Riaz Ahmad & Company
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To the members of Faisalabad Electric Supply Company Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Faisalabad Electric Supply Company Limited (the Company), which comprise the statement of financial position as at 30 June 2024, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information 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 the 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 2024 and of the profit, other comprehensive income, the changes in equity and its 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 *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to the following matters:

a) Notes 14.1.1 and 14.1.2 to the financial statements, which state that the Company has not recognized the impact of debit notes issued and credit notes withdrawn by Central Power Purchasing Agency (Guarantee) Limited (CPPA-G) for:

(i) Supplementary charges, being the mark-up charged on CPPA-G by Independent Power Producers (IPPs) on account of delayed payments, aggregating to Rupees 16,254.65 million.

(ii) an amount of Rupees 7,922.53 million regarding the credit notes against tariff differential subsidy withdrawn by CPPA-G

b) Note 14.1.3 to the financial statements, which states that provision for Workers' Profit Participation Fund (WPPF) amounting to Rupees 2,707 million relating to financial years ended 30 June 2009, 30 June 2010, 30 June 2013, 30 June 2014 and 30 June 2015 and for the total interest accrued on outstanding WPPF thereon was not accounted for by the Company. Moreover, WPPF of previous years along with related interest was not paid to the workers due to pending decision of Economic Coordination Committee to exempt the corporatized entities under the umbrella of WAPDA.

c) Note 14.1.5 to the financial statements describes various matters regarding tax contingencies the ultimate outcome of which cannot be presently determined hence no provision for the same has been made in accompanying financial statements.

Our opinion is not modified in respect of these matters.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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 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 the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) no Zakat was deductible at source under the Zakat and Usher Ordinance, 1980 (XVIII of 1980)

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

RIAZ AHMAD & COMPANY
Chartered Accountants

Faisalabad

DATE: 07 OCT 2024

UDIN: AR202410045owtdBpkHD

FAISALABAD ELECTRIC SUPPLY COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

	NOTE	2024 RUPEES	2023 RUPEES Restated	2022 RUPEES Restated
EQUITY AND LIABILITIES				
SHARE CAPITAL AND RESERVES				
Authorized share capital				
5 000 000 000 (2023: 5 000 000 000) ordinary shares of Rupees 10 each		50,000,000,000	50,000,000,000	50,000,000,000
Issued, subscribed and paid up share capital	3	10,000	10,000	10,000
Deposit for shares	4	45,654,616,510	41,556,652,056	34,478,691,078
Surplus on revaluation of property, plant and equipment - net of deferred income tax	5	95,025,049,729	46,005,096,651	46,709,166,741
Accumulated loss		(91,604,738,594)	(86,029,736,370)	(69,818,911,250)
TOTAL EQUITY		49,074,937,645	1,532,022,337	11,368,956,569
LIABILITIES				
NON-CURRENT LIABILITIES				
Long term financing	6	2,785,699,777	3,042,416,823	3,358,578,576
Staff retirement benefits	7	122,338,835,785	109,949,054,090	100,304,821,118
Long term security deposits	8	12,946,895,095	11,915,862,061	10,963,989,417
Receipts against deposit works	9	19,837,876,759	20,199,527,280	18,100,335,897
Deferred credit	10	45,829,619,135	40,910,697,913	35,194,177,355
Deferred income tax liability	11	9,445,560,876	6,500,486,235	6,788,064,159
		213,184,487,427	192,518,044,402	174,709,966,522
CURRENT LIABILITIES				
Trade and other payables	12	123,578,847,650	116,529,528,070	116,672,444,006
Accrued mark-up	13	6,111,094,688	5,231,507,822	4,351,920,956
Current portion of long term financing	6	2,755,580,002	2,498,862,956	2,182,701,203
Taxation and levy - net	34.3	355,907,159	523,870,380	605,159,874
		132,801,429,499	124,783,769,228	123,812,226,039
TOTAL LIABILITIES		345,985,916,926	317,301,813,630	298,522,192,561
CONTINGENCIES AND COMMITMENTS	14			
TOTAL EQUITY AND LIABILITIES		395,060,854,571	318,833,835,967	309,891,149,130

	NOTE	2024 RUPEES	2023 RUPEES Restated	2022 RUPEES Restated
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	15	230,783,047,451	161,693,883,649	144,046,144,024
Intangible assets	16	1,368,325	1,837,465	2,306,605
Long term advances	17	195,615,972	104,537,732	52,737,253
Long term deposits	18	52,753,706	40,553,756	4,058,176
		231,032,785,454	161,840,812,602	144,105,246,058
CURRENT ASSETS				
Stores, spares and loose tools	19	6,624,989,945	5,004,927,377	3,366,236,924
Trade debts	20	76,115,806,764	68,479,551,056	82,644,146,816
Loans and advances	21	347,027,727	374,236,998	73,049,817
Other receivables	22	34,249,955,948	31,087,145,503	25,535,189,068
Sales tax receivable		8,304,964,530	8,095,458,270	11,212,351,071
Receivable from the Government of Pakistan	23	14,856,290,760	17,667,313,520	12,237,639,333
Accrued interest		777,893,915	870,546,283	247,866,218
Cash and bank balances	24	22,751,139,528	25,413,844,358	30,469,423,825
		164,028,069,117	156,993,023,365	165,785,903,072
TOTAL ASSETS		395,060,854,571	318,833,835,967	309,891,149,130

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

FAISALABAD ELECTRIC SUPPLY COMPANY LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 30 JUNE 2024

	NOTE	2024 RUPEES	2023 RUPEES Restated
SALE OF ELECTRICITY - NET	25	434,774,883,233	329,874,265,818
TARIFF DIFFERENTIAL SUBSIDIES	26	26,248,959,848	50,989,974,775
		461,023,843,081	380,864,240,593
COST OF ELECTRICITY	27	(424,588,189,167)	(360,599,527,850)
GROSS PROFIT		36,435,653,914	20,264,712,743
AMORTIZATION OF DEFERRED CREDIT	10	2,465,354,289	2,206,904,646
		38,901,008,203	22,471,617,389
DISTRIBUTION COST	28	(33,738,854,442)	(28,222,734,343)
ADMINISTRATIVE EXPENSES	29	(5,984,250,089)	(4,548,908,583)
CUSTOMER SERVICES COSTS	30	(4,684,165,286)	(6,217,751,731)
		(44,407,269,817)	(38,989,394,657)
LOSS FROM OPERATIONS		(5,506,261,614)	(16,517,777,268)
OTHER INCOME	31	12,767,445,363	9,354,457,922
FINANCE COST	32	(882,296,224)	(882,417,807)
PROFIT / (LOSS) BEFORE LEVY AND TAXATION		6,378,887,525	(8,045,737,153)
LEVY	33	(5,677,787,261)	(4,143,741,319)
PROFIT / (LOSS) BEFORE TAXATION		701,100,264	(12,189,478,472)
TAXATION	34	297,191,270	282,963,003
PROFIT / (LOSS) AFTER TAXATION		998,291,534	(11,906,515,469)

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

FAISALABAD ELECTRIC SUPPLY COMPANY LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2024

	2024 RUPEES	2023 RUPEES Restated
PROFIT / (LOSS) AFTER TAXATION	998,291,534	(11,906,515,469)
OTHER COMPREHENSIVE INCOME / (LOSS)		
Items that will not be reclassified subsequently to profit or loss:		
Remeasurements of defined benefit obligations	(7,301,699,826)	(5,008,379,741)
Surplus on revaluation of property, plant and equipment	52,990,951,759	-
Deferred income tax relating to surplus on revaluation of property, plant and equipment	(3,242,592,613)	-
	49,748,359,146	-
	42,446,659,320	(5,008,379,741)
Items that may be reclassified subsequently to profit or loss	-	-
Other comprehensive income / (loss) for the year - net of tax	42,446,659,320	(5,008,379,741)
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR	43,444,950,854	(16,914,895,210)

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

FAISALABAD ELECTRIC SUPPLY COMPANY LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2024

	SHARE CAPITAL	DEPOSIT FOR SHARES	SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT - NET OF DEFERRED INCOME TAX	ACCUMULATED LOSS	TOTAL EQUITY
	----------	----------	---------- RUPEES ----------	----------	----------
Balance as at 30 June 2022	10,000	34,478,691,078	46,709,166,741	(77,474,995,875)	3,712,871,944
Impact of restatement (Note 43)	-	-	-	7,656,084,625	7,656,084,625
Balance as at 30 June 2022 - Restated	10,000	34,478,691,078	46,709,166,741	(69,818,911,250)	11,368,956,569
Non-cash settlement against deposit for shares	-	7,077,960,978	-	-	7,077,960,978
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	(561,925,044)	561,925,044	-
Transfer from surplus on revaluation of property, plant and equipment on account of transfer of property, plant and equipment - net of deferred income tax	-	-	(142,145,046)	142,145,046	-
Loss for the year - Restated	-	-	-	(11,906,515,469)	(11,906,515,469)
Other comprehensive loss for the year	-	-	-	(5,008,379,741)	(5,008,379,741)
Total comprehensive loss for the year - Restated	-	-	-	(16,914,895,210)	(16,914,895,210)
Balance as at 30 June 2023 - Restated	10,000	41,556,652,056	46,005,096,651	(86,029,736,370)	1,532,022,337
Non-cash settlement against deposit for shares	-	4,097,964,454	-	-	4,097,964,454
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	(535,812,217)	535,812,217	-
Transfer from surplus on revaluation of property, plant and equipment on account of transfer of property, plant and equipment - net of deferred income tax	-	-	(192,593,851)	192,593,851	-
Profit for the year	-	-	-	998,291,534	998,291,534
Other comprehensive income for the year	-	-	49,748,359,146	(7,301,699,826)	42,446,659,320
Total comprehensive income for the year	-	-	49,748,359,146	(6,303,408,292)	43,444,950,854
Balance as at 30 June 2024	10,000	45,654,616,510	95,025,049,729	(91,604,738,594)	49,074,937,645

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

FAISALABAD ELECTRIC SUPPLY COMPANY LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2024

	NOTE	2024 RUPEES	2023 RUPEES
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	35	26,829,989,567	19,133,776,535
Income tax and levy paid		(5,846,077,184)	(4,229,645,734)
Finance cost paid		(2,709,358)	(2,830,941)
Staff retirement benefits paid		(9,181,233,829)	(7,991,185,721)
Payment for fund contribution regarding pension obligation		(6,076,000,000)	(3,913,000,000)
Net increase in long term advances		(102,397,175)	(57,039,953)
Net increase in long term deposits		(12,199,950)	(36,495,580)
Net cash generated from operating activities		5,609,372,071	2,903,578,606
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment and intangible assets		(21,536,565,549)	(22,696,344,054)
Profit received from bank deposits and term deposit receipts		5,210,830,624	3,762,696,750
Net cash used in investing activities		(16,325,734,925)	(18,933,647,304)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term security deposits - net		1,031,033,034	951,872,644
Receipts against deposit works - net		7,022,624,990	10,022,616,587
Net cash from financing activities		8,053,658,024	10,974,489,231
NET DECREASE IN CASH AND CASH EQUIVALENTS		(2,662,704,830)	(5,055,579,467)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		25,413,844,358	30,469,423,825
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	24	22,751,139,528	25,413,844,358

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

1. LEGAL STATUS AND OPERATIONS

1.1 Faisalabad Electric Supply Company Limited (the Company) is a public limited company incorporated on 21 March 1998 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The Company was established to take over all the properties, rights, assets, obligations and liabilities of Faisalabad Area Electricity Board (FAEB) owned by Pakistan Water and Power Development Authority (WAPDA) and such other assets and liabilities as agreed. The registered office of the Company is located at West Canal Road, Abdullahpur, Faisalabad. While the Company has various 132-KV and 66-KV grid stations along with other offices located in 08 districts of Central Punjab including Faisalabad, Jhang, Toba Tek Singh, Chiniot, Sargodha, Mianwali, Khushab and Bhakkar. The principal activity of the Company is distribution and supply of electricity to public within defined geographical boundaries.

1.2 The Council of Common Interest (CCI) in its meeting held on 12 September 1993 approved the privatization of thermal power generation units (GENCOs) and power distribution companies (DISCOs) in a phased program. Cabinet Committee on Privatization (CCOP) in its meeting held on 17 February 2009 approved privatization of certain GENCOs and DISCOs, this decision was ratified by Federal Cabinet in its meeting, held on 06 January 2010. President and Prime Minister of Pakistan also approved privatization of GENCOs and DISCOs including the Company during a presentation given to them by Ministry of Privatization on 22 November 2010. Decision of President and Prime Minister had also been subsequently ratified by the CCI during its meeting held on 28 April 2011. Since October 2013, the CCOP approved 68 Public Sector Enterprises (PSEs) for inclusion in the privatization program. The Company had been approved by CCOP for early implementation. The Privatization Commission (PC) on behalf of the Government of Pakistan (GoP) invited Expression of Interest (EOI) from prospective private sector strategic partner(s) to acquire seventy-four percent (74%) shareholding in the Company, currently owned by the GoP, together with management control on 02 November 2015. However, protests against privatization were started by the opposition parties and by labour unions. In order to give the union a chance to perform, the GoP has reconsidered the privatization mode of the power sector by shifting it from strategic sale to divestment through capital markets. CCOP in its meeting held on 14 July 2016 considered proposals regarding divestment of Power Sector Entities and PC to initiate process for listing of shares of the Company on the stock exchange through Initial Public Offering (IPO). It was also decided that GoP would retain the control of FESCO as well as management. The PC in its meeting held on 02 October 2017, had discussion on volume of circular debt and nature of losses being accrued in GENCOs and DISCOs and decided that the PC would seek approval of the Government to privatize the Company as strategic sale. Subsequent to the reporting date, in notification 12(03)/2023-CA-I dated 30 July 2024, the Ministry of Energy (Power Division) affirmed the Government's intention to privatize GENCOs and DISCOs as part of its ongoing energy sector privatization efforts and further in correspondence No.14(11)/2018-DISCO-1 dated 28 August 2024, the Company along with Gujranwala Electric Power Company Limited (GEPCO) and Islamabad Electric Supply Company Limited (IESCO) were asked to compile preliminary information for privatization.

