

PAKGEN POWER LIMITED



PKGP/PSX/

August 29, 2025

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

SUB: **TRANSMISSION OF QUARTERLY REPORT
FOR THE PERIOD ENDED JUNE 30, 2025**

Dear Sir,

We have to inform you the Quarterly Report of Pakgen Power Limited for the period ended June 30, 2025 have been transmitted through PUCARS and is also available on Company's website.

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

Thanking you,

Yours truly,


KHALID MAHMOOD CHOHAN
COMPANY SECRETARY



NISHAT

PAKGEN POWER LIMITED

HALF YEARLY
Report

FOR THE HALF YEAR ENDED
JUNE 30,

20
25



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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Pakgen Power Limited ("the Company") was incorporated in Pakistan on 22 June 1995 under the repealed Companies Ordinance, 1984 now the Companies Act, 2017.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

Mrs. Sadia Younas Mansha
Mr. Muhammad Ali Zeb Director /Chairman
Mr. Samir Mustapha Chinoy
Mr. Sheikh Muhammad Shakeel
Mr. Farrukh Ifzal
Mr. Ghazanfar Hussain Mirza
Mr. Omer Zubair Khan

CHIEF EXECUTIVE OFFICER

Mian Hassan Mansha

AUDIT COMMITTEE

Mr. Farrukh Ifzal Chairman
Mr. Sheikh Muhammad Shakeel
Mr. Muhammad Ali Zeb

HUMAN RESOURCE & REMUNERATION (HR &R) COMMITTEE

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

AUDITOR OF THE COMPANY

Riaz Ahmad & Co.
Chartered Accountants

REGISTERED OFFICE

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

SHARE REGISTRAR

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

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

LEGAL ADVISOR OF THE COMPANY

Mr. M. Aurangzeb Khan
Advocate High Court

HEAD OFFICE

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

PLANT

Mehmood Kot, Muzaffargarh,
Punjab – Pakistan.

DIRECTORS' REPORT

The Directors of [Pakgen Power Limited](#) ("the Company") are pleased to present their report together with the Condensed Interim Financial Information for the half year ended June 30, 2025.

The Power Purchase Agreement (PPA) was terminated, during current period w.e.f. January 31, 2025. For further details, please see note 1.2 of the annexed condensed interim financial statements.

Despite the termination of PPA, the company is in a sound financial position and there are sufficient funds available to meet the day to today expenditure, including plant preservation & maintenance costs. As on June 30, 2025 the Company's investments in Mutual Funds & saving accounts, stand at Rs. 21,981 million.

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

OPERATIONAL FINANCIAL RESULTS:

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

Financial Highlights	PERIOD ENDED	
	30 June	30 June
	2025	2024
Revenue (Rs '000')	925,405	7,974,023
Gross profit (Rs '000')	395,471	3,750,332
After tax (loss)/profit (Rs '000')	(412,123)	4,000,314
(Loss)/earnings per share (Rs)	(1.11)	10.75

The Company has posted after tax loss of Rs 412.123 million as against after tax profit Rs 4,000.314 million earned in the comparative period. The net loss of the Company demonstrated the loss per share of Rs 1.11 per share as against earnings per share of Rs 10.75 in the comparable previous period.

As explained in Note 1.2 to the condensed interim financial statements, the Company has taken several cost reduction measures, including but not limited to rationalization of workers and employees through Voluntary Severance Scheme (VSS) and reduction / optimization of plant maintenance costs, to mitigate the financial impacts arising due to termination of the Agreements, consequently, the Power Plant is being kept in preservation mode to ensure that the

Power Plant is readily available if the offtake of electricity is required in near future. The Company is fully determined to explore other avenues of income generation including establishment of new businesses, which are under discussions, using funds available with the Company and the same will be placed before the shareholders of the Company for formal approval after the recommendation by the Board of Directors.

COMPOSITION OF BOARD:

Total number of Directors:	
(a) Male	7
(b) Female	1
Composition:	
(i) Independent Directors	2
(ii) Other 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. Sheikh Muhammad Shakeel	(Chairman)
2.	Mr. Farrukh Ifzal	(Member)
3.	Mr. Muhammad Ali Zeb	(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 take this opportunity to thank our executives and staff members for their consistent support, hard-work and commitment for delivering remarkable, under extra ordinary circumstances.

