336
Current portion of non-current liabilities		37,452	49,943
Unclaimed dividend		7,508	8,019
		1,690,072	3,064,260
<b>Total liabilities</b>		<b>1,695,094</b>	<b>3,066,527</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	5		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>25,195,720</b>	<b>25,630,914</b>

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



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

	Note	Un-audited 31 March 2022 (Rupees in thousand)	Audited 31 December 2021
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed assets	6	5,034,393	5,268,482
Long-term loans to employees		23,868	23,299
Long-term security deposit		300	300
		5,058,561	5,292,081
<b>CURRENT ASSETS</b>			
Stores, spare parts and other consumables		756,678	737,817
Fuel stock		1,283,570	3,056,712
Trade debts		11,825,484	6,852,294
Loans, advances and short-term prepayments		17,284	47,301
Loans to associated company		350,000	350,000
Other receivables		219,572	440,921
Advance income tax		271,024	249,321
Accrued interest		3,383	7,175
Sales tax recoverable		1,371,596	1,626,330
Cash and bank balances		4,038,568	6,970,962
		20,137,159	20,338,833
<b>TOTAL ASSETS</b>		<b>25,195,720</b>	<b>25,630,914</b>



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER


**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS  
ACCOUNT AND OTHER COMPREHENSIVE INCOME  
FOR THE QUARTER ENDED 31 MARCH 2022 (UN-AUDITED)**

	Note	Quarter Ended	
		31 March 2022 (Rupees in thousand)	31 March 2021
REVENUE FROM CONTRACT WITH CUSTOMER	7	10,353,693	3,653,304
COST OF SALES		(9,473,349)	(2,385,263)
GROSS PROFIT		880,344	1,268,041
ADMINISTRATIVE EXPENSES		(69,998)	(55,562)
OTHER EXPENSES		(942)	(31,937)
OTHER INCOME		132,160	15,261
PROFIT FROM OPERATIONS		941,564	1,195,803
FINANCE COST		(5,325)	(118,821)
PROFIT BEFORE TAXATION		936,239	1,076,982
TAXATION		-	-
PROFIT AFTER TAXATION		936,239	1,076,982
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		936,239	1,076,982
EARNINGS PER SHARE - BASIC AND DILUTED (RUPEES)		2.52	2.89

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



CHIEF EXECUTIVE



DIRECTOR




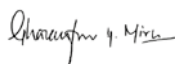
CHIEF FINANCIAL OFFICER

# CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED 31 MARCH 2022 (UN-AUDITED)

	SHARE CAPITAL	RESERVES		TOTAL EQUITY
		Capital	Revenue	
		Retained payments reserve	Un- appropriated profit	
(----- Rupees in thousand -----)				
<b>Balance as at 31 December 2020 (audited)</b>	3,720,816	116,959	18,796,628	22,634,403
Transaction with owners:				
Final dividend for the year ended 31 December 2020 @ Rupee 1.00 per share			(372,082)	(372,082)
Profit for the quarter ended 31 March 2021	-	-	1,076,982	1,076,982
Other Comprehensive income for the period ended 31 March 2021	-	-	-	-
Total comprehensive income for the period ended 31 March 2021			1,076,982	1,076,982
<b>Balance as at 31 March 2021- un-audited</b>	3,720,816	116,959	19,501,528	23,339,303
<b>Balance as at 31 December 2021 -audited</b>	3,720,816	116,959	18,726,612	22,564,387
Profit for the quarter ended 31 March 2022	-	-	936,239	936,239
Other Comprehensive income for the quarter ended 31 March 2022	-	-	-	-
Total comprehensive income for the quarter ended 31 March 2022	-	-	936,239	936,239
<b>Balance as at 31 March 2022- Un-audited</b>	3,720,816	116,959	19,662,851	23,500,626