1.3 Ministry of Energy (Power Division) Government of Pakistan vide S.R.O. 488(I)/2023 dated 13 April 2023 periodic adjustment of Rupees 4,574 million for the second quarter of financial year 2022-23 was determined from which Rupees 3,444 million recovered in financial year 2022-23 and Rupees 745 million recovered in financial year 2023-24. Further periodic adjustment of Rupees 10,138 million for the 3rd quarter of financial year 2022-23 notified vide S.R.O 885(1)/2023 dated 07 July 2023 out of which Rupees 9,534 million recovered in financial year 2023-24. Rupees 22,022 million for 4th quarter of financial year 2022-23 determined and notified vide S.R.O No.1365(1)/2023 dated 02 October 2023 out of which Rupees 21,347 million recovered in financial year 2023-24. NEPRA determined 2nd quarter of Financial Year 2023-24 Rupees 10,857 million notified vide S.R.O. No.466(I)/2024 dated 01 April 2024, out of which Rupees 7,902 million recovered during current financial year i.e. 2023-24, remaining Rupees 2,955 million will be recovered in Financial Year 2024-25. Further Rupees 9,090 million determined for 3rd quarter of financial year 2023-24 notified vide S.R.O 804(I)/2024 dated 03 June 2024, out of which Rupees 1,573 million recovered in financial year 2023-24 remaining Rupees 7,517 million will be recovered in financial year 2024-25. Rupees 4,674 million determined for 4th quarter of financial year 2023-24 notified vide S.R.O 1432(I)/2024 dated 11 September 2024 which will be recovered in financial year 2024-25 in three months from September-2024 to November-2024. Had the remaining amount of Rupees 2,955 million of 2nd Quarter of Financial Year 2023-24, Rupees 7,517 million of 3rd quarter of financial year 2023-24 and total of Rupees 4,674 million determined for the 4th quarter of financial year 2023-24 were recovered in financial year 2023-24, the revenue for the financial year 2023-24 would have been increased by Rupees 15,146 million. Consequently, accumulated loss for the year ended 30 June 2024 would have been reduced by Rupees 15,146 million.

2. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policy information applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, except for the change in accounting policy of taxation and levy made in accordance with "IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes" issued by The Institute of Chartered Accountants of Pakistan through Circular No. 7/2024. The change has been explained in Note 2.4 to these financial statements.

2.1 Basis of preparation

a) Statement of compliance

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

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

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRSs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

b) Accounting convention

These financial statements have been prepared under historical cost convention, except for certain items of property, plant and equipment stated at revalued amounts and certain staff retirement benefits which are measured at present value of defined benefit obligations less fair value of plan assets.

c) **Critical accounting estimates and judgments**

The preparation of financial statements in conformity with the accounting and reporting standards, as applicable in Pakistan requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgments were exercised in application of accounting policies are as follows:

Useful lives, patterns of economic benefits and impairment

The estimates for revalued amounts of different classes of property, plant and equipment are based on revaluation performed by external professional valuer and recommendations of technical teams of the Company. The said recommendations also include estimates with respect to residual values and depreciable lives. Further, the Company reviews the value of assets including intangible assets for possible impairment on annual basis. Any change in the estimates in the future might affect the carrying amount of respective item of property, plant and equipment along with intangible assets with a corresponding effect on the depreciation / amortization charge and impairment.

Provision for obsolescence of stores, spares and loose tools

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

Income tax and levy

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

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, based on the Company's experience of actual credit loss in past years.

Provisions

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

Contingencies

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

Revenue from contracts with customers involving sale of goods

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

Tariff adjustment determination

As per the mechanism laid out in the Multi Year Tariff (MYT) decision, the Company seeks adjustments for fuel price, cost of power purchase, distribution margin and unrecovered / over recovered cost as per NEPRA's determination on a monthly / quarterly / annual basis. The monthly / quarterly / annual determinations of the tariff adjustment are approved by NEPRA from time to time.

Staff retirement benefits

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

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

Following amendments to published approved accounting standards are mandatory for the Company's accounting periods beginning on or after 01 July 2023:

- Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice Statement 2 'Making Materiality Judgement' - Disclosure of Accounting Policies;

- Amendments to IAS 12 'Income Taxes' - Deferred Tax related to Assets and Liabilities arising from a Single Transaction;

- Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Change in definition of 'Accounting Estimate'; and
- Amendments to IAS 12 'Income Taxes' - International Tax Reform - Pillar Two Model Rules.

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

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

There are amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2023 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

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

Following standards and amendments to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 01 July 2024 or later periods:

Classification of liabilities as current or non-current (Amendments to IAS 1 'Presentation of Financial Statements') effective for the annual period beginning on or after 01 January 2024. These amendments in the standards have been added to further clarify when a liability is classified as current. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity shall apply those amendments retrospectively in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'.

On 31 October 2022, the IASB issued 'Non-current Liabilities with Covenants (Amendments to IAS 1)' to clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments are effective for reporting periods beginning on or after 01 January 2024.

On 22 September 2022, the IASB issued 'Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)' with amendments that clarify how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments are effective for annual periods beginning on or after 01 January 2024.

On 25 May 2023, the IASB issued 'Suppliers Finance Arrangements (Amendments to IAS 7 and IFRS 7)' to add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangement. The amendments are effective for reporting period beginning on or after 01 January 2024.

Classification and Measurements of Financial Instruments (Amendments to IFRS 7 'Financial Instruments: Disclosures' and IFRS 9 'Financial Instruments') effective for annual periods beginning on or after 01 January 2026. These amendments address matters identified during the past - implementation review of the classification and measurement requirements of IFRS 9.

Lack of Exchangeability (Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates'). The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not. The amendments are effective for annual reporting periods beginning on or after 01 January 2025.

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

The above standards and amendments are likely to have no significant impact on the financial statements.

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

There are other standards and amendments to published approved accounting standards that are mandatory for accounting periods beginning on or after 01 July 2024 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

2.2 Functional and presentation currency along with foreign currency transactions and translation

These financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency. Monetary assets and liabilities in foreign currencies are translated into Pak Rupees using the exchange rates prevailing at the reporting date. Transactions in foreign currencies are translated into Pak Rupees at exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in statement of profit or loss.

2.3 Staff retirement benefits

2.3.1 Defined benefit plans

The Company provides funded pension scheme, a funded free electricity scheme and a funded free medical facility scheme for all its regular employees. Further, the Company's employees are also entitled for accumulated compensated absences which are encashed at the time of retirement upto maximum limit of 365 days. The Company's obligations under these schemes are determined annually by a qualified actuary using Projected Unit Credit Actuarial Cost Method. Latest actuarial valuations have been carried on 30 June 2024. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. Past service cost is recognized immediately in the statement of profit or loss.

Remeasurements of the net defined benefit liability (except for compensated absences), which comprises actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income. The Company determines the net interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefits payments. Net interest expense and other expenses related to defined benefit plan is recognized in profit or loss. Remeasurement related to the compensated absences is recognized in the year of occurrence in the statement of profit or loss.

2.3.2 General / Employees' Provident Fund

For General / Employees' Provident Fund and WAPDA Welfare Fund, the Company makes deduction from salaries of the employees and remits these amounts to the funds established by WAPDA. The provident fund related disclosure required by the Companies Act, 2017 is not shown in these financial statements as General / Employees' Provident Fund established by WAPDA includes the employees of other power distribution and generation companies and the figures related to the Company cannot be segregated from the whole General / Employees' Provident Fund.

2.4 Taxation and levy

Change in accounting policy

Current

Provision for current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year, if enacted. Final taxes levied under the Income Tax Ordinance, 2001 and any excess over the amount designated as provision for current tax are charged as levy in statement of profit or loss. The charge for current tax and levy also includes adjustments, where considered necessary, to provision for tax and levy made in previous years arising from assessments framed during the year for such years. Previously, component representing levy was included in provision for current tax and was not separately charged in statement of profit or loss. This change in accounting policy has been applied retrospectively in accordance with the provisions of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' and resulted in following reclassification of corresponding figures:

Reclassified from	Reclassified to	30 June 2023
		RUPEES
Statement of profit or loss:		
Taxation	Levy	4,143,741,319
Statement of financial position:		
Provision for taxation	Levy payable	4,143,741,319

Had there been no change in the above referred accounting policy, amount of Rupees 5,677.787 million of levy and levy payable would have been presented as taxation expense and provision for taxation respectively in these financial statements.

Deferred

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

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

2.5 Property, plant and equipment

2.5.1 Operating fixed assets and depreciation

Operating fixed assets are stated at cost less accumulated depreciation and any identified impairment loss, except freehold land which is stated at revalued amount less any identified impairment loss and buildings on freehold land, feeders, grids and related equipment which are stated at revalued amount less accumulated depreciation and any identified impairment loss. Cost of operating fixed assets consists of historical cost, borrowing cost pertaining to the erection / construction period of qualifying assets and directly attributable costs of bringing the assets to working condition for their intended use.

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

Increases in the carrying amounts arising on revaluation of operating fixed assets are recognized, net of deferred income tax, in other comprehensive income and accumulated in revaluation surplus in shareholders' equity. To the extent that increase reverses a decrease previously recognized in the statement of profit or loss, the increase is first recognized in the statement of profit or loss. Decreases that reverse previous increases of the same asset are first recognized in other comprehensive income to the extent of the remaining surplus attributable to the asset, all other decreases are charged to the statement of profit or loss. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to the statement of profit or loss and depreciation based on the asset's original cost, net of deferred income tax, is reclassified from surplus on revaluation of property, plant and equipment to accumulated loss. Valuations are performed with sufficient regularity to ensure that the carrying amount of a revalued asset does not differ materially from its fair value.

Depreciation

Depreciation on operating fixed assets is calculated applying the straight line method so as to write off the cost / depreciable amount of the assets over their estimated useful lives at the rates given in Note 15.1. The Company charges the depreciation on additions from the month when the asset is available for use and on deletions up to the month when the asset is de-recognized. Depreciation on operating fixed assets is charged to the statement of profit or loss except for depreciation provided on construction equipment and vehicles during the period of construction of operating fixed assets that is capitalized as part of the cost of operating fixed assets. The residual values and useful lives are reviewed by the management, at each financial year-end and adjusted if impact on depreciation is significant.

De-recognition

An item of property, plant and equipment is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the statement of profit or loss in the year the asset is de-recognized.

2.5.2 Capital work-in-progress

Capital work-in-progress is stated at cost less any recognized impairment loss. This includes all costs connected with specific assets incurred during installation and construction period. These are transferred to specific assets as and when these assets are available for use.

2.6 Intangible assets and amortization

Intangible assets represent the cost of computer softwares acquired and are stated at cost less accumulated amortization and any identified impairment loss.

Amortization is charged to the statement of profit or loss on straight line basis so as to write off the cost of an asset over its estimated useful life. Amortization is charged from the month in which the asset is acquired or capitalized while no amortization is charged for the month in which the asset is disposed of. Intangible assets are amortized over a period of five years.

2.7 Stores, spares and loose tools

Stores and spares are valued at lower of cost or net realizable value. Usable stores and spare parts are valued principally at cost using moving average cost formula less provision for slow moving, while items considered obsolete are carried at nil value. Items-in-transit are valued at cost comprising invoice value plus other charges paid thereon. Provision for obsolete items is based on their condition as at the reporting date depending upon the management's judgement.

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

2.8 Cash and cash equivalents

Cash and cash equivalents comprise cash in transit, cash at banks in current, saving and deposit accounts and other short term highly liquid instruments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in values.

2.9 Revenue recognition

i) Revenue from contracts with customers

a) Sale of electricity

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

b) Tariff differential subsidies

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

ii) Contract assets

Contract assets arise when the Company performs its performance obligations by transferring goods to a customer before the customer pays its consideration or before payment is due. Contract assets are treated as financial assets for impairment purposes.

iii) Contract liabilities

Contract liability is the obligation of the Company to transfer goods to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers goods, a contract liability is recognized when the payment is received. Contract liabilities are recognized as revenue when the Company acomplishes its performance obligations under the contract.

iv) Other income recognition

a) Rental and service income

Meter rentals are recognized on time proportion basis.

b) Interest income

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

c) Late payment surcharge

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

d) Fuel price adjustment

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

e) Gain on installation of new connections

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

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

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

g) Other revenue

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

2.10 Financial Instruments

i) Classification and measurement of financial instruments

Financial assets

a) Classification

The Company classifies its financial assets and financial liabilities at amortized cost. A financial asset is measured at amortized cost if both of following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that the solely payments of principal and interest on the principal amount outstanding.

b) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Company classifies its debt instruments at amortized cost. Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on de-recognition is recognized directly in statement of profit or loss and presented in other income / (other expenses).

Financial liabilities

Classification and measurement

Financial liabilities are classified at amortized cost. These are subsequently measured at amortized cost using the effective interest method. Interest expense is recognized in statement of profit or loss. Any gain or loss on de-recognition is also included in profit or loss.

ii) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For financial assets, except for the bank balances for which 12-month expected credit loss is measured, the Company applies the simplified approach to recognize expected lifetime losses from initial recognition of the receivables. The Company recognizes in statement of profit or loss, the amount of expected credit losses or reversal which is required to adjust its loss allowance at the reporting date.

iii) De-recognition

Financial assets

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

Financial liabilities

The Company also de-recognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. On de-recognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

iv) Offsetting of financial assets and financial liabilities

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

2.11 Deferred credit

Amounts received from consumers and Government as contributions towards the cost of extension of electricity distribution network and of providing service connections are deferred and amortized over the estimated useful lives of related assets. Amortization of deferred credit commences upon completion of related work which is taken to the statement of profit or loss each year corresponding to the depreciation charge of relevant asset for the year.

2.12 Borrowings

Borrowings are recognized initially at fair value of the consideration received, net of transaction costs. These are subsequently stated at amortized cost using the effective interest method.

2.13 Borrowing cost

Interest, mark-up and other charges on long term finances directly attributable to the acquisition, construction and production of qualifying assets are capitalized up to the date of commissioning of respective qualifying assets. All other interest, mark-up and other charges are charged to the statement of profit or loss in the period in which these are incurred.

2.14 Trade debts and other receivables

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

The Company has applied the simplified approach to measure expected credit losses, which uses a lifetime expected credit loss allowance. Actual credit loss experience over past years is used to base the calculation of expected credit loss.

Expected credit losses are recognized as follows:

a) No expected credit loss on Government institutions balances, being not subject to risk of default.

b) Expected credit loss of whole amount receivable from permanently disconnected consumers, exceeding one year;

c) Expected credit loss on whole arrears from private consumers, exceeding one year; and

d) Expected credit loss on all deferred arrears.