For and on behalf of the Board of Directors



Mian Hassan Mansha
Chief Executive Officer
Lahore: 29 August 2025



Mr. Ghazanfar Hussain Mirza
Director

ڈائریکٹرز رپورٹ پاک جن پاور لمیٹڈ

پاک جن پاور لمیٹڈ "دی کمپنی" کے ڈائریکٹرز 30 جون 2025 ءمختتمہ ششماہی کے لئے مجمد عبوری مالیاتی معلومات پر مشتمل اپنی رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

پاور پرچرڈ ایگریمنٹ ("PPA") رواں سال کے دوران 31 جنوری 2025 کو ختم ہو گیا۔ مزید تفصیلات کے لیے، براہ کرم منسلک کنڈینسڈ عبوری مالیاتی گوشواروں کا نوٹ 1.2 ملاحظہ کریں۔

PPA کے خاتمہ کے باوجود، کمپنی کی مالی حالت مستحکم ہے اور اس کے پاس پلانٹ کے تحفظ اور دیکھ بھال کے اخراجات سمیت روزمرہ کی ضروریات کو پورا کرنے کے لئے کافی فنڈز دستیاب ہیں۔ 30 جون 2025 تک، کمپنی کی میوچل فنڈز اور بچت کھاتوں میں سرمایہ کاری 21,981 ملین روپے ہے۔

حکومت پاکستان (GoP) کی طرف سے نفاذ کے بعد ہم پُر امید ہیں کہ کمپنی آئندہ مسابقتی تجارتی دوطرفہ کنٹریکٹس (CTBCM) میں شرکت کرے گی، جس سے کمپنی کو وہیلنگ انتظامات کے ذریعے بلک کنزیومر/ڈسٹری بیوٹن کمپنیوں (DISCOs) کو مرچنٹ پلانٹ کے طور پر بجلی فروخت کرنے کی اجازت ہوگی۔

آپریشنل مالیاتی نتائج:

30 جون 2025 ءکو ختم ہونے والی مدت کے لئے کمپنی کے مالیاتی نتائج مندرجہ ذیل ہیں:

مالی جھلکیاں	30 جون 2025 ءمختتمہ ششماہی	30 جون 2024 ءمختتمہ ششماہی
محصولات (000 روپے)	925,405	7,974,023
مجموعی منافع (000 روپے)	395,471	3,750,332
بعد از ٹیکس (نقصان)/منافع (000 روپے)	(412,123)	4,000,314
(نقصان)/منافع فی حصص (روپے)	(1.11)	10.75

کمپنی نے ٹیکس کے بعد نقصان 412.123 ملین روپے درج کیا جبکہ تقابلی مدت میں 4,000.314 ملین روپے ٹیکس کے بعد منافع حاصل ہوا تھا۔ کمپنی کے خالص نقصان نے گزشتہ مدت میں 10.75 روپے منافع فی حصص کے مقابلے 1.11 روپے نقصان فی حصص ظاہر کیا ہے۔

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

بورڈ کی تشکیل:

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

بورڈ کی کمیٹیاں:

بورڈ کی آڈٹ کمیٹی:

نمبر شمار	نام رکن
1	جناب شیخ محمد تکبیل (چیئر مین)
2	جناب فرخ افضل (رکن)
3	جناب محمد علی زبیر (رکن)

ہیومن ریسورس اینڈ ریمیزیشن (HR&R) کمیٹی:

نمبر شمار	نام رکن
1	جناب سمیر مصطفیٰ چنائے (رکن / چیئر مین)
2	میاں حسن منشاء (رکن)
3	جناب غضنفر 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۔

اتلہا تشکر

بورڈ، ایک جدید اور حوصلہ افزاء کام کے ماحول کے قیام اور پاور پلانٹ کے تمام شعبوں میں اعلیٰ سطح کی کارکردگی کو فروغ دینے کے لئے بھی انتظام کیوسرا ہوتا ہے۔ ہم غیر معمولی حالات کے تحت، قابل ذکر نتائج کی فراہمی کے لئے اپنے ایگزیکٹوز اور تمام عملہ کی مسلسل حمایت، سخت محنت اور عزم کے بھی شکر گزار ہیں۔