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

  
CHIEF EXECUTIVE

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER

# CONDENSED INTERIM STATEMENT OF CASH FLOWS

## FOR THE QUARTER ENDED 31 MARCH 2022 (UN-AUDITED)

	Note	31 March 2022 (Rupees in thousand)	31 March 2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash (used in) / generated from Operations	8	(3,000,736)	253,622
Finance cost paid		(24,261)	(166,562)
Net (increase) / decrease in long term loans to employees		(569)	2,809
Income tax paid		(21,703)	(2,379)
<b>Net cash (used in) / generated from operating activities</b>		<b>(3,047,269)</b>	<b>87,490</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure on fixed assets		(331)	(2,804)
Interest received		135,131	8,924
Disposal proceed		144	-
<b>Net cash generated in investing activities</b>		<b>134,944</b>	<b>6,120</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Long term finance repaid		(12,491)	(12,408)
Dividend paid		(511)	(5,570)
<b>Net cash used in financing activities</b>		<b>(13,002)</b>	<b>(17,978)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(2,925,327)</b>	<b>75,632</b>
<b>Cash and cash equivalents at beginning of the period</b>		<b>6,963,626</b>	<b>(5,836,042)</b>
<b>Cash and cash equivalents at end of the period</b>		<b>4,038,299</b>	<b>(5,760,410)</b>
<b>CASH AND CASH EQUIVALENTS</b>			
Cash in hand		275	272
Cash at banks		4,038,293	35,406
Short-term investments		-	6,418
Short-term borrowings		(269)	(5,802,506)
		<b>4,038,299</b>	<b>(5,760,410)</b>

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



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

# SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

## FOR THE QUARTER ENDED 31 MARCH 2022 (UN-AUDITED)

### 1. THE COMPANY AND ITS OPERATIONS

Pakgen Power Limited ("the Company") was incorporated in Pakistan on 22 June 1995 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The registered office of the Company is situated at 53-A, Lawrence Road, Lahore. Head office of the Company is situated at 1-B, Aziz Avenue, Canal Road, Gulberg V, Lahore. The ordinary shares of the Company are listed on Pakistan Stock Exchange Limited. The principal activities of the Company are to own, operate and maintain a fuel fired power station ("the Complex") having gross capacity of 365 MW in Mehmood Kot, Muzaffargarh, Punjab, Pakistan. The Company has a Power Purchase Agreement (PPA) with its sole customer, Central Power Purchasing Agency (Guarantee) Limited (CPPA-G) for 30 years which commenced from 01 February 1998.

### 2. BASIS OF PREPARATION

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

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

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

**2.2** These condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended 31 December 2021. These condensed interim financial statements are un-audited and are being submitted to the shareholders as required by the Listed Companies (Code of Corporate Governance) Regulations, 2019 and Section 237 of the Companies Act, 2017.

### 3. ACCOUNTING POLICIES

The accounting policies and methods of computations adopted for the preparation of these condensed interim financial statements are same as applied in the preparation of the preceding audited annual published financial statements of the Company for the year ended 31 December 2021.

#### 3.1 Critical accounting estimates and judgments

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

During preparation of these condensed interim financial statements, the significant judgments made by the management in applying the Company's accounting policies and key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Company for the year ended 31 December 2021.

	Un-audited 31 March 2022 (Rupees in thousand)	Audited 31 December 2021
4. LONG-TERM FINANCE - SECURED		
Loan under SBP Refinance Scheme	36,965	48,986
Less: Current portion shown under current liabilities	(36,965)	(48,986)
	-	-

- 4.1 These finance facilities, aggregating to Rupees 99.269 million are obtained by the Company from MCB Bank limited - related party under SBP Refinance Scheme for Payment of Wages and Salaries to the Workers and Employees of Business Concerns (the Refinance Scheme). These finance facilities and short term borrowings are secured against first pari passu charge over all present and future current assets of the Company for Rupees 3,125 million. These finance facilities are payable in 8 equal quarterly installments commenced from 01 January 2021 and ending on 01 October 2022. Mark-up is payable quarterly at the rate of SBP refinance rate @ 2.00% and 3.00% per annum. These finance facilities are recognized and measured in accordance with IFRS 9 'Financial Instruments'. Fair value adjustments are recognized at discount rates of 7.69% to 8.68% per annum.