2.15 Share capital

Ordinary shares are classified as share capital. Incremental costs directly attributable to the issue of new shares are shown in equity as of deduction, net of tax.

2.16 Trade and other payables

Liabilities for trade and other amounts payable are initially recognized at fair value plus directly attributable costs. These are subsequently measured at amortized cost using the effective interest method.

2.17 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to depreciation and are tested annually for impairment. Assets that are subject to depreciation are reviewed for impairment at each reporting date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount for which asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date. Reversals of the impairment losses are restricted to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if impairment losses had not been recognized. An impairment loss or reversal of impairment loss is recognized in the statement of profit or loss.

2.18 Provisions

Provisions are recognized when the Company has a present, legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and reliable estimate of the amount can be made. However provisions are reviewed at each reporting date and adjusted to reflect current best estimate. Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation.

2.19 Contingent assets

Contingent assets are disclosed when the Company has a possible asset that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognized until their realization becomes certain.

2.20 Contingent liabilities

Contingent liability is disclosed when the Company has a possible obligation as a result of past events whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent liabilities are not recognized, only disclosed, unless the possibility of a future outflow of resources is considered remote. In the event that the outflow of resources associated with a contingent liability is assessed as probable, and if the size of the outflow can be reliably estimated, a provision is recognized in the financial statements.

3. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

2024 NUMBER OF SHARES	2023 NUMBER OF SHARES		2024 RUPEES	2023 RUPEES
1 000	1 000	Ordinary shares of Rupees 10 each fully paid in cash to Government of Pakistan (GoP)	10,000	10,000

3.1 This represents 1 000 (2023: 1 000) ordinary shares of Rupees 10 each fully paid up in cash issued in the name of President of Islamic Republic of Pakistan.

4. DEPOSIT FOR SHARES

This represents credit of Rupees 45,654.617 million (2023: Rupees 41,556.652 million) received by the Company in financial year 2014 from Central Power Purchase Agency (Guarantee) Limited (CPPA-G) in pursuance of letter No. F.1(5)-CF-1/2012-13/1017 dated 02 July 2013 from Ministry of Finance as GoP investment against circular debt of Rupees 341 billion and equity injection by the Ministry of Finance as mark-up on syndicated loans. Hence this was treated as GoP equity investment in the Company. During the year the Company has made a non-cash adjustment in deposit for shares amounting to Rupees 4,097.964 million as intimated vide various letters received from CPPA-G on the directions of Ministry of Energy, Power Division, GoP.

5. SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT - NET OF DEFERRED INCOME TAX

As at 01 July	46,005,096,651	46,709,166,741
Add: Surplus arising on revaluation during the year - net of deferred income tax	49,748,359,146	-
	95,753,455,797	46,709,166,741
Less:		
Incremental depreciation charged during the year transferred to accumulated loss - net of deferred income tax	535,812,217	561,925,044
Adjustment of deferred income tax liability on transfer of property, plant and equipment - net of deferred income tax	192,593,851	142,145,046
	728,406,068	704,070,090
As at 30 June	95,025,049,729	46,005,096,651

5.1 This represents surplus resulting from revaluation carried out on 30 June 2024 by Messrs F K S Building Services, an independent valuer enrolled on panel of the State Bank of Pakistan (SBP). Previously revaluation was carried out by an independent valuer on 30 June 2020, 01 July 2019, 30 June 2013 and 30 June 2006.

6. LONG TERM FINANCING

Secured

From Asian Development Bank - Relent by the GoP

- Tranche I (Note 6.1)	832,226,142	832,226,142
- Tranche II (Note 6.2)	1,000,702,296	1,000,702,296
- Tranche III (Note 6.3)	2,260,911,648	2,260,911,648
- Tranche IV (Note 6.4)	1,447,439,693	1,447,439,693
	5,541,279,779	5,541,279,779
Less:		
Current portion shown under current liabilities	256,717,046	316,161,754
Overdue portion shown under current liabilities	2,498,862,956	2,182,701,202
	2,755,580,002	2,498,862,956
	2,785,699,777	3,042,416,823

6.1 This represents re-lent portion of loan obtained by GoP from Asian Development Bank (ADB) for Power Distribution Enhancement Investment Program which is secured against the guarantee by GoP, pursuant to the re-lent agreement between GoP and the Company. This facility carries interest at the rate of 17% inclusive of relending interest of 11% per annum plus exchange risk component of 6% per annum which shall be charged both on principal amount and interest amount separately and commitment charges at the rate of 0.15% per annum on the un-disbursed amount of loan. Repayment of principal has to be made on half yearly basis within maximum period of 15 years including grace period of 2 years starting from February 2011. The overdue amounts of principal and mark-up aggregate to Rupees 832.226 million (2023: Rupees 772.781 million) and Rupees 1,107.527 million (2023: Rupees 960.556 million) respectively.

6.2 This represents re-lent portion of loan obtained by GoP from ADB for Power Distribution Enhancement Investment Program which is secured against the guarantee by GoP, pursuant to the re-lent agreement between GoP and the Company. This facility carries interest at the rate of 15% inclusive of relending interest of 8.2% per annum plus exchange risk component of 6.8% per annum which shall be charged both on principal amount and interest amount separately and commitment charges at the rate of 0.15% per annum on the un-disbursed amount of loan. Repayment of principal has to be made on half yearly basis within maximum period of 17 years excluding grace period of 3 years starting from June 2014. The overdue amounts of principal and mark-up aggregate to Rupees 540.470 million (2023: Rupees 469.665 million) and Rupees 1,058.742 million (2023: Rupees 903.023 million) respectively.

6.3 This represents re-lent portion of loan obtained by GoP from ADB for Power Distribution Enhancement Investment Program which is secured against the guarantee by GoP, pursuant to the re-lent agreement between GoP and the Company. This facility carries interest at the rate of 15% inclusive of relending interest of 8.2% per annum plus exchange risk component of 6.8% per annum which shall be charged both on principal amount and interest amount separately and commitment charges at the rate of 0.15% per annum on the un-disbursed amount of loan. Repayment of principal has to be made on half yearly basis within maximum period of 20 years excluding a grace period of 5 years starting from June 2018. The overdue amounts of principal and mark-up aggregate to Rupees 728.121 million (2023: Rupees 614.581 million) and Rupees 2,291.699 million (2023: Rupees 1,939.879 million) respectively.

6.4 This represents re-lent portion of loan obtained by GoP from ADB for Power Distribution Enhancement Investment Program which is secured against the guarantee by GoP, pursuant to the re-lent agreement between GoP and the Company. This facility carries interest at the rate of 15% inclusive of relending interest of 8.2% per annum plus exchange risk component of 6.8% per annum which shall be charged both on principal amount and interest amount separately and commitment charges at the rate of 0.15% per annum on the un-disbursed amount of loan. Repayment of principal has to be made on half yearly basis within maximum period of 20 years excluding a grace period of 5 years starting from June 2019. The overdue amounts of principal and mark-up aggregate to Rupees 398.046 million (2023: Rupees 325.674 million) and Rupees 1,539.963 million (2023: Rupees 1,314.728 million) respectively.

6.5 These loans have been granted by Asian Development Bank (ADB) to GoP which have been re-lent to the Company on account of Power Distribution Enhancement Investment Program. These loans have been secured against the guarantees provided by GoP.

6.6 Power Planning and Monitoring Company (Private) Limited (PPMC) vide its letter No. DGCPCC/PEPCO/2152-63 dated 20 February 2017 directed the Company that the payment of debt service on account of foreign relent loans may be withheld till the final decision on the matter that debt service by the WAPDA, GENCOs and DISCOs may be adjusted against their receivable balances from GoP. Resultantly, the Company did not make any payment in respect of foreign relent loans. However, the Economic Affairs Division, GoP in its letter no. 6-16(1) DMR-II/2011 dated 27 March 2023 demanded repayment of principal along with mark-up amounting to Rupees 1,807 million and Rupees 3,354 million respectively.

7. STAFF RETIREMENT BENEFITS

	2024 RUPEES	2023 RUPEES
Pension obligations (Note 7.1)	100,221,839,672	95,914,178,428
Free medical benefits (Note 7.1)	5,806,665,777	5,034,717,809
Free electricity (Note 7.1)	13,699,192,376	6,969,330,444
Leave encashment (Note 7.1)	2,611,137,960	2,030,827,409
	122,338,835,785	109,949,054,090

7.1 Movement in the net liabilities recognized in the statement of financial position is as follows:

	30 June 2024				
	Pension	Free medical benefits	Free electricity benefits	Leave encashment	Total
	----------RUPEES----------				
Balance as at 01 July 2023	95,914,178,428	5,034,717,809	6,969,330,444	2,030,827,409	109,949,054,090
Charge for the year (Note 7.2)	17,142,242,612	897,967,773	1,258,210,886	1,046,894,427	20,345,315,698
Remeasurements recognized in statement of comprehensive income (Note 7.3)	(50,292,403)	1,153,989,952	6,198,002,277	-	7,301,699,826
Benefits paid	(7,565,908,118)	(797,320,597)	(449,206,192)	(368,798,922)	(9,181,233,829)
Contribution made	(5,218,380,847)	(482,689,160)	(277,145,039)	(97,784,954)	(6,076,000,000)
Balance as at 30 June 2024	100,221,839,672	5,806,665,777	13,699,192,376	2,611,137,960	122,338,835,785

	30 June 2023				
	Pension	Free medical benefits	Free electricity benefits	Leave encashment	Total
	----------RUPEES----------				
Balance as at 01 July 2022	88,938,166,809	5,386,516,267	3,964,605,230	2,015,532,812	100,304,821,118
Charge for the year (Note 7.2)	13,506,864,256	784,348,968	613,987,414	745,539,723	15,650,740,361
Remeasurements recognized in statement of comprehensive income (Note 7.3)	1,734,153,165	175,942,866	3,098,283,710	-	5,008,379,741
Liability transferred from GENCO's (Note 22.2.3)	763,999,744	46,244,599	79,054,248	-	889,298,591
Benefits paid	(6,542,576,081)	(718,344,665)	(323,845,494)	(406,419,481)	(7,991,185,721)
Contribution made	(2,486,429,465)	(639,990,226)	(462,754,664)	(323,825,645)	(3,913,000,000)
Balance as at 30 June 2023	95,914,178,428	5,034,717,809	6,969,330,444	2,030,827,409	109,949,054,090

7.1.1 The amount of obligations recognized in the statement of financial position is as follows:

	30 June 2024				
	Pension	Free medical benefits	Free electricity benefits	Leave encashment	Total
	----------RUPEES----------				
Present value of defined benefit obligations	121,571,893,255	9,737,417,418	16,435,361,746	4,342,961,953	152,087,634,372
Fair value of plan assets	(21,350,053,583)	(3,930,751,641)	(2,736,169,370)	(1,731,823,993)	(29,748,798,587)
	100,221,839,672	5,806,665,777	13,699,192,376	2,611,137,960	122,338,835,785

	30 June 2023				
	Pension	Free medical benefits	Free electricity benefits	Leave encashment	Total
	----------RUPEES----------				
Present value of defined benefit obligations	107,857,884,961	8,109,028,642	9,192,257,637	3,586,383,489	128,745,554,729
Fair value of plan assets	(11,943,706,533)	(3,074,310,833)	(2,222,927,193)	(1,555,556,080)	(18,796,500,639)
	95,914,178,428	5,034,717,809	6,969,330,444	2,030,827,409	109,949,054,090

7.1.1.1 Change in fair value of plan assets

	30 June 2024				
	Pension	Free medical benefits	Free electricity benefits	Leave encashment	Total
	----------RUPEES----------				
Balance as at 01 July	11,943,706,533	3,074,310,833	2,222,927,193	1,555,556,080	18,796,500,639
Expected return on plan assets	1,050,069,432	459,426,730	336,561,217	223,657,733	2,069,715,112
Cash flows:					
- Total employer's contributions					
(i) Employer's contributions	5,218,380,847	482,689,160	277,145,039	97,784,954	6,076,000,000
(ii) Employer's direct benefit payments	7,565,908,118	797,320,597	449,206,192	368,798,922	9,181,233,829
- Benefit payments from plan	(7,565,908,118)	(797,320,597)	(449,206,192)	(368,798,922)	(9,181,233,829)
Actuarial gain on plan assets	3,137,896,771	(85,675,082)	(100,464,079)	(145,174,774)	2,806,582,836
Balance as at 30 June	21,350,053,583	3,930,751,641	2,736,169,370	1,731,823,993	29,748,798,587

	30 June 2023				
	Pension	Free medical benefits	Free electricity benefits	Leave encashment	Total
	RUPEES				
Balance as at 01 July	7,712,155,973	1,985,057,093	1,435,325,713	1,004,409,702	12,136,948,481
Expected return on plan assets	426,306,200	262,693,783	203,145,340	130,020,226	1,022,165,549
Cash flows:					
- Total employer's contributions					
(i) Employer's contributions	2,486,429,465	639,990,226	462,754,664	323,825,645	3,913,000,000
(ii) Employer's direct benefit payments	6,542,576,081	718,344,665	323,845,494	406,419,481	7,991,185,721
- Benefit payments from plan	(6,542,576,081)	(718,344,665)	(323,845,494)	(406,419,481)	(7,991,185,721)
Actuarial gain on plan assets	1,318,814,895	186,569,731	121,701,476	97,300,507	1,724,386,609
Balance as at 30 June	11,943,706,533	3,074,310,833	2,222,927,193	1,555,556,080	18,796,500,639

7.2 Amounts recognized in the statement of profit or loss against defined benefit schemes are:

	30 June 2024				
	Pension	Free medical benefits	Free electricity benefits	Leave encashment	Total
	RUPEES				
Current service cost	1,800,510,427	143,011,489	182,366,513	10,385,907	2,136,274,336
Interest cost	16,391,801,617	1,214,383,014	1,412,405,590	535,812,484	19,554,402,705
Actuarial loss	-	-	-	579,178,995	579,178,995
Gain on plan assets	(1,050,069,432)	(459,426,730)	(336,561,217)	(78,482,959)	(1,924,540,338)
Net charge for the year	17,142,242,612	897,967,773	1,258,210,886	1,046,894,427	20,345,315,698