منجانب مجلس نظاماء

Qharungha 4. Hira

جناب غضنفر حسین مرزا

ڈائریکٹر

www www

میاں حسن منشاء

چیف ایگزیکٹو آفیسر

لاہور: 29 اگست 2025ء

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF PAKGEN POWER LIMITED

REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying condensed interim statement of financial position of PAKGEN POWER LIMITED as at 30 June 2025 and the related condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the condensed interim financial statements for the half year then ended (here-in-after referred to as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

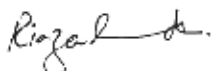
Emphasis of matter

We draw attention to note 1.2 in these condensed interim financial statements, which describes the matter relating to early termination of Power Purchase Agreement with the Power Purchaser and early termination of Implementation Agreement and the Guarantee by the Government of Pakistan. As stated in note 1.2 to these condensed interim financial statements, these events or conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Other Matter

Pursuant to the requirement of section 237(1)(b) of the Companies Act, 2017, only cumulative figures for the half year, presented in second quarter accounts are subject to a limited scope review by the statutory auditors of the company. Accordingly, the figures of the condensed interim statement of profit or loss and other comprehensive income for the three months period ended 30 June 2025 have not been reviewed by us.

The engagement partner on the review resulting in this independent auditor's review report is Mubashar Mehmood.



RIAZ AHMAD & COMPANY
Chartered Accountants

Lahore

Date: 29 August 2025

UDIN: RR202510158fDmyA7gS5

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2025 (UN-AUDITED)

	Note	Un-audited 30 June 2025 (Rupees in thousand)	Audited 31 December 2024
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital 400,000,000 (31 December 2024: 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 2024: 372,081,591) ordinary shares of Rupees 10 each		3,720,816	3,720,816
Capital reserve		-	116,959
Revenue reserve - un-appropriated profit		21,718,051	22,757,378
Total equity		25,438,867	26,595,153
LIABILITIES			
NON-CURRENT LIABILITY			
CURRENT LIABILITIES			
Trade and other payables		573,448	572,234
Accrued mark-up / profit		-	10,502
Taxation and levy - net		68,145	41,082
Unclaimed dividend		136,957	130,615
		778,550	754,433
Total liabilities		778,550	754,433
CONTINGENCIES AND COMMITMENTS			
	4		
TOTAL EQUITY AND LIABILITIES		26,217,417	27,349,586

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



CHIEF EXECUTIVE

	Note	Un-audited 30 June 2025 (Rupees in thousand)	Audited 31 December 2024
ASSETS			
NON-CURRENT ASSETS			
Fixed assets	5	2,539,870	2,998,120
Long term investment		-	-
Long term loans to employees		3,592	18,982
Long term security deposits		300	1,774
Employee benefit - gratuity		14,721	19,822
		<hr/> 2,558,483	<hr/> 3,038,698
CURRENT ASSETS			
Stores, spare parts and other consumables		660,233	647,068
Fuel stock		7,244	2,486,106
Trade debts		-	11,514,884
Loans, advances and short term prepayments		7,023	804,976
Other receivables		1,003,306	2,128,564
Accrued interest		183	2,961
Short term investments		21,540,839	6,626,325
Cash and bank balances		440,106	100,004
		<hr/> 23,658,934	<hr/> 24,310,888
TOTAL ASSETS		<hr/> 26,217,417	<hr/> 27,349,586



DIRECTOR



CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Half Year Ended 30 June 2025 (Un-audited)