## 5. CONTINGENCIES AND COMMITMENTS

### 5.1 Contingencies

There is no significant change in the status of contingencies as disclosed in the preceding audited annual published financial statements of the Company for the year ended 31 December 2021 except for the following:

- 5.1.1 On 08 April 2021, Assistant Commissioner Inland Revenue (ACIR) issued a show cause notice under section 11(2) of the Sales Tax Act, 1990 for the tax periods from January 2016 to December 2016 regarding the disallowance of input sales tax amounting to Rupees 1,080.919 million along with default surcharge and penalty on similar grounds as explained above. On 19 June 2021, ACIR passed a detailed order whereby the recoverability of sales tax claimed against capacity purchase price amounting to Rupees 1,080.919 million alongwith default surcharge and penalty was connected with the outcome of decision of Honorable Supreme Court in the same matter as disclosed above. Moreover, ACIR also raised a demand of Rupees 10.145 million on account of inadmissible claim of input sales tax and sales tax on sale of residue of extracts from furnace oil. The Company has filed an appeal before CIR(A) against the order of ACIR. The CIR (A) disposed off the appeal by passing an order dated March 10, 2022, whereby partial relief was allowed against the orders of ACIR. Being aggrieved with the order of CIR (A) company has filed appeal before ATIR which is pending for hearing. Based on the tax advisor's opinion, the management is of the view that there are meritorious grounds available to defend the disallowance of input sales tax. Consequently, no provision for such disallowance has been made in these financial statements.

**5.1.2** During the year ended 31 December 2019, DCIR has passed an order under section 11 of the Sales Tax Act, 1990 raising a demand on account of sales tax aggregating to Rupees 159.815 million against the Company. The Company filed an appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)] against the order of DCIR. On 12 September 2019, CIR(A) disposed-off the appeal whereby all the matters were decided in favor of the Company except the disallowance of input sales tax on certain purchases aggregating to Rupees 51.707 million. Further, CIR(A) connected the decision regarding the adjustment of input sales tax in respect of building materials amounting to Rupees 2.801 million with the outcome of appeal filed with Honourable Lahore High Court, Lahore. Being aggrieved by the order, the Company has filed an appeal before the ATIR challenging the disallowance of input sales tax. On 22 April 2021, ATIR remanded back the case to assessing officer for fresh consideration and to decide the case related to adjustment of input sales tax in respect of building materials in light of judgment passed by Honourable Lahore High Court after providing reasonable opportunity of being heard to the Company. Against the decision of ATIR, department has filed reference in Lahore High Court and the proceedings are under way. Based on the tax advisor's opinion, the management is of the view that there are meritorious grounds available to defend the disallowance of input sales tax. Consequently, no provision for such disallowance has been made in these financial statements.

**5.1.3** The banks of the Company have issued letters of guarantee in favour of Pakistan State Oil Company Limited (PSO) - fuel supplier for an amount of Rupees 2,450 million (2021: Rupees 2,550 million) against purchase of fuel..

	Un-audited 31 March 2022 (Rupees in thousand)	Audited 31 December 2021
<b>5.2 Commitments</b>		
<b>5.2.1</b> Commitments in respect of other than capital expenditure	266,771	29,257
<b>6. FIXED ASSETS</b>		
Operating fixed assets (Note 6.1)	5,034,393	5,266,482
Capital Work in Progress (Note 6.2)	-	2,000
	<u>5,034,393</u>	<u>5,268,482</u>
<b>6.1 Operating fixed assets</b>		
Opening book value	5,266,482	5,942,491
Add: Cost of additions during the period / year (Note 6.1.1)	332	248,673
Less: Book value of deletion during the period / year (Note 6.1.2)	(144)	-
Less: Depreciation charged during the period / year	(232,277)	(924,682)
Closing book value	<u>5,034,393</u>	<u>5,266,482</u>



#### 6.1.1 Cost of additions

	Un-audited 31 March 2022 (Rupees in thousand)	Audited 31 December 2021
Plant and machinery	-	243,390
Office equipment	278	2,133
Furniture and fittings	36	1,583
Electric equipment and appliances	18	1,567
	332	248,673

#### 6.1.2 Book value of deletion

Cost	199	-
Less: Accumulated depreciation	(55)	-
	144	-

#### 6.2 Capital work in process

advance for purchase of vehicle	-	2,000
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#### (Un-audited) Quarter Ended

#### 7. COST OF SALES

	31 March 2022 (Rupees in thousand)	31 March 2021
Fuel consumed	8,893,397	1,880,038
Operation and maintenance costs	166,347	109,208
Insurance	194,856	195,506
Depreciation	218,749	200,511
	9,473,349	2,385,263