	30 June 2023				
	Pension	Free medical benefits	Free electricity benefits	Leave encashment	Total
	RUPEES				
Current service cost	1,327,000,766	100,368,612	110,001,648	65,954,405	1,603,325,431
Interest cost	12,606,169,690	946,674,139	707,131,106	380,258,924	14,640,233,859
Actuarial loss	-	-	-	526,647,127	526,647,127
Gain on plan assets	(426,306,200)	(262,693,783)	(203,145,340)	(227,320,733)	(1,119,466,056)
Net charge for the year	13,506,864,256	784,348,968	613,987,414	745,539,723	15,650,740,361

7.3 Remeasurements recognized in statement of comprehensive income:

	30 June 2024				
	Pension	Free medical benefits	Free electricity benefits	Leave encashment	Total
	RUPEES				
Experience adjustments	3,087,604,368	1,068,314,870	6,097,538,198	-	10,253,457,436
(Gain) / loss on plan assets	(3,137,896,771)	85,675,082	100,464,079	-	(2,951,757,610)
	(50,292,403)	1,153,989,952	6,198,002,277	-	7,301,699,826

	30 June 2023				
	Pension	Free medical benefits	Free electricity benefits	Leave encashment	Total
	RUPEES				
Experience adjustments	3,052,968,060	362,512,597	3,219,985,186	-	6,635,465,843
Gain on plan assets	(1,318,814,895)	(186,569,731)	(121,701,476)	-	(1,627,086,102)
	1,734,153,165	175,942,866	3,098,283,710	-	5,008,379,741

7.4 Reconciliation of present value of defined benefit obligations:

	30 June 2024				
	Pension	Free medical benefits	Free electricity benefits	Leave encashment	Total
	RUPEES				
Balance as at 01 July 2023	107,857,884,961	8,109,028,642	9,192,257,637	3,586,383,489	128,745,554,729
Current service cost	1,800,510,427	143,011,489	182,366,513	10,385,907	2,136,274,336
Interest cost	16,391,801,617	1,214,383,014	1,412,405,590	535,812,484	19,554,402,705
Benefits paid during the year	(7,565,908,118)	(797,320,597)	(449,206,192)	(368,798,922)	(9,181,233,829)
Remeasurements	3,087,604,368	1,068,314,870	6,097,538,198	579,178,995	10,832,636,431
Balance as at 30 June 2024	121,571,893,255	9,737,417,418	16,435,361,746	4,342,961,953	152,087,634,372

	30 June 2023				
	Pension	Free medical benefits	Free electricity benefits	Leave encashment	Total
	RUPEES				
Balance as at 01 July 2022	96,650,322,782	7,371,573,360	5,399,930,943	3,019,942,514	112,441,769,599
Current service cost	1,327,000,766	100,368,612	110,001,648	65,954,405	1,603,325,431
Interest cost	12,606,169,690	946,674,139	707,131,106	380,258,924	14,640,233,859
Liability transferred from GENCO's	763,999,744	46,244,599	79,054,248	-	889,298,591
Benefits paid during the year	(6,542,576,081)	(718,344,665)	(323,845,494)	(406,419,481)	(7,991,185,721)
Remeasurements	3,052,968,060	362,512,597	3,219,985,186	-	6,635,465,843
Actuarial gains	-	-	-	526,647,127	526,647,127
Balance as at 30 June 2023	107,857,884,961	8,109,028,642	9,192,257,637	3,586,383,489	128,745,554,729

7.5 All of the investment of plan assets is in certain term deposit receipts of commercial banks.

7.6 The principal actuarial assumptions at the reporting date were as follows:

	30 June 2024			
	Pension	Free medical benefits	Free electricity benefits	Leave encashment
Discount rate for defined benefit obligation (per annum)	14.00%	14.00%	14.00%	14.00%
Discount rate for statement of profit or loss (per annum)	15.75%	15.75%	15.75%	15.75%
Electricity inflation rate (per annum)	-	-	14.00%	-
Annual medical claim per retired person's family - Rupees	-	21,806	-	-
Salary increase rate (per annum)	13.00%	13.00%	-	13.00%
Pension indexation rate (per annum)	8.00%	-	-	-
Take up rate of allowance-in service of facility	-	11.94%	-	-
Medical inflation rate (per annum)	-	15.75%	-	-
Mortality rates	SLIC 2001-2005 setback 1 year	SLIC 2001-2005 setback 1 year	SLIC 2001-2005 setback 1 year	SLIC 2001-2005 setback 1 year
Withdrawal rates	Low	Low	Low	Low
Expected charge to the statement of profit or loss for the next Next financial year (Rupees)	11,931,699,190	974,616,655	2,669,661,026	377,221,664
Duration of scheme (years)	15	9	11	12

	30 June 2023			
	Pension	Free medical benefits	Free electricity benefits	Leave encashment
Discount rate for defined benefit obligation (per annum)	15.75%	15.75%	15.75%	15.75%
Discount rate for statement of profit or loss (per annum)	13.50%	13.50%	13.50%	13.50%
Electricity inflation rate (per annum)	-	-	15.75%	-
Annual medical claim per retired person's family - Rupees	-	11,933	-	-
Salary increase rate (per annum)	14.75%	14.75%	-	14.75%
Pension indexation rate (per annum)	9.75%	-	-	-
Take up rate of allowance-in service of facility	-	11.95%	-	-
Medical inflation rate (per annum)	-	13.50%	-	-
Mortality rates	SLIC 2001-2005 setback 1 year	SLIC 2001-2005 setback 1 year	SLIC 2001-2005 setback 1 year	SLIC 2001-2005 setback 1 year
Withdrawal rates	Low	Low	Low	Low
Expected charge to the statement of profit or loss for the next financial year (Rupees)	17,623,615,921	935,979,544	1,630,147,091	330,241,224
Duration of scheme (years)	15	9	11	14

7.7 Sensitivity analysis for actuarial assumptions:

	30 June 2024			
	Pension	**Free medical benefits**	**Free electricity benefits**	**Leave encashment**
Discount rate	1.00%	1.00%	1.00%	1.00%
Increase in assumption (Rupees)	(6,224,480,934)	(828,654,223)	(1,693,657,413)	(469,603,402)
Decrease in assumption (Rupees)	29,456,869,736	1,001,980,252	2,022,664,270	556,746,293
Future salary increase	1.00%	-	-	1.00%
Increase in assumption (Rupees)	12,436,804,680	-	-	559,368,078
Decrease in assumption (Rupees)	765,902,928	-	-	(479,500,388)
Indexation rate	1.00%	-	1.00%	-
Increase in assumption (Rupees)	23,110,816,908	-	2,116,206,053	-
Decrease in assumption (Rupees)	(1,276,504,879)	-	(1,798,100,862)	-
Withdrawal rates	10.00%	10.00%	-	-
Increase in assumption (Rupees)	(36,471,568)	(2,921,225)	-	-
Decrease in assumption (Rupees)	36,471,568	2,921,225	-	-
Mortality setback	1 year	1 year	-	-
Increase in assumption (Rupees)	72,943,136	(5,842,450)	-	-
Decrease in assumption (Rupees)	(72,943,136)	5,842,450	-	-
Medical inflation rate	-	1.00%	-	-
Increase in assumption (Rupees)	-	875,393,826	-	-
Decrease in assumption (Rupees)	-	(761,466,042)	-	-

	30 June 2023			
	Pension	**Free medical benefits**	**Free electricity benefits**	**Leave encashment**
Discount rate	1.00%	1.00%	1.00%	1.00%
Increase in assumption (Rupees)	(5,555,932,193)	(694,943,754)	(955,653,420)	(465,818,995)
Decrease in assumption (Rupees)	26,530,264,984	831,986,339	1,145,243,952	553,347,221
Future salary increase	1.00%	-	-	1.00%
Increase in assumption (Rupees)	10,993,148,254	-	-	555,969,613
Decrease in assumption (Rupees)	724,531,590	-	-	(475,528,219)
Indexation rate	1.00%	-	1.00%	-
Increase in assumption (Rupees)	20,589,175,301	-	1,196,548,025	-
Decrease in assumption (Rupees)	(1,174,971,233)	-	(1,013,231,934)	-
Withdrawal rates	10.00%	10.00%	-	-
Increase in assumption (Rupees)	(32,357,365)	(2,432,708)	-	-
Decrease in assumption (Rupees)	32,357,365	2,432,709	-	-
Mortality setback	1 year	1 year	-	-
Increase in assumption (Rupees)	11,143,447,695	(4,865,417)	-	-
Decrease in assumption (Rupees)	6,343,668,271	4,865,417	-	-
Medical inflation rate	-	1.00%	-	-
Increase in assumption (Rupees)	-	730,623,481	-	-
Decrease in assumption (Rupees)	-	(639,802,359)	-	-

The sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the staff retirement benefits to significant actuarial assumptions, the same method (present value of the staff retirement benefits calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the liabilities of staff retirement benefits recognized within the statement of financial position.

The methods, types and rates of assumptions used in preparing the sensitivity analysis were changed as compared to the previous year due to upward trend in discount rate structure and increase in inflationary expectations.

7.8 Risks associated with staff retirement benefits

The defined benefit plans expose the Company to the following risks:

Discount rate risk:

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

Salary increase / inflation risk:

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

Mortality risk

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

Withdrawal Risk:

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

8. LONG TERM SECURITY DEPOSITS

These represent security deposits received from consumers at the time of electricity connections and are refundable / adjustable on disconnection of electricity supply.

9. RECEIPTS AGAINST DEPOSIT WORKS

	2024 RUPEES	2023 RUPEES
Consumers demand notices awaiting connections (Note 9.1)	550,514,236	497,981,116
Funds received against deposit works (Note 9.2)	19,287,362,523	19,701,546,164
	19,837,876,759	20,199,527,280

9.1 These represent amounts received from consumers through demand notices against which the related works / jobs have not been completed.

9.2 These represent amounts received directly by the Company for electrification of villages, colonies and other deposit works, mainly provided through Government funding against which the related works / jobs have not been completed.

10. DEFERRED CREDIT

Balance as at 01 July	63,054,418,456	55,130,993,252
Additions during the year	7,384,275,511	7,923,425,204
	70,438,693,967	63,054,418,456
Less: Accumulated amortization		
Balance as at 01 July	22,143,720,543	19,936,815,897
Amortization for the year	2,465,354,289	2,206,904,646
	24,609,074,832	22,143,720,543
Balance as at 30 June	45,829,619,135	40,910,697,913

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

		2024 RUPEES	2023 RUPEES
11.	**DEFERRED INCOME TAX LIABILITY**		
	Balance as at 01 July	6,500,486,235	6,788,064,159
	Add: Deferred income tax liability on surplus arising on revaluation of property, plant and equi	3,242,592,613	-
	Less:		
	Deferred income tax liability on incremental depreciation transferred to the statement of profit or loss	218,852,878	229,518,680
	Deferred income tax liability on assets transferred during the year transferred to the statement of profit or loss	78,665,094	58,059,244
		297,517,972	287,577,924
	Balance as at 30 June	9,445,560,876	6,500,486,235
11.1	Deferred income tax effect due to:		
	Accelerated tax depreciation on operating fixed assets	24,179,322,839	19,361,791,345
	Allowance for expected credit losses	(1,424,917,158)	(1,251,130,231)
	Provision for slow moving and obsolete items of stores, spares and loose tools	(10,713,945)	(10,944,333)
	Staff retirement benefits	(35,478,262,378)	(31,885,225,686)
	Unused tax losses	(98,869,259,683)	(107,435,757,458)
		(111,603,830,325)	(121,221,266,363)
	Unrecognized deferred tax asset	111,603,830,325	121,221,266,363
		-	-

11.2 Deferred income tax liability is created on surplus on revaluation of property, plant and equipment. Other taxable and deductible temporary differences result in deferred income tax asset which has not been recognized in these financial statements due to uncertainty and in availability of sufficient future taxable profits as these temporary differences are not likely to reverse in the foreseeable future.

		2024 RUPEES	2023 RUPEES Restated
12.	**TRADE AND OTHER PAYABLES**		
	Creditors	1,181,171,643	846,387,890
	Due to associated companies (Note 12.1)	89,764,183,728	91,623,032,248
	Billing related payables (Note 12.2)	15,995,757,120	14,948,356,132
	Workers' profit participation fund (Note 12.3)	2,389,665,842	2,053,934,920
	Excess receipt against deposit work	1,007,600,327	1,048,519,119
	Accrued liabilities	1,081,172,724	644,228,732
	Contract liabilities - unsecured (Note 12.4)	1,543,543,842	953,913,967
	Sales tax payable	9,355,013,756	2,509,983,158
	Income tax deducted at source	106,538,814	92,860,571
	Retention money payable	260,834,567	247,504,770
	Other liabilities	893,365,287	1,560,806,563
		123,578,847,650	116,529,528,070

		2024 RUPEES	2023 RUPEES
12.1	**Due to associated companies**		
	Central Power Purchasing Agency (Guarantee) Limited (CPPA-G)	89,102,958,844	87,539,690,681
	National Transmission and Despatch Company Limited (NTDC)	-	3,437,302,946
	Due to associated companies on account of free electricity (Note 12.1.1)	586,283,569	587,646,953
	Due to associated companies on account of pension (Note 12.1.2)	74,941,315	58,391,668
		89,764,183,728	91,623,032,248
12.1.1	**Due to associated companies on account of free electricity**		
	Peshawar Electric Supply Company Limited (PESCO)	17,833,666	-
	Lahore Electric Supply Company Limited (LESCO)	563,231,137	583,974,582
	Sukkur Electric Power Company Limited (SEPCO)	5,073,239	3,672,371
	Power Information Technology Company (PITC)	145,527	-
		586,283,569	587,646,953
12.1.2	**Due to associated companies on account of pension**		
	Peshawar Electric Supply Company Limited (PESCO)	36,204,498	52,414,763
	Lahore Electric Supply Company Limited (LESCO)	38,736,817	5,976,905
		74,941,315	58,391,668

		2024 RUPEES	2023 RUPEES
12.2	**Billing related payables**		
	Equalization surcharge payable (Note 12.2.1)	2,201,953,960	2,203,140,504
	Electricity duty payable	467,944,149	190,535,854
	TV License fee payable	117,126,092	118,015,783
	Neelum Jhelum surcharge (Note 12.2.2)	1,127,410,471	1,126,504,331
	Extra / further tax	1,117,613,969	961,428,830
	Income tax	1,390,924,107	998,387,679
	Financing cost surcharge payable	3,902,800,433	3,724,547,148
	Tariff rationalization surcharge payable	5,554,057,641	5,508,476,896
	General sales tax	115,926,298	117,319,107
		15,995,757,120	14,948,356,132

12.2.1 Equalization surcharge was collected from consumers pursuant to S.R.O. 235(1)2011, dated 15 March 2011 issued by the Ministry of Energy, GoP. The amount was collected from customers during the period from April 2011 to May 2012 but further collection was discontinued on account of a subsequent S.R.O. 505(1)2012, dated 16 May 2012. Payment of this amount to the Federal Government is currently deferred as payment mechanism has not been conveyed to the Company by the GoP. The Company through letter No. 6894/FESCO/CFO/Compilation dated 12 February 2024 requested the Ministry of Energy to impart necessary guidelines for adjustment of the equalization surcharge.