		Half Year Ended		Quarter Ended	
	Note	30 June 2025	30 June 2024	30 June 2025	30 June 2024
		(Rupees in thousand)			
REVENUE FROM CONTRACT WITH CUSTOMER		925,405	7,974,023	-	2,821,290
COST OF SALES	6	(529,934)	(4,223,691)	-	(771,075)
GROSS PROFIT		395,471	3,750,332	-	2,050,215
PLANT MAINTENANCE AND PRESERVATION COSTS	7	(1,267,417)	-	(787,328)	-
ADMINISTRATIVE EXPENSES		(154,406)	(165,682)	(94,422)	(83,435)
OTHER EXPENSES		(9,151)	(2,551)	(4,328)	(997)
OTHER INCOME		855,791	619,144	647,507	304,875
(LOSS) / PROFIT FROM OPERATIONS		(179,712)	4,201,243	(238,571)	2,270,658
FINANCE COST		(236)	(22,895)	(120)	(8,573)
(LOSS) / PROFIT BEFORE LEVY AND TAXATION		(179,948)	4,178,348	(238,691)	2,262,085
LEVY		(34,930)	(83,350)	(34,930)	(69,505)
(LOSS) / PROFIT BEFORE TAXATION		(214,878)	4,094,998	(273,621)	2,192,580
TAXATION		(197,245)	(94,684)	(168,907)	(45,765)
(LOSS) / PROFIT AFTER TAXATION		(412,123)	4,000,314	(442,528)	2,146,815
OTHER COMPREHENSIVE INCOME:					
ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS		-	-	-	-
ITEMS THAT MAY BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS		-	-	-	-
		-	-	-	-
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE PERIOD		(412,123)	4,000,314	(442,528)	2,146,815
(LOSS) / EARNINGS PER SHARE - BASIC AND DILUTED (RUPEES)		(1.11)	10.75	(1.19)	5.77

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 Half Year Ended 30 June 2025 (Un-audited)

	SHARE CAPITAL	RESERVES		TOTAL EQUITY
		Capital	Revenue	
		Retained payments reserve	Un-appropriated profit	
(-----Rupees in thousand-----)				
Balance as at 31 December 2023 - audited	3,720,816	116,959	20,849,904	24,687,679
Transaction with owners:				
First interim dividend for the quarter ended 31 March 2024 @ Rupees 2.00 per share	-	-	(744,163)	(744,163)
Profit for the half year ended 30 June 2024	-	-	4,000,314	4,000,314
Other comprehensive income for the half year ended 30 June 2024	-	-	-	-
Total comprehensive income for the half year ended 30 June 2024	-	-	4,000,314	4,000,314
Balance as at 30 June 2024 - un-audited	3,720,816	116,959	24,106,055	27,943,830
Transaction with owners:				
Second interim dividend for the half year ended 30 June 2024 @ Rupees 3.00 per share	-	-	(1,116,245)	(1,116,245)
Transaction with owners - Third interim dividend for nine months ended 30 September 2024 @ Rupees 2.00 per share	-	-	(744,163)	(744,163)
	-	-	(1,860,408)	(1,860,408)
Profit for the half year ended 31 December 2024	-	-	470,144	470,144
Other comprehensive income for the half year ended 31 December 2024	-	-	41,587	41,587
Total comprehensive income for the half year ended 31 December 2024	-	-	511,731	11,731
Balance as at 31 December 2024 - audited	3,720,816	116,959	22,757,378	26,595,153
Transaction with owners:				
First interim dividend for the quarter ended 31 March 2025 @ Rupees 2.00 per share	-	-	(744,163)	(744,163)
Transfer of 'retained payments reserve' to 'un-appropriated profits'	-	(116,959)	116,959	-
Loss for the half year ended 30 June 2025	-	-	(412,123)	(412,123)
Other comprehensive income for the half year ended 30 June 2025	-	-	-	-
Total comprehensive loss for the half year ended 30 June 2025	-	-	(412,123)	(412,123)
Balance as at 30 June 2025 - audited	3,720,816	-	21,718,051	25,438,867

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

 CHIEF EXECUTIVE	 DIRECTOR	 CHIEF FINANCIAL OFFICER
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For the Half Year Ended 30 June 2025 (Un-audited)

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


CHIEF FINANCIAL OFFICER

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the Half Year Ended 30 June 2025 (Un-audited)

1. THE COMPANY AND ITS OPERATIONS

1.1 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 had 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. As per the terms of PPA amendment agreement dated 20 April 2021, the agreement year that ended on 04 May 2021 was extended by 156 days to 07 October 2021.