	Quarter Ended	
	31 March 2022 (Rupees in thousand)	31 March 2021
<b>8. CASH GENERATED FROM OPERATIONS</b>		
Profit before taxation	936,239	1,076,982
Adjustment for non-cash charges and other items:		
Depreciation	232,277	214,049
Provision for gratuity	2,755	2,503
Amortization of deferred income - Government grant	(470)	-
Interest income	(131,340)	(8,924)
Finance cost	5,325	118,821
<b>Cash flows from operating activities before working capital changes</b>	<b>1,044,786</b>	<b>1,403,431</b>
(Increase) / decrease in current assets:		
Stores, spare parts and other consumables	(18,861)	(3,881)
Fuel stock	1,773,142	606,985
Trade debts	(4,973,190)	(2,193,684)
Advances and short-term prepayments	32,017	(18,859)
Other receivables	221,349	65,701
Sales tax recoverable	254,734	71,131
	(2,710,809)	(1,472,607)
(Decrease) / Increase in trade and other payables	(1,334,713)	322,798
	<b>(3,000,736)</b>	<b>253,622</b>

#### 9. TRANSACTIONS WITH RELATED PARTIES

The related parties of the Company comprise of associated undertakings, other related group companies and key management personnel. Transactions with related parties include expenses charged between these companies. The Company in the normal course of business carries out transactions with various related parties. Detail of transactions with related parties other than those which have been specifically disclosed elsewhere in these financial statements are as follows:

		Quarter Ended	
		31 March 2022 (Rupees in thousand)	31 March 2021
Associated company	Nature of transaction		
Adamjee Insurance Company Limited	Insurance premium	757	650
	Insurance claim received	74	129
Security General Insurance Company Limited	Insurance premium	192,926	193,567
D.G.Khan Cement Company Limited	Purchase of goods	106	-
Nishat (Aziz Avenue) hotels and properties Limited	Rent	-	1,570
Hyundai Nishat motor(pvt) ltd	Reimbursement of Rent	1,562	-
Nishat Hotels and Properties Limited	Interest charged	9,813	7,306
Pakistan Aviators and Aviation (Private) Limited	Flying services	32,429	20,913
Adamjee Life Assurance Co Ltd	Insurance premium	1,555	1,266
MCB Bank Limited	Mark up on short term borrowings	-	23,158
	Short term loan obtained	-	2,968,963
	Short term loan repaid	-	1,411,596
	Mark up on long term borrowings	232	537
	Long term loan repaid	12,409	12,409
	Profit on bank deposits received	121,526	46
<b>STAFF RETIREMENT BENEFIT PLANS</b>			
Provident fund	Contribution made	4,044	3,896
<b>KEY MANAGEMENT PERSONNEL</b>			
	Remuneration	5,948	6,214
		Un-audited 31 March 2022 (Rupees in thousand)	Audited 31 December 2021
<b>Period end balances:</b>			
Short term loan receivable from associated company		350,000	350,000
Accrued interest on loan to associated company		3,383	3,123

## 10. RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

### (i) Fair value hierarchy

Certain financial assets and financial liabilities are not measured at fair value if the carrying amounts are a reasonable approximation of fair value. Due to short term nature, carrying amounts of certain financial assets and financial liabilities are considered to be the same as their fair value. For the majority of the non-current receivables, the fair values are also not significantly different to their carrying amounts. Judgements and estimates are made in determining the fair values of the financial instruments that are recognised and measured at fair value in these condensed interim financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company classify its financial instruments into the following three levels. However, as at the reporting date, the Company has no such type of financial instruments which are required to be grouped into these levels. These levels are explained as under:

**Level 1:** The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

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

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

## 11. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual published financial statements of the Company for the year ended 31 December 2021.

## 12. CORRESPONDING FIGURES

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

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

### 13. DATE OF AUTHORISATION FOR ISSUE

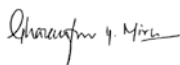
These condensed interim financial statements were authorized for issue on 27th April 2022 by the Board of Directors of the Company.

### 14. GENERAL

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



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

BOOK POST

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