12.2.2 On 19 February 2021 ECC of the cabinet through its decision No. ECC-53/6/2021 approved Neelum Jhelum surcharge (NJ surcharge) revocation summary dated 12 February 2021, submitted by Ministry of Energy (Power division). Further, it was approved that NJ surcharge collected by DISCOs and transferred to WAPDA after 28 December 2018 will be audited by the Auditor General of Pakistan and the amount would be returned to the eligible consumers / adjusted in their forthcoming electricity bills.

		2024 RUPEES	2023 RUPEES Restated
12.3	**Workers' profit participation fund**		
	Balance as at 01 July	2,053,934,920	2,053,934,920
	Provision for the year	335,730,922	-
	Balance as at 30 June	2,389,665,842	2,053,934,920

12.3.1 The Company has not made payment of its contribution towards Workers' Profit Participation Fund (WPPF), being the Company's liability on account of provision of Companies Profit (Workers' Participation) Act, 1968 relating to profit for the years ended 30 June 2004, 30 June 2005, 30 June 2020, 30 June 2021 and 30 June 2022. The matter is pending for decision with the Economic Coordination Committee (ECC) upon a recommendation submitted by WAPDA to exempt the corporatized entities under its umbrella from the requirements of the Companies Profit (Workers' Participation) Act, 1968. Due to pending decision with the ECC, no provision of mark-up is made as required under the Companies Profit (Workers' Participation) Act, 1968. Further, the Company has not made provision against WPPF amounting to Rupees 2,707 million relating to the financial years ended 30 June 2009, 30 June 2010, 30 June 2013, 30 June 2014 and 30 June 2015. However the Company has shown the WPPF for the years ended 30 June 2009, 30 June 2010, 30 June 2013, 30 June 2014 and 30 June 2015 along with total mark-up as contingent liabilities under Note 14.1.3 to the financial statements.

12.4 The Company has recognized revenue of Rupees 694.763 million (2023: Rupees 345.734 million) from amounts included in contract liabilities at the year end.

		2024 RUPEES	2023 RUPEES
13.	**ACCRUED MARK-UP**		
	Foreign re-lent loans	113,162,964	113,322,002
	Overdue mark-up on foreign re-lent loans	5,997,931,724	5,118,185,820
		6,111,094,688	5,231,507,822

14. CONTINGENCIES AND COMMITMENTS

14.1 Contingencies

14.1.1 The Company has received various invoices from CPPA-G representing late payment charges (supplementary charges) being the share of the Company in late payment charges charged to CPPA-G by Independent Power Producers (IPPs) on account of delayed payments aggregating to Rupees 16,254.65 million (2023: Rupees 13,694.27 million) over the years. Moreover, NEPRA has decided that the late payment charges (supplementary charges) recovered from consumers on utility bills shall be offset against the late payment charges (supplementary charges) invoices raised by CPPA-G and CPPA-G cannot account for late payment charges (supplementary charges) over and above what is calculated as per agreement. Therefore, the Company has not acknowledged this amount as its liability.

14.1.2 The Company had received credit notes issued to the Company against Tariff Differential Subsidy of Rupees 7,922.53 million from CPPA-G in the financial year 2015, on the basis of Power Planning and Monitoring Company (Private) Limited (PPMC) allocation as per previous practice. As per CPPA-G the allocation to the Company was not based on the actual releases so in order to correct the allocation, CPPA-G has withdrawn these credit notes. However according to the management of the Company, CPPA-G has withdrawn these credit notes after adjusting the Tariff Rationalization Surcharge against subsidy receivable from Government of Pakistan which has been allowed with effect from June 2015 but these credit notes relate to the period prior to June 2015. Therefore, the Company has not acknowledged this reversal of credit notes and has not recognised this amount as liability.

14.1.3 The Companies Profit (Workers' Participation) Act, 1968 requires payment of the allocated amount to the Workers Profit Participation Fund (WPPF) within nine months of the close of relevant financial year. However, due to pending decision of the Economic Coordination Committee to exempt the corporatized entities under the umbrella of WAPDA from requirements of the said Act, the Company has not made provision of WPPF amounting to Rupees 2,707 million for the financial years ended 30 June 2009, 30 June 2010, 30 June 2013, 30 June 2014 and 30 June 2015 and for the total interest accrued on WPPF thereon as given in Note 12.3.1.

14.1.4 In addition to above-mentioned matters, large number of small cases have been filed against the Company, primarily by the Company's employees, customers and vendors, the quantum of which cannot be estimated reliably. However, the management is of the view that in the overall context of these financial statements, there would be no significant liability of the Company against such cases.

14.1.5 Income tax

(i) Additional Commissioner Inland Revenue passed an Order No. 344 dated 07 January 2014 for tax the year 2013 under section 122(5A) of the Ordinance, raising a demand of Rupees 88.769 million, in respect of non payment of minimum tax on subsidy under section 113 of the Income Tax Ordinance, 2001 (the Ordinance). The Company filed an appeal to Appellate Tribunal Inland Revenue (ATIR) against this order. ATIR decided the case in favour of the Company. The Regional Tax Office filed reference dated 12 May 2016 against the decision before Lahore High Court, Lahore which was decided against the Company. The Company being aggrieved filed appeal against the decision before Supreme Court of Pakistan which is pending for adjudication.

(ii) Additional Commissioner Inland Revenue passed Order No. 8299 dated 06 April 2016 and Order No. 8524 dated 21 June 2016 for tax the years 2014 and 2015 respectively under section 122(5A) of the Ordinance, raising a demand of Rupees 1,574.665 million and Rupees 558.964 million, in respect of non payment of minimum tax on subsidy under section 113 of the Ordinance and alleged incorrect claim of tax credit under section 65B of the Ordinance, respectively. The Company filed an appeal before Appellate Tribunal Inland Revenue (ATIR) against this order. The ATIR decided the case in favour of the Company. The Regional Tax Office has filed reference application on 14 April 2017 before Lahore High Court, Lahore which was decided against the Company. The Company filed appeal before Supreme Court of Pakistan which is pending for adjudication.

(iii) Additional Commissioner Inland Revenue (ACIR) passed an Order vide letter No. 539335-1 dated 09 January 2017 under section 122(9) of the Ordinance, raising a demand of Rupees 13.896 million in respect of less depositing of turnover tax under section 113 of the Ordinance in tax year 2011. The Commissioner Inland Revenue (Appeals) has decided the case against the Company. The Company has filed an appeal before Appellate Tribunal Inland Revenue on 03 December 2020 who remanded back the case to ACIR on 05 January 2024 for proceedings afresh after providing reasonable opportunity of being heard to the Company. The remand back proceedings are still pending.

(iv) Additional Commissioner Inland Revenue passed an Order No. 678 dated 23 December 2015 under section 122(5A) raising a demand of Rupees 156.009 million for the tax year 2010, in respect of illegal set off of part of accumulated unabsorbed depreciation against interest from bank deposits / instruments and non-payment of tax on such income. The Company filed an appeal before Appellate Tribunal Inland Revenue (ATIR) against this order. The matter has been resolved in favour of the Company by the ATIR. Regional Tax Office filed an appeal on 22 November 2018 before Lahore High Court, Lahore which is pending for adjudication.

(v) Additional Commissioner Inland Revenue issued a show cause notice No. 438 dated 04 February 2014 for the tax year 2009 under section 122(5A) of the Ordinance, raising a demand of Rupees 122.559 million, in respect of illegal set off of part of accumulated unabsorbed depreciation against interest from bank deposits / instruments and non-payment of tax on such income. The matter has been resolved in favour of the Company by the Appellate Tribunal Inland Revenue (ATIR) on 18 January 2016. However, Regional Tax Office filed an appeal before Lahore High Court, Lahore on 12 May 2016 which is pending for adjudication.

(vi) Deputy Commissioner Inland Revenue passed order dated 06 June 2018 under section 205/161 of the Ordinance for the tax years 2016 and 2017 raising a demand of Rupees 67.023 million, in respect of non deduction of withholding tax against payment of use of system charges to NTDC. The Commissioner Inland Revenue (Appeals) (CIR (A)) passed order against the Company. The Company filed an appeal before Appellate Tribunal Inland Revenue (ATIR) which was decided against the Company. The Company filed reference application No. 18479 dated 27 February 2021 before Lahore High Court, Lahore against the order of ATIR dated 11 November 2020, which is pending for adjudication.

(vii) Deputy Commissioner Inland Revenue passed orders under section 205 of the Ordinance for the tax years 2012, 2013, 2014 and 2015 raising a demand of Rupees 229.280 million, in respect of non deduction of withholding tax against payment of use of system charges to NTDC. The Company filed appeals against these orders before Appellate Tribunal Inland Revenue (ATIR), which were decided against the Company. The Company filed Income Tax Reference Nos. 45069, 45078, 45072 and 45074 dated 10 June 2020 before Lahore High Court, Lahore against the orders of ATIR, which are pending for adjudication.

(viii) Additional Commissioner Inland Revenue passed an Order No. 1758 dated 26 September 2018 under section 161(1) and raised demand of Rupees 46.353 million, in respect of alleged non-payment of withholding tax on various payments, in respect of tax year 2017. After rejection of the appeal before Appellate Tribunal Inland Revenue, the Company has filed reference application 18504/2021 dated 27 February 2021 before Lahore High Court, Lahore against the orders of ATIR, which is pending for adjudication.

(ix) Additional Commissioner Inland Revenue passed an Order vide bar code No. 100000115217240 dated 23 December 2021 for tax year 2018 under section 122(5A) of the Ordinance, creating a demand of Rupees 3,699.121 million in respect of non payment of alternative corporate tax. Being aggrieved with the order, the Company filed an appeal before Commissioner Inland Revenue (Appeals) on 31 January 2022, the proceedings of which are pending for adjudication.

(x) Deputy Commissioner Inland Revenue issued Order vide bar code No. 100000126469023 dated 28 June 2022 for tax year 2016 under section 161(1) of the Ordinance raising a demand of Rupees 485.783 million in respect of tax year 2016 regarding non deduction of withholding tax against payment of salaries, wages and other benefits to employees. The Company filed an appeal before Commissioner Inland Revenue (Appeals) on 25 July 2022, which is pending for adjudication.

(xi) Deputy Commissioner Inland Revenue issued Order vide bar code No. 100000115292828 dated 27 December 2021 for tax year 2020 under section 161(1) of the Ordinance raising a demand amounting to Rupees 655.422 million, in respect of non deduction of withholding tax against payment of salaries, wages and other benefits to employees. The Company filed an appeal before Commissioner Inland Revenue (Appeals) on 26 January 2022, which is pending for adjudication.

(xii) Additional Commissioner Inland Revenue passed an Order vide bar code No. 100000152763555 dated 31 May 2023 for tax year 2020 under section 122(5A) of the Ordinance, creating a demand of Rupees 191.574 million in respect of short payment of turnover tax. Being aggrieved with the order, the Company filed an appeal before Commissioner Inland Revenue (Appeals) on 27 June 2023, which is pending for adjudication.

(xiii) Deputy Commissioner Inland Revenue issued Order vide bar code No. 100000138073803 dated 21 December 2022 for tax year 2017 under section 161(1) of the Ordinance raising a demand amounting to Rupees 14.399 million, in respect of non deduction of withholding tax under section 235. The Company has filed an appeal before Commissioner Inland Revenue (Appeals) on 27 September 2022, which is pending for adjudication.

(xiv) Assistant Commissioner Inland Revenue issued order vide bar code No. 100000154493099 dated 27 June 2023 under section 205/161 of the Ordinance for the tax year 2017, raising a demand of Rupees 349.159 million, in respect of non deduction of withholding tax on salary under section 149. The Company filed an appeal before Commissioner Inland Revenue (Appeals) on 26 July 2023, which is pending for adjudication.

(xv) Additional Commissioner Inland Revenue passed an Order vide bar code No. 100000184499081 dated 18 January 2024 for tax year 2022 under section 122(5A) of the Ordinance, creating a demand of Rupees 913.459 million in respect of short payment of turnover tax. The Company filed an appeal before Commissioner Inland Revenue (Appeals) on 18 February 2024, which is pending for adjudication.

Aggregate provision of Rupees 9,166.435 million regarding the cases stated in paragraph numbers 14.1.5 (i) to 14.1.5 (xv) has not been accounted for in the books of account of the Company as in the opinion of tax advisors, the favorable outcomes of these cases are expected.

Sales Tax

(xvi) Assistant Commissioner Punjab Revenue Authority passed an Order No. 1 dated 04 January 2018 raising a demand of Rupees 385.803 million, in respect of non charging of Punjab sales tax on various services performed by the Company for the tax periods from July 2015 to June 2016 under section 52(1) of Punjab Sales Tax Act, 2012. The Company filed writ petition dated 05 September 2020 before Lahore High Court, Lahore which was decided in favour of the Company on 15 March 2023. Punjab Revenue Authority filed intra court appeal before Lahore High Court, Lahore which is pending for adjudication. The Company was issued letter from Additional Commissioner Punjab Revenue Authority for fresh proceedings regarding the above matter, ignoring the judgement of Lahore High Court, Lahore. In response to the reply submitted by the Company against the letter of Additional Commissioner Punjab Revenue Authority, order was passed raising the demand of Rupees 385.803 million. The Company being aggrieved filed an appeal before Additional Commissioner (Appeals) Punjab Revenue Authority who confirmed the assessment order. On 30 September 2023, the Company filed an appeal before Appellate Tribunal Punjab Revenue Authority which is pending for adjudication.