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

The PPA of the Company was initially for a term of 30 years and was scheduled to expire on 07 October 2028. However, during the year ended 31 December 2024, the Company entered into negotiations with the National Task Force on Structural Reforms "Task Force" constituted by the Prime Minister of Pakistan. After several round of discussions with the Task Force, the Company consented the early termination of existing PPA with the Power Purchaser with effect from 31 January 2025 ("effective date"). The Company also consented the early termination of Implementation Agreement (IA) entered into with the President of Islamic Republic of Pakistan and Guarantee issued by the President of Islamic Republic of Pakistan, for and on behalf of the Government of Pakistan (GoP) with effect from 31 January 2025. As a result, following terms have been agreed and taken place:

- The original term of the Agreements (PPA and IA) and Guarantee was 30 years and the Agreements were scheduled to expire on 07 October 2028, now the Agreements have been terminated with effect from 31 January 2025;
- Power Purchaser shall pay Rupees 11,670.691 million payable as on 30 November 2024 comprising Capacity Purchase Price, Energy Purchase Price, General sales tax and Pass-Through items to the company, in addition to above, the Company shall invoice and Power Purchaser shall also pay Capacity Purchase Price, Energy Purchase Price, General sales tax and Pass-Through items invoices till the effective date as per the terms of PPA, as full and final settlement by 30 April 2025;
- In case the appeal regarding apportionment of input sales tax imposed on the Capacity Purchase Price, pending before the Apex courts as more fully explained in note 10.1(ii) to the annual preceding audited financial statements of the Company, is decided finally in favor of Federal Board of Revenue (FBR), and the Company is required to make payment to the FBR after exhausting all legal remedies, the Power Purchaser shall be obliged to reimburse the payment to the Company within 30 days of the invoice, after making the payment by the Company;

- The Company shall invoice and the Power Purchaser shall make payment of Workers' Profit Participation Fund (WPPF) and Workers' Welfare Fund (WWF) accrued till 31 January 2025 on prorated based on the Company's profit, in addition to the payments as specified in above clauses.
- The Company has agreed to waive off all of its rights or claims relating to delayed payment markup and the same have been written off;
- The Power Purchaser and GoP shall not be liable to pay any compensation in any matter of PPA, IA or Guarantee;
- The Company forfeits, waives and relinquish all or any rights, or claims it have, under the Guarantee; and
- The Company will retain the ownership of the Complex, including site:

The above terms given by the Task Force were placed before the Board of Directors of the Company in their meeting held on 10 December 2024 and the Board of Directors placed the matter of early termination and the terms thereof for the approval of shareholders of the Company. On 27 January 2025, shareholders of the Company accorded approval for early termination of the PPA, IA and the Guarantee and adoption of the terms placed before the shareholders. These terms have been formally approved and the Agreements stands terminated with effect from 31 January 2025.

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

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

- There is no impediment in the ability of the Company to generate electricity, subject to certain regulatory and formal legal formalities;
- The management of the Company shall participate in the Competitive Trading Bilateral Contracts Market (CTBCM) once it is implemented by the Government of Pakistan (GoP), which will allow the Company to sell electricity as a Merchant Plant to Bulk Consumers / Distribution Companies (DISCOs) through wheeling arrangements;
- The Company has taken several cost reduction measures, including but not limited to rationalization of workers and employees through Voluntary Severance Scheme (VSS) [note 7 to these condensed interim financial statements] and reduction / optimization of plant maintenance costs, to mitigate the financial impacts arising due to termination of the Agreements;
- The Company has Rupees 21,980.945 million surplus funds available as on 30 June 2025 which are invested in mutual funds and cash and bank balances to generate sufficient income to support the operations of the Company;
- The management of the Company is fully determined to explore other avenues of income generation including establishment of new businesses, which are under discussions, using funds available with the Company and the same will be placed before

the shareholders of the Company for formal approval after the recommendation by the Board of Directors of the Company.

Notwithstanding, as elaborated above, the Company has sound financial position and as per the management's forecasts, the Company has enough liquidity and reserves to meet the operational expenditures and discharge its liabilities for the foreseeable future. Therefore, the management is confident that the Company will continue as a going concern in the foreseeable future. Thus, these condensed interim financial statements have been prepared on a going concern basis and consequently, do not require adjustment relating to the realization of its assets and liquidation of liabilities.