(xvii) Assistant Commissioner Inland Revenue (ACIR) issued an Order vide letter No. 1317 dated 05 December 2014 raising a demand of Rupees 3.833 million in respect of non-charging and payment of extra tax and further tax on assessment basis on supply of electricity. The Company has filed an appeal on 14 April 2016 before Appellate Tribunal Inland Revenue who remanded back the matter to ACIR on 31 January 2024. Remand back proceedings are in process.

(xviii) Deputy Commissioner Inland Revenue issued a show cause notice No. 344 dated 09 January 2013 raising a demand of Rupees 6,767.126 million for the tax year 2009-10 in respect of penalty for suppression of sales, inadmissible input tax claimed, non-charging of sales tax on subsidy etc. Upon decision of Appellate Tribunal Inland Revenue in favour of the Company, Regional Tax Office filed reference application before Lahore High Court, Lahore on 23 December 2019 which is pending for adjudication.

(xix) Assistant Commissioner Inland Revenue (ACIR) issued an Order No. 1725 dated 27 February 2019 under section 26 of Sales Tax Act, 1990 raising a demand of Rupees 66.640 million in respect of non-chargeability of sales tax on free supply to Company's employees. The Company has filed an appeal on 13 April 2019 before the Commissioner Inland Revenue (Appeals) (CIR - A), who remanded back the case to ACIR vide Order No. 473 dated 05 November 2019. However after passing passed the order against the Company by ACIR, the Company filed an appeal dated 29 June 2021 before CIR-A which is pending for adjudication.

(xx) Assistant Commissioner Inland Revenue (ACIR) issued show cause notice No. 2565 dated 12 March 2020 under section 3(1) and 3(1)(A) of the Sales Tax Act, 1990 regarding non charging of sales tax on Large Tax Payer and zero rated supplies amounting to Rupees 4,820 million for the periods from July 2014 to May 2016. The Company submitted the reply to ACIR who reduced the demand to Rupees 2,321 million. The Company filed an appeal before Appellate Tribunal Inland Revenue on 19 June 2021 who remanded back the case to ACIR on 03 June 2024. Remand back proceedings are in process.

(xxi) The Company lodged twelve sales tax refund claims amounting to Rupees 7,704 million with Regional Tax Officer from November 2008 to June 2014. Out of these twelve claims, eight refund claims amounting to Rupees 5,224 million have been rejected by Assistant Commissioner Inland Revenue. However, Commissioner Inland Revenue (Appeals) have remanded back the case to Assistant Commissioner Inland Revenue. The Company has filed an appeal before Appellate Tribunal Inland Revenue on 30 April 2021 against the rejection of claims, which is pending for adjudication.

(xxii) Additional Commissioner Punjab Revenue Authority issued show cause notice No. 11149 dated 30 December 2020 raising a demand of Rupees 1,554.748 million, in respect of non-chargeability of Punjab Sales Tax on various services performed by the Company for the tax periods from July 2016 to June 2019. The Company filed petition No. 19883 dated 15 March 2021 before Lahore High Court, Lahore which was decided in favour of the Company. The Punjab Revenue Authority filed intra court appeal against the order before Lahore High Court, Lahore which is pending for adjudication. Moreover, the Company was issued letter from Additional Commissioner Punjab Revenue Authority for fresh proceedings regarding the above matter, ignoring the judgement of Lahore High Court, Lahore. In response to the reply submitted by the Company against the letter of Additional Commissioner Punjab Revenue Authority's letter, order was passed demanding Rupees 1,400.505 million. The Company being aggrieved filed an appeal before Additional Commissioner (Appeals) Punjab Revenue Authority who confirmed the assessment order. Subsequent to the year end, dated 22 July 2024, the Company has filed an appeal before Appellate Tribunal Punjab Revenue Authority which is pending for adjudication.

(xxiii) Additional Commissioner Punjab Revenue Authority issued show cause notice No. 12225 dated 14 December 2021 under section 24 and 52 of Punjab Sales Tax Act, 2012 by raising demand of Rupees 1,131.949 million, in respect of non-chargeability of Punjab Sales Tax on various services performed by the Company for the tax periods from July 2019 to June 2021. The Company filed a writ petition dated 12 January 2022 before Lahore High Court, Lahore which was decided in favour of the Company. The Punjab Revenue Authority filed intra court appeal against the order before Lahore High Court, Lahore on 04 September 2023 which is pending for adjudication.

(xxiv) Additional Commissioner Punjab Revenue Authority issued show cause notice No. 11376 dated 26 February 2021 raising a demand of Rupees 20.934 million, in respect of default surcharge on non charging of Punjab Sales Tax on services performed by the Company for the tax period from July 2014 to June 2020 under section 52 of Punjab Sales Tax Act, 2012. The Company filed an appeal before Commissioner (Appeals), Punjab Revenue Authority dated 28 September 2021, which resulted in assessment order upholding the original demand. The Company being aggrieved filed an appeal before Appellate Tribunal, Punjab Revenue Authority on 15 July 2024, subsequent to the reporting date which is pending for adjudication.

(xxv) Assistant Commissioner Inland Revenue issued show cause notice No. 1305 dated 18 June 2021 raising a demand of Rupees 33.059 million against two times adjustment of input tax. The Company has filed an appeal before the Commissioner Inland Revenue (Appeals), who rejected the appeal in the Order No. 36/2021 dated 30 March 2022. The Company filed an appeal before Appellate Tribunal Inland Revenue (ATIR) which was decided against the Company. The Company filed reference before Lahore High Court, Lahore against the decision of ATIR. Lahore High Court, Lahore granted stay vide order dated 27 May 2024 and the case is pending for adjudication.

(xxvi) Deputy Commissioner Inland Revenue passed an order No. 17/2022-23 dated 26 June 2023 in respect of non chargeability of sales tax on free supply of electricity to Company's employees during tax periods from July 2018 to June 2019 and raised demand of Rupees 132.103 million along with default surcharge and penalty amounting to Rupees 6.605 million. An appeal was filed before Commissioner Inland Revenue (Appeals) on 27 July 2023, which is pending for adjudication.

(xxvii) Deputy Commissioner Inland Revenue issued Order No. 02/2021 dated 26 March 2021 in respect of late filing of sales tax return during tax period August 2019 to June 2020 raising demand of Rupees 263.461 million as penalty and default surcharge. An appeal was filed before Commissioner Inland Revenue (Appeals) on 14 April 2021, which is pending for adjudication.

(xxviii) Assistant Commissioner Inland Revenue issued a show cause notice No. 17/145 dated 08 March 2021 in respect of inadmissible adjustments of input tax claimed by the Company in monthly sale tax returns during tax periods June 2016 to September 2017 related to unregistered suppliers raising a demand of Rupees 17.044 million. Appeal filed by the Company was concluded before Appellate Tribunal Inland Revenue on 07 March 2022 who remanded back the case to assessment officer vide STA No. 10/2022 dated 24 May 2022 for fresh adjudication at department level. The proceedings are still pending.

(xxix) The Company has claimed input tax adjustment pertaining to the tax periods July 2019 and August 2019 on which show cause notices u/s 11 of the Sales Tax Act, 1990 were issued that input tax was claimed against output tax on purchase of items which were not admissible so the amounts of Rupees 13.757 million and Rupees 19.996 million were ordered to be recovered from Company along with default surcharge and penalty. The Company filed appeal before Commissioner Inland Revenue (Appeals) who upheld the order. The Company filed second appeals before Appellate Tribunal Inland Revenue (ATIR) who submitted that the input tax adjustment claimed is admissible in terms of section 7 of the Act. The case was remanded back to assessing officer vide order STA No. 861 & 862 to obtain necessary evidences from the Company in support of the claim and thereafter decide the issue in accordance with law. Thereafter, assessing officer upheld the order in original. The Company being aggrieved, filed an appeal before ATIR on 30 November 2023 which is pending for adjudication.

(xxx) Assistant Commissioner Inland Revenue issued an order dated 02 August 2022 raising a demand of Rupees 199.680 million along with default surcharge and penalty of Rupees 9.984 million in respect of short payment of sales tax. The Company filed an appeal before Commissioner Inland Revenue (Appeals) on 29 March 2024 who partially decided the case by upholding the demand Rupees 15.025 million and remanding back the case for denovo consideration of Rupees 184.655 million to assessing officer for proceedings afresh. The proceedings are still pending.

(xxxi) Deputy Commissioner Inland Revenue issued Order No. 24/2023-24 dated 08 May 2024 in respect of late filing of sales tax return during tax period December 2023 raising demand of Rupees 11.536 million as penalty and default surcharge. An appeal has been filed before Alternate Dispute Resolution Committee (ADRC) on 14 June 2024 against the said order which is pending for adjudication.

Aggregate provision of Rupees 18,019.031 million relating to the above stated paragraph numbers 14.1.5 (xvi) to 14.1.5 (xxxi) has not been recorded in the books of accounts of the Company on the advice of tax advisors of the Company, as favourable outcome of these cases are expected.

14.2 Commitments

14.2.1 Contracts for capital expenditure are of Rupees 3,312.202 million (2023: Rupees 1,546.218 million).

14.2.2 Inland letter of credits in respect of capital expenditure are of Rupees 136.091 million (2023: Rupees 468.876 million).

14.2.3 Contracts for other than capital expenditure are of Rupees 43.279 million (2023: Rupees 46.831 million).

		2024 RUPEES	2023 RUPEES
15.	**PROPERTY, PLANT AND EQUIPMENT**		
	Operating fixed assets (Note 15.1)	199,361,811,457	135,871,992,836
	Capital work-in-progress (Note 15.2)	31,421,235,994	25,821,890,813
		230,783,047,451	161,693,883,649

15.1 Operating Fixed Assets

	Freehold land	Buildings on freehold land	Feeders (up to 11 kv)	Grids and equipment	Vehicles	Furniture, fixtures and office equipment	Total
	RUPEES						
As at 30 June 2022							
Cost / revalued amount	31,245,628,250	4,908,601,896	91,767,099,912	40,415,131,307	1,323,453,988	1,086,711,250	170,746,626,603
Accumulated depreciation	-	(632,917,087)	(32,697,390,701)	(9,598,908,369)	(846,083,792)	(704,308,715)	(44,479,608,664)
Impairment loss	-	(453,912,940)	-	-	-	-	(453,912,940)
Net book value	31,245,628,250	3,821,771,869	59,069,709,211	30,816,222,938	477,370,196	382,402,535	125,813,104,999
Year ended 30 June 2023							
Opening net book value	31,245,628,250	3,821,771,869	59,069,709,211	30,816,222,938	477,370,196	382,402,535	125,813,104,999
Additions	540,730	468,500,386	11,370,845,440	3,914,995,170	348,329,078	146,414,075	16,249,624,879
Transferred to stores and spares / written off							
Cost / revalued amount	-	-	(1,566,986,846)	(129,129,137)	(15,540,097)	(6,973,720)	(1,718,629,800)
Accumulated depreciation	-	-	538,147,123	54,885,040	15,540,097	74,761	608,647,021
	-	-	(1,028,839,723)	(74,244,097)	-	(6,898,959)	(1,109,982,779)
Depreciation charge	-	(90,617,554)	(3,343,206,286)	(1,476,106,008)	(92,934,981)	(77,889,434)	(5,080,754,263)
Closing net book value	31,246,168,980	4,199,654,701	66,068,508,642	33,180,868,003	732,764,293	444,028,217	135,871,992,836
As at 30 June 2023							
Cost / revalued amount	31,246,168,980	5,377,102,282	101,570,958,506	44,200,997,340	1,656,242,969	1,226,151,605	185,277,621,682
Accumulated depreciation	-	(723,534,641)	(35,502,449,864)	(11,020,129,337)	(923,478,676)	(782,123,388)	(48,951,715,906)
Impairment loss	-	(453,912,940)	-	-	-	-	(453,912,940)
Net book value	31,246,168,980	4,199,654,701	66,068,508,642	33,180,868,003	732,764,293	444,028,217	135,871,992,836
Year ended 30 June 2024							
Opening net book value	31,246,168,980	4,199,654,701	66,068,508,642	33,180,868,003	732,764,293	444,028,217	135,871,992,836
Effect of surplus on revaluation	41,809,597,920	-	3,241,647,495	7,939,706,344	-	-	52,990,951,759
Additions	-	515,050,280	14,517,398,852	2,096,287,786	184,279,478	266,189,193	17,579,205,589
Transferred to stores and spares / written off							
Cost / revalued amount	-	-	(2,137,379,763)	(264,343,468)	(9,747,027)	(793,000)	(2,412,263,258)
Accumulated depreciation	-	-	681,506,008	102,002,165	9,747,027	626,388	793,881,588
	-	-	(1,455,873,755)	(162,341,303)	-	(166,612)	(1,618,381,670)
Reversal of impairment loss	-	138,548,206	-	-	-	-	138,548,206
Depreciation charge	-	(99,334,073)	(3,738,591,563)	(1,554,375,500)	(100,037,806)	(108,166,321)	(5,600,505,263)
Closing net book value	73,055,766,900	4,753,919,114	78,633,089,671	41,500,145,330	817,005,965	601,884,477	199,361,811,457

	Freehold land	Buildings on freehold land	Feeders (up to 11 kv)	Grids and equipment	Vehicles	Furniture, fixtures and office equipment	Total
	RUPEES						
As at 30 June 2024							
Cost / revalued amount	73,055,766,900	5,892,152,562	117,192,625,090	53,972,648,002	1,830,775,420	1,491,547,798	253,435,515,772
Accumulated depreciation	-	(822,868,714)	(38,559,535,419)	(12,472,502,672)	(1,013,769,455)	(889,663,321)	(53,758,339,581)
Impairment loss	-	(315,364,734)	-	-	-	-	(315,364,734)
Net book value	73,055,766,900	4,753,919,114	78,633,089,671	41,500,145,330	817,005,965	601,884,477	199,361,811,457
Annual rate of depreciation (%)	-	2	3.5	3.5	10	10-33.33	

15.1.1 The property and rights in the above assets were transferred to the Company on 29 June 1998 by WAPDA in accordance with the terms and conditions of the Business Transfer Agreement (BTA) executed between WAPDA and the Company. The detail of these assets were finalized with WAPDA through a Supplementary Business Transfer Agreement (SBTA).