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

2. BASIS OF PREPARATION

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

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

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

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

3. MATERIAL ACCOUNTING POLICY INFORMATION

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

3.1 Critical accounting estimates and judgments

The preparation of these condensed interim financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the

Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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

4. CONTINGENCIES AND COMMITMENTS

4.1 Contingencies

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

- 4.1.1 On 22 January 2024, Deputy Commissioner Inland Revenue (DCIR) passed various orders for tax periods from July 2016 to June 2018, July 2018 to June 2019, July 2019 to June 2020 and July 2022 to June 2023 on various issues under relevant provisions of the Sales Tax Act, 1990 aggregating to Rupees 12.811 million including default surcharge and penalty. Being aggrieved by the orders passed by DCIR, Company preferred appeals before Commissioner Inland Revenue (Appeals) [CIR(A)] on 19 February 2024. On 29 November 2024, in the matter of appeal filed for tax period from July 2016 to June 2018, CIR(A) partially accepted the Company's instance. Being aggrieved with the order of CIR(A), the Company filed an appeal before ATIR which has not been taken up for hearing. However, on 31 October 2024, CIR(A) passed various orders in relation to appeals filed for tax period July 2018 to June 2019, July 2019 to June 2020 and July 2022 to June 2023 whereby matter relating to default surcharge has been remanded back to assessing officer for fresh consideration. On 14 April 2025, the assessing officer has initiated remand back proceedings for tax periods July 2018 to June 2019 and July 2019 to June 2020. Based on tax advisor's opinion, there exists reasonable grounds to defend the Company's stance. Hence, no provision has been made in these condensed interim financial statements.
- 4.1.2 On 16 August 2024, DCIR passed an order for tax periods from November 2022 to June 2023 under section 11 of Sales Tax Act, 1990 whereby sales tax demand of Rupees 2.094 million has been raised on account of inadmissible input sales tax on various goods and services claimed along with default surcharge and penalty against the Company. Being aggrieved with the order of DCIR, on 23 September 2024, the Company filed an appeal before CIR(A). On 27 June 2025, CIR(A) partially accepted the Company's instance. Being aggrieved with the order of CIR(A), the Company filed an appeal before ATIR on 17 July 2025, subsequent to the reporting period, which has not been taken up for hearing yet. Based on the tax advisor's opinion, there exists reasonable grounds to defend the Company's stance. Hence, no provision has been made in these condensed interim financial statements.
- 4.1.3 On 03 November 2017, the Company challenged before the Honorable Lahore High Court (the Court), the legality of enhancement of canal water rates from Rupees 86.52 per 10,000 cubic feet to Rupees 100 per 1,000 cubic feet as notified by the Punjab Irrigation Department (the Department). On 27 March 2018, the said notification of the Department was set aside by the Court. Against the order of the Court, the Department

filed an appeal before division bench of Honorable Lahore High Court, Lahore on 13 January 2021. On 19 June 2025, the Honorable Lahore High Court, Lahore decided the appeal in favor of the Department. Being aggrieved with the order of the Honorable Lahore High Court, Lahore, the Company is in the process of filing appeal before Supreme Court of Pakistan. However, as a matter of prudence, the management has fully provided for an amount of Rupees 17.007 million relating to canal water charges in line with decision of the Honorable Lahore High Court, Lahore in these condensed interim financial statements.

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

	Un-audited 30 June 2025 (Rupees in thousand)	Audited 31 December 2024
4.2 Commitments		
For other than capital expenditure	129,000	34,133
5. FIXED ASSETS		
Operating fixed assets (Note 5.1)	2,539,870	2,998,120
5.1 Operating fixed assets		
Opening book value	2,998,120	3,863,831
Add: Cost of additions during the period / year (Note 5.1.1)	-	54,837
Less: Book value of disposals / derecognitions during the period / year (Note 5.1.2)	1,693	-
Less: Depreciation charged during the period / year	456,557	920,548
Closing book value	2,539,870	2,998,120
5.1.1 Cost of additions		
Buildings on freehold land	-	10,825
Plant and machinery	-	23,033
Vehicles	-	11,800
Office equipment	-	7,701
Furniture and fittings	-	741
Electric equipment and appliances	-	737
	-	54,837

	Un-audited Half Year Ended	Un-audited Quarter Ended
	30 June 2025	30 June 2025
	30 June 2024	30 June 2024

(Rupees in thousand)

COST OF SALES				
Fuel cost	240,527	2,627,977	-	-
Operation and maintenance costs	86,438	379,704	-	162,586
Insurance	126,931	761,585	-	380,792
Depreciation	76,038	453,390	-	226,662
Liquidated damages to CPPA-G	-	1,035	-	1,035
	<u>529,934</u>	<u>4,223,691</u>	<u>-</u>	<u>771,075</u>