15.1.2 Title of freehold land valuing Rupees 46,632.473 million (2023: Rupees 18,505.226 million) is in the name of WAPDA and title of freehold land valuing of Rupees 17,915.008 million (2023: Rupees 9,256.935 million) has neither been transferred in the name of WAPDA nor in the name of the Company. The possession of freehold land amounting to Rupees 40.832 million (2023: 28 million) and buildings thereon amounting to Rupees 1.462 million (2023: Rupees 1.586 million) is not in control of the Company and with some other third parties, therefore, these assets are not revalued. Moreover, the operating fixed assets having book value of Rupees 353.747 million (2023: Rupees 686.971 million) has not been revalued due to certain inherent limitations.

15.1.3 On 01 March 2019 and on 20 May 2020, the Company entered into Authorization and Interest agreements with Power Holding Limited (PHL) and Meezan Bank Limited (MBL), in which Company authorized PHL to carry out "Certain Actions" in relation to Relevant Transaction Assets representing freehold land at all districts within the geographical area of the Company, having combined area of 4 646 kanals and 6 marlas amounting to Rupees 9,389.915 million. Certain Actions include selling the Relevant Transaction Assets to MBL and creating a security interest over the same for the purpose of enabling PHL to raise financing through the Sukuk issue. In addition to this agreement, PHL entered into an Asset Purchase Agreement with MBL for selling the Relevant Transaction Assets to MBL which include the freehold land of the Company and of other distribution and generation companies for a total purchase price of Rupees 200,000 million against which Sukuk certificates have been issued by PHL for a period of ten years. However, the Company holds the title of the transaction assets as title agent.

15.1.4 Forced sales value of freehold land was Rupees 62,063 million, buildings on freehold land was Rupees 3,844 million, feeders (up to 11 kv) was Rupees 70,768 million and grids and equipment was Rupees 35,162 million as per the valuation carried on 30 June 2024.

15.1.5 Operating fixed assets include assets having cost of Rupees 1,153.811 million (2023: Rupees 1,481.099 million) which are fully depreciated and still in use of the Company.

15.1.6 If the freehold land, buildings on freehold land, feeders (up to 11 kv), grids and equipment were measured using the cost model, the carrying amount would be as follows:

	Cost	Accumulated depreciation	Impairment loss	Net book value
	RUPEES			
Land - freehold	1,156,055,867	-	-	1,156,055,867
Building on freehold land	4,599,564,141	(995,750,317)	(315,364,734)	3,288,449,090
Feeders (up to 11 kv)	101,873,680,385	(32,712,901,326)	-	69,160,779,059
Grids and equipment	29,610,947,356	(9,743,920,962)	-	19,867,026,394
2024	137,240,247,749	(43,452,572,605)	(315,364,734)	93,472,310,410
2023	122,078,844,553	(39,435,314,173)	(453,912,940)	82,189,617,440

15.1.6.1 The assets having cost of Rupees 1,965.430 million (2023: Rupees 1,363.352 million) and accumulated depreciation of Rupees 618.474 million (2023: Rupees 420.326 million) were retired during the year.

		2024 RUPEES	2023 RUPEES
15.1.7	**Depreciation charge for the year has been allocated as follows:**		
	Distribution cost (Note 28)	5,428,189,408	4,915,904,094
	Administrative expenses (Note 29)	146,559,316	131,222,881
	Customer services costs (Note 30)	2,152,988	1,477,454
	Included in capital work-in-progress (Note 15.2.4)	23,603,551	32,149,834
		5,600,505,263	5,080,754,263
15.2	**Capital work in progress**		
	Civil works	139,581,506	230,404,780
	Distribution equipment (Note 15.2.1)	29,152,532,838	24,922,738,180
		29,292,114,344	25,153,142,960
	Cost of implementation of Enterprise Resource Planning	84,418,516	79,913,507
	Mobilization advance to suppliers / contractors	52,778,275	52,778,275
	Capital stores (Note 15.2.3)	1,991,924,859	536,056,071
		31,421,235,994	25,821,890,813
15.2.1	**Distribution equipment**		
	Materials	22,744,879,601	19,934,579,437
	Overheads	2,557,086,175	2,024,597,797
	Contract work	3,850,567,062	2,963,560,946
		29,152,532,838	24,922,738,180
15.2.2	**Movement in civil works and distribution equipment during the year:**		
	Balance as at 01 July	25,153,142,960	17,014,366,826
	Add: Additions during the year	14,687,191,157	18,915,781,616
		39,840,334,117	35,930,148,442
	Less:		
	Transferred to buildings on freehold land	515,050,280	468,500,386
	Transferred to feeders, grids and equipment	10,033,169,493	10,308,505,096
		10,548,219,773	10,777,005,482
	Balance as at 30 June	29,292,114,344	25,153,142,960

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

15.2.4 Depreciation capitalized related to capital work-in-progress was Rupees 23.604 million (2023: Rupees 32.150 million) as given in Note 15.1.7. Moreover operating expenses of Rupees 1,382.390 million (2023: Rupees 1,112.519 million) have also been included in capital work-in-progress as given in Note 28.

16. INTANGIBLE ASSETS

	2024 RUPEES	2023 RUPEES
Computer softwares		
Cost	213,570,873	213,570,873
Accumulated amortization	(212,202,548)	(211,733,408)
Net book value	1,368,325	1,837,465
Movement during the year		
Opening net book value	1,837,465	2,306,605
Amortization charge for the year (Note 29)	(469,140)	(469,140)
	1,368,325	1,837,465
Amortization rate (per annum)	20%	20%

16.1 Intangible assets having cost of Rupees 211.225 million (2023: Rupees 211.225 million) are fully amortised.

16.2 These include various modules of SAP ERP softwares.

		2024 RUPEES	2023 RUPEES
17.	**LONG TERM ADVANCES**		
	Considered good - secured		
	House building / purchase of plot	218,113,261	120,953,566
	Vehicles / motor cycles	7,597,476	2,359,996
		225,710,737	123,313,562
	Less: Current portion of long term advances (Note 21)	(30,094,765)	(18,775,830)
		195,615,972	104,537,732

17.1 These include advances given to executives amounting to Rupees 41.386 million (2023: Rupees 14.810 million). The maximum aggregate amount due from these executives at the end of any month during the year was Rupees 41.386 million (2023: Rupees 14.810 million).

17.2 All types of long term advances are repayable in ninety (90) instalments. As per Company's policy, interest is being charged @ 5% per annum. These are recoverable in equal monthly installments. These advances are secured by mortgage of immovable property and hypothecation of vehicles.

18. LONG TERM DEPOSITS

These represent security deposits with utility companies and an oil company against connections and fuel cards respectively.

19. STORES, SPARES AND LOOSE TOOLS

Stores, spares and loose tools	6,661,934,581	5,042,666,455
Less: Provision for slow moving and obsolete items of stores, spares and loose tools (Note 19.1)	(36,944,636)	(37,739,078)
	6,624,989,945	5,004,927,377

19.1 Provision for slow moving and obsolete items of stores, spares and loose tools

Balance as at 01 July	37,739,078	40,353,605
Less: Provision reversed during the year (Note 31)	794,442	2,614,527
Balance as at 30 June	36,944,636	37,739,078

20. TRADE DEBTS

Partially secured:		
Considered good (Note 20.1)	81,029,314,206	72,793,793,232
Less: Allowance for expected credit losses (Note 20.2)	4,913,507,442	4,314,242,176
	76,115,806,764	68,479,551,056

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

20.2 Allowance for expected credit losses

Balance as at 01 July	4,314,242,176	1,421,123,809
Add: Allowance for expected credit losses - net (Note 30)	599,265,266	2,893,118,367
Balance as at 30 June	4,913,507,442	4,314,242,176

20.2.1 The allowance for expected credit losses is made on net basis due to large number of consumers of the Company.

20.3 As at 30 June, ageing analysis of these trade debts is as follows:

Not past due yet	24,387,848,684	26,591,387,670
Due up to 1 year	10,217,548,241	5,131,800,462
1 year to 3 years	722,479,836	216,166,118
3 years and above	3,301,247,631	3,238,371,032
Balances due from Government	41,510,409,838	36,756,362,924
Deferred arrears	889,779,976	859,705,026
	81,029,314,206	72,793,793,232
Less: Allowance for expected credit losses	4,913,507,442	4,314,242,176
	76,115,806,764	68,479,551,056

		2024 RUPEES	2023 RUPEES
21.	**LOANS AND ADVANCES**		
	Considered good		
	Advances to suppliers	294,597,626	332,951,014
	Advances to employees against expenses	20,093,736	22,420,154
	Advances to employees for sports	2,241,600	90,000
	Current portion of long term advances (Note 17)	30,094,765	18,775,830
		347,027,727	374,236,998
22.	**OTHER RECEIVABLES**		
	Considered good		
	Duties, charges and taxes (Note 22.1)	-	-
	Sales tax and other taxes receivable from consumers	20,945,254,554	18,368,113,118
	Receivable against damaged items during warranty period	85,128,234	75,913,837
	Due from associated companies / undertakings (Note 22.2)	12,547,030,837	12,081,574,831
	Others (Note 22.3)	672,542,323	561,543,717
		34,249,955,948	31,087,145,503
22.1	**Duties, charges and taxes**		
	Receivables not yet realized:		
	Income tax	1,597,101,911	1,123,681,895
	Tariff rationalization surcharge (Note 22.1.2)	52,478,112	97,895,520
	Financing cost surcharge (Note 22.1.3)	7,595,976,004	7,241,961,207
	Electricity duty	613,067,360	417,222,262
	Equalization surcharge	1,404,576	1,406,342
	Extra / Further sales tax	1,400,185,697	992,608,002
	PTV license fee	96,419,034	86,994,578
	Neelum Jhelum surcharge	448,059,048	449,315,047
		11,804,691,742	10,411,084,853
	Payables not yet realized:		
	Income tax	1,597,101,911	1,123,681,895
	Tariff rationalization surcharge	52,478,112	97,895,520
	Financing cost surcharge	7,595,976,004	7,241,961,207
	Electricity duty	613,067,360	417,222,262
	Equalization surcharge	1,404,576	1,406,342
	Extra / Further sales tax	1,400,185,697	992,608,002
	PTV license fee	96,419,034	86,994,578
	Neelum Jhelum surcharge	448,059,048	449,315,047
		11,804,691,742	10,411,084,853
		-	-

22.1.1 These represent the amounts billed to the customers on behalf of the respective authorities and are receivable at year end which have been netted off against their respective payables.

22.1.2 This represents Tariff Rationalization Surcharge receivable from the consumers pursuant to S.R.O. 568(I)/2015, dated 10 June 2015 issued by the Power Division, Ministry of Energy, GoP. The amount of surcharge is to be kept in escrow account of CPPA-G for discharging of determined cost of power producers by the CPPA-G. During the financial year ended 30 June 2018, GoP revised the tariff rationalization surcharge rates for categories of electricity consumers of the Company.

22.1.3 This represents Financing Cost Surcharge receivable from the consumers pursuant to S.R.O. 03(I)/2019, dated 01 January 2019 issued by the Power Division, Ministry of Energy, GoP. The amount of surcharge is to be kept in escrow account of CPPA-G for exclusive use of discharging the financing cost of various loans obtained to discharge liabilities of power producers against the sovereign guarantees of the GoP.

		2024 RUPEES	2023 RUPEES
22.2	**Due from associated companies / undertakings**		
	Due on account of free electricity (Note 22.2.1)	1,580,064,420	1,181,523,901
	Due on account of pension (Note 22.2.2)	4,097,471,561	4,207,212,101
	Due on account of WAPDA welfare fund	481,518,020	485,730,091
	Due from NTDC on account of use of system charges	180,868,098	-
	Due on account of past service cost of GENCOs employees (Note 22.2.3)	889,298,591	889,298,591
	Due on account of past service cost of WAPDA employees (Note 22.2.4)	5,317,810,147	5,317,810,147
		12,547,030,837	12,081,574,831
22.2.1	**Due from associated companies on account of free electricity**		
	Water and Power Development Authority (WAPDA)	257,679,151	112,571,616
	National Transmission and Despatch Company Limited (NTDC)	195,214,975	65,237,152
	Islamabad Electric Supply Company Limited (IESCO)	213,313,531	197,331,464
	Peshawar Electric Supply Company Limited (PESCO)	-	67,803,555
	Gujranwala Electric Power Company Limited (GEPCO)	55,857,057	43,598,382
	Quetta Electric Supply Company Limited (QESCO)	36,574,752	30,439,460
	Hyderabad Electric Supply Company Limited (HESCO)	11,955,819	1,596,998
	Tribal Areas Electric Supply Company Limited (TESCO)	2,337,832	1,742,078
	Jamshoro Power Company Limited (GENCO-I)	1,844,493	1,503,128
	Central Power Generation Company Limited (GENCO-II)	31,245,178	13,780,616
	Northern Power Generation Company Limited (GENCO-III)	693,918,290	582,015,592
	Multan Electric Power Company Limited (MEPCO)	75,893,998	58,686,256
	Lakhra Power Generation Company Limited (GENCO-IV)	2,399,805	2,305,683
	Power Planning and Monitoring Company (PPMC)	1,829,539	2,911,921
		1,580,064,420	1,181,523,901
22.2.2	**Due from associated companies / undertakings on account of pension**		
	Water and Power Development Authority (WAPDA) (Note 22.2.2.1)	2,925,412,829	2,925,412,829
	National Transmission and Dispatch Company Limited (NTDC)	567,629,319	577,053,176
	Islamabad Electric Supply Company Limited (IESCO)	77,581,198	166,569,095
	Gujranwala Electric Power Company Limited (GEPCO)	80,021,771	47,960,462
	Quetta Electric Supply Company Limited (QESCO)	44,206,091	40,732,968
	Hyderabad Electric Supply Company Limited (HESCO)	33,642,642	15,868,665
	Tribal Areas Electric Supply Company Limited (TESCO)	359,815	301,591
	Sukkur Electric Power Company Limited (SEPCO)	47,156,085	35,992,802
	Multan Electric Power Company Limited (MEPCO)	193,788,658	83,425,353
	Jamshoro Power Company Limited (GENCO-I)	1,238,140	1,628,314
	Central Power Generation Company Limited (GENCO-II)	19,991,730	12,984,608
	Northern Power Generation Company Limited (GENCO-III)	106,443,283	299,282,238
		4,097,471,561	4,207,212,101

22.2.2.1 This includes receivable from WAPDA amounting to Rupees 1,100 million (2023: Rupees 1,100 million) on account of monthly pension payments to retired WAPDA employees who retired on or before 30 June 1998 (ex-WAPDA pensioners). The settlement of the receivable has been contested between the Company and PEPCO now PPMC since 2009, and upon a request raised by PEPCO now PPMC in the past, the Power Division, Ministry of Energy, GoP referred the matter to NEPRA. NEPRA in its tariff determination dated 10 March 2015 has decided that above amount is receivable from the WAPDA.