Salaries, wages and other benefits	59,757	-	39,000	-
Employee's Voluntary Severance Scheme (VSS)	60,585	-	60,585	-
Repair and maintenance	72,782	-	41,120	-
Stores and spare parts consumed	2,119	-	444	-
Electricity consumed in-house	64,515	-	44,391	-
Insurance	634,656	-	380,794	-
Depreciation	373,004	-	220,994	-
	1,267,417	-	787,328	-

Un-audited
Half Year Ended
30 June 30 June
2025 2024
(Rupees in thousand)

8. CASH GENERATED FROM OPERATIONS

(Loss) / profit before taxation and levy	(179,948)	4,178,348
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Adjustments for non-cash charges and other items:

Depreciation	456,557	458,200
Provision for gratuity	5,101	6,971
Gain on sale of furnace oil	(48,049)	-
Loss on sale of stores, spare parts and other consumables	6,683	-
Unrealized gain on remeasurement of investments at fair value through profit or loss - net	(37,901)	-
Gain on disposal of operating fixed assets	(12,933)	-
Gain on disposal of short term investments in mutual funds	(715,035)	-
Interest income	(23,104)	(596,888)
Dividend income on mutual funds	(18,144)	-
Finance cost	236	22,895

Cash flows from operating activities before working capital changes	(566,537)	4,069,526
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Working capital changes:

Decrease / (increase) in current assets:		
Stores, spare parts and other consumables	(19,848)	(101,817)
Fuel stock	2,526,911	(1,242,869)
Trade debts	11,514,884	(724,271)
Loan, advances and short term prepayments	797,953	(39,126)
Other receivables	1,125,258	(433,365)
	15,945,158	(2,541,448)
(Decrease) / increase in trade and other payables	1,214	83,849
	15,379,835	1,611,927

9. TRANSACTIONS WITH RELATED PARTIES

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

i) Transactions:

		Un-audited Half Year Ended		Un-audited Quarter Ended	
		30 June 2025	30 June 2024	30 June 2025	30 June 2024
(Rupees in thousand)					
Relationship with the Company	Nature of transaction				
Associated companies	Insurance premium paid	6,390	760,115	4,371	375,600
	Insurance claims received	246	368	234	107
	Flying services	31,133	69,998	11,732	34,811
	Dividend paid	291,648	291,649	291,648	291,649
	Boarding and lodging services	934	815	352	815
	Profit on bank deposits received	22,920	70,478	10,788	20,499
	Services obtained	26	-	-	-
	Reimbursement of expenses	19,056	-	-	-
	Sale of goods	2,643,865	-	1,598,819	-
Other related parties	Insurance premium paid	-	1,723	-	-
	Dividend paid	29,272	29,272	29,272	29,272
Key management personnel	Remuneration	3,565	15,339	630	7,617
Staff retirement benefits plans	Contribution to provident fund	6,603	10,296	2,985	5,096
	Benefit paid on behalf of Gratuity fund	5,101	6,971	5,101	3,485
		Un-audited 30 June 2025 (Rupees in thousand)		Audited 31 December 2024	

(ii) Period end balances:

Payable to related companies

- Entities on the basis of common directorship	405	379
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Balances with bank

- Entities on the basis of group company	0.46	0.45
- Entities on the basis of common directorship	439,097	99,593

Staff retirement benefit plans	14,721	19,822
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10. RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

(i) Fair value hierarchy

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

Recurring fair value measurements at 30 June 2025	Level 1	Level 2	Level 3	Total
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(Rupees in thousand)

Financial assets

Financial assets at fair value through
profit or loss

21,540,839 - - 21,540,839

Recurring fair value measurements at 31 December 2024	Level 1	Level 2	Level 3	Total
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(Rupees in thousand)

Financial assets

Financial assets at fair value through
profit or loss

6,626,325 - - 6,626,325

The above table does not include fair value information for financial assets and financial liabilities 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.

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

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

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.

ii) Valuation technique used to determine fair value

Specific valuation technique used to value financial instruments is the use of Net Assets Value (NAV) of respective Asset Management Company.

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 2024.

12. CORRESPONDING FIGURES

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

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison. However, no significant rearrangements / reclassification 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 29 August 2025 by the Board of Directors of the Company.

14. GENERAL

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



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER



N I S H A T

PAKGEN POWER LIMITED

CONTACT US

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