22.2.3	**Due from associated companies on account of past service cost**		
	Jamshoro Power Company Limited (GENCO-I)	49,068,192	49,068,192
	Central Power Generation Company Limited (GENCO-II)	232,027,525	232,027,525
	Northern Power Generation Company Limited (GENCO-III)	581,548,073	581,548,073
	Lakhra Power Generation Company Limited (GENCO-IV)	26,654,801	26,654,801
		889,298,591	889,298,591

22.2.3.1 This represents the balance receivable from GENCOs on account of the past service cost of certain employees related to GENCOs before October 2021 retired from time to time. Related staff retirement benefits are disclosed in Note 7.1.

22.2.4 This represents the balance receivable from WAPDA on account of the past service cost relating to years 2015 and 2016 related to employees of WAPDA retired before July 1998.

22.2.5 The ageing analysis of amounts due from associated companies / undertakings is as follows:

	2024 RUPEES	2023 RUPEES
Upto 6 months	752,873,138	1,469,281,445
6 months to 1 year	1,548,107,013	574,776,890
1 year to 3 years	861,738,484	865,325,403
3 years and above	9,384,319,392	9,172,191,094
	12,547,038,027	12,081,574,832

22.2.6 The maximum aggregate amount due from National Transmission and Despatch Company Limited (NTDC) with respect to balances mentioned in Note 22.2.1 and Note 22.2.2 and due on account of use of system charges, at the end of any month during the year was Rupees 3,474.113 million (2023: Rupees 1,085.543 million).

22.2.7 The maximum aggregate amount due from Islamabad Electric Supply Company Limited (IESCO) with respect to balances mentioned in Note 22.2.1 and Note 22.2.2, at the end of any month during the year was Rupees 407.537 million (2023: Rupees 423.384 million).

22.2.8 The maximum aggregate amount due from Peshawar Electric Supply Company Limited (PESCO) with respect to balance mentioned in Note 22.2.1, at the end of any month during the year was Rupees 8.626 million (2023: Rupees 85.838 million).

22.2.9 The maximum aggregate amount due from Gujranwala Electric Power Company Limited (GEPCO) with respect to balances mentioned in Note 22.2.1 and Note 22.2.2, at the end of any month during the year was Rupees 137.129 million (2023: Rupees 190.544 million).

22.2.10 The maximum aggregate amount due from Quetta Electric Supply Company Limited (QESCO) with respect to balances mentioned in Note 22.2.1 and Note 22.2.2, at the end of any month during the year was Rupees 85.576 million (2023: Rupees 71.172 million).

22.2.11 The maximum aggregate amount due from Hyderabad Electric Supply Company Limited (HESCO) with respect to balances mentioned in Note 22.2.1 and Note 22.2.2, at the end of any month during the year was Rupees 45.598 million (2023: Rupees 19.338 million).

22.2.12 The maximum aggregate amount due from Tribal Areas Electric Supply Company Limited (TESCO) with respect to balances mentioned in Note 22.2.1 and Note 22.2.2, at the end of any month during the year was Rupees 2.698 million (2023: Rupees 2.056 million).

22.2.13 The maximum aggregate amount due from Northern Power Generation Company Limited (GENCO-III) with respect to balances mentioned in Note 22.2.1, Note 22.2.2 and Note 22.2.3 at the end of any month during the year was Rupees 1,435.465 million (2023: Rupees 1,571.867 million).

22.2.14 The maximum aggregate amount due from Central Power Generation Company Limited (GENCO-II) with respect to balances mentioned in Note 22.2.1, Note 22.2.2 and Note 22.2.3 at the end of any month during the year was Rupees 283.264 million (2023: Rupees 293.666 million).

22.2.15 The maximum aggregate amount due from Lakhra Power Generation Company Limited (GENCO-IV) with respect to balances mentioned in Note 22.2.1 and Note 22.2.3 at the end of any month during the year was Rupees 29.055 million (2023: Rupees 31.659 million).

22.2.16 The maximum aggregate amount due from Jamshoro Power Company Limited (GENCO-I) with respect to balances mentioned in Note 22.2.1, Note 22.2.2 and Note 22.2.3 at the end of any month during the year was Rupees 52.611 million (2023: Rupees 56.488 million).

22.2.17 The maximum aggregate amount due from Sukkur Electric Power Company Limited (SEPCO) with respect to balance mentioned in Note 22.2.2, at the end of any month during the year was Rupees 42.343 million (2023: Rupees 35.992 million).

22.2.18 The maximum aggregate amount due from Multan Electric Power Company Limited (MEPCO) with respect to balances mentioned in Note 22.2.1 and Note 22.2.2, at the end of any month during the year was Rupees 286.785 million (2023: Rupees 336.317 million).

22.2.19 The maximum aggregate amount due from Water and Power Development Authority (WAPDA) with respect to balance mentioned in Note 22.2.1, Note 22.2.2 and Note 22.2.4, at the end of any month during the year was Rupees 8,500.902 million (2023: Rupees 8,243.223 million).

22.2.20 The maximum aggregate amount due from Power Planning and Monitoring Company (PPMC) with respect to balance mentioned in Note 22.2.1, at the end of any month during the year was Rupees 2.284 million (2023: Rupees 3.468 million).

22.2.21 The maximum aggregate amount due from Water and Power Development Authority (WAPDA) welfare fund at the end of any month during the year was Rupees 481.518 million (2023: Rupees 485.73 million).

22.3 These include an amount of Rupees 11.812 million (2023: Rupees 13.004 million) receivable from employees against shortage and theft.

		2024 RUPEES	2023 RUPEES Restated
23.	**RECEIVABLE FROM GOVERNMENT OF PAKISTAN**		
	Balance as at 01 July	17,667,313,520	15,024,345,706
	Tariff differential and other subsidies recognized during the year (Note 23.1)	26,248,959,848	50,989,974,775
	Adjusted against tariff rationalization surcharge and credit notes received from CPPA-G	(29,059,982,608)	(48,347,006,961)
	Balance as at 30 June	14,856,290,760	17,667,313,520

23.1 These represent the tariff subsidies claimed from the Government of Pakistan as the difference between rates determined by NEPRA and rates charged to the consumers as notified by the Government of Pakistan from time to time.

		2024 RUPEES	2023 RUPEES
24.	**CASH AND BANK BALANCES**		
	Cash in transit (Note 24.1)	581,455,001	362,464,440
	Cash with banks on:		
	Current accounts	2,096,037,314	1,572,926,669
	Deposit accounts (Note 24.2 and Note 24.3)	2,573,647,213	4,478,453,249
	Term Deposit Receipts (TDRs) (Note 24.4 and Note 24.5)	17,500,000,000	19,000,000,000
		22,169,684,527	25,051,379,918
		22,751,139,528	25,413,844,358

24.1 This represents cash transmitted by National Database and Registration Authority (NADRA) against collection of consumer bills but not received by the Company at reporting date.

24.2 These carry profit ranging from 19.25% to 21.50% (2023: 12.25% to 21.00%) per annum.

24.3 These include an amount of Rupees 61.054 million (2023: Rupees 122.238 million) kept in separate bank accounts relating to customers' security deposits.

24.4 These represent term deposits receipts placed with different banks having maturity of three months (2023: three months) at profit rates ranging from 20.30% to 22.00% (2023: 15.25% to 21.00%) per annum.

24.5 Term deposit receipts (TDRs) include an amount of Rupees 13,125 million (2023: Rupees 12,150 million) relating to customers' security deposits. The profit earned on the TDRs related to consumers' security deposits is also included therein.

		2024 RUPEES	2023 RUPEES Restated
25.	**SALE OF ELECTRICITY - NET**		
	Gross sales	536,704,318,748	404,030,288,949
	Less: Sales tax	101,929,435,515	74,156,023,131
		434,774,883,233	329,874,265,818

25.1 Electricity sales include Rupees 15,828.933 million (2023: Rupees 8,210.298 million) on account of electricity bills for the month of June 2024 billed to consumers in July 2024.

25.2 During the year, the Company sold 14 190.948 million (2023: 14 662.682 million) KWH electricity units to the consumers in different tariff categories.

25.3 Revenue is recognized at point in time when the electricity units are consumed by the customers.

26. TARIFF DIFFERENTIAL SUBSIDIES

These represent the tariff subsidies claimed from the Government of Pakistan as the difference between rates determined by NEPRA and rates charged to the consumers as notified by the Government of Pakistan from time to time.

27. COST OF ELECTRICITY

27.1 The Company purchased electricity from CPPA-G. The electricity purchased during the year has been accounted for according to invoices issued by CPPA-G and adjusted in accordance with monthly fuel price adjustment determined and notified by NEPRA. The average rate for the year was Rupees 27.16 per KWH (2023: Rupees 22.48 per KWH).

27.2 This includes supplemental charges of Rupees 5,729.197 million (2023: Rupees 2,681.814 million) passed on the Company, which comprise re-allocation of mark-up on late payments imposed by Independent Power Producers (IPPs) to CPPA-G on the basis of average outstanding balance.

28. DISTRIBUTION COST

	2024 RUPEES	2023 RUPEES
Salaries, wages and other benefits (Note 28.1)	27,362,455,523	22,682,962,544
Depreciation (Note 15.1.7)	5,428,189,408	4,915,904,094
Repair and maintenance	649,373,395	675,671,237
Rent, rates and taxes (Note 28.2)	30,832,398	22,304,377
Telephone and postage	24,469,363	21,613,410
Power, light and water	78,499,906	57,442,296
Office supplies and other expenses	30,619,713	23,769,671
Travelling and conveyance	410,623,531	289,488,271
Legal and professional	23,330,728	19,227,778
Transportation	683,006,776	531,222,205
Workers' profit participation fund	276,803,780	-
Other charges / expenses	123,040,155	95,647,594
	35,121,244,676	29,335,253,477
Less: Charged to capital work-in-progress (Note 15.2.4)	(1,382,390,234)	(1,112,519,134)
	33,738,854,442	28,222,734,343

28.1 Salaries, wages and other benefits include staff retirement benefits amounting to Rupees 16,774.327 million (2023: Rupees 12,897.572 million).

28.2 These include Rupees 30.736 million (2023: Rupees 22.118 million) in respect of short term leases.

29. ADMINISTRATIVE EXPENSES

Salaries, wages and other benefits (Note 29.1)	4,436,557,094	3,317,258,185
Directors' meeting fee	57,942,986	40,404,864
Depreciation (Note 15.1.7)	146,559,316	131,222,881
Amortization (Note 16)	469,140	469,140
Repair and maintenance	121,465,534	112,339,168
Rent, rates and taxes (Note 29.2)	724,015	909,981
Power, light and water	86,031,321	75,202,650
Office supplies and other expenses	318,820,400	281,200,904
Travelling and conveyance	109,103,635	75,119,069
Legal and professional	295,366,881	187,632,542
Auditor's remuneration (Note 29.3)	2,283,333	2,283,333
Transportation	172,898,764	133,035,582
Management fees	136,405,482	143,861,748
Telephone and postage	20,346,894	17,301,816
Insurance	3,183,248	3,183,248
Advertisement	17,178,873	14,756,867
Workers' profit participation fund	38,537,489	-
Other charges	20,375,684	12,726,605
	5,984,250,089	4,548,908,583

29.1 Salaries, wages and other benefits include staff retirement benefits amounting to Rupees 2,335.374 million (2023: Rupees 1,822.252 million).

29.2 These include Rupees 0.684 million (2023: Rupees 0.880 million) in respect of short term leases.

		2024 RUPEES	2023 RUPEES
29.3	**Auditor's remuneration**		
	Audit fee	1,950,000	1,950,000
	Reimbursable expenses	333,333	333,333
		2,283,333	2,283,333
30.	**CUSTOMER SERVICES COSTS**		
	Salaries, wages and other benefits (Note 30.1)	3,575,551,448	2,873,412,081
	Depreciation (Note 15.1.7)	2,152,988	1,477,454
	Electricity bills collection charges	410,967,628	386,264,606
	Travelling and conveyance	38,589,646	28,225,900
	Repair and maintenance	1,363,357	898,635
	Rent, rates and taxes (Note 30.2)	2,453,540	1,920,546
	Telephone and postage	3,278,723	2,766,077
	Power, light and water	10,603,649	7,485,782
	Office supplies and other expenses	12,966,313	17,467,698
	Transportation	5,852,836	4,168,095
	Allowance for expected credit losses (Note 20.2)	599,265,266	2,893,118,367
	Workers' profit participation fund	20,389,653	-
	Other charges	730,239	546,490
		4,684,165,286	6,217,751,731

30.1 Salaries, wages and other benefits include staff retirement benefits amounting to Rupees 1,235.614 million (2023: Rupees 930.916 million).

30.2 These include Rupees 2.454 million (2023: Rupees 1.921 million) in respect of short term leases.

31.	**OTHER INCOME**		
	Income from financial assets		
	Profit on bank deposits and term deposit receipts	5,118,178,256	4,385,376,815
	Late payment surcharge	5,729,196,621	3,887,085,187
		10,847,374,877	8,272,462,002
	Income from non-financial assets		
	Gain on installation of new connection	733,333,557	317,649,895
	Repair, testing and inspection fee	52,978,806	81,622,328
	Recovery of late delivery charges	257,312,380	40,038,673
	Reversal of provision for slow moving and obsolete stores, spares and loose tools (Note 19.1)	794,442	2,614,527
	Meter / service rent	55,158,068	58,760,966
	Reconnection fees	86,869,371	51,060,027
	Excess deposit work receipts / credit balances written back	81,517,098	154,330,251
	Service charges on collection of PTV license fee and electricity duty	194,851,784	163,469,361
	Company's colonies quarter rent	10,043,020	10,240,263
	Reversal of impairment loss	138,548,206	-
	Miscellaneous	308,663,754	202,209,629
		1,920,070,486	1,081,995,920
		12,767,445,363	9,354,457,922
32.	**FINANCE COST**		
	Mark-up on long term financing	879,586,866	879,586,866
	Bank charges and commission	2,709,358	2,830,941
		882,296,224	882,417,807
33.	**LEVY**		
	Current - for the year (Note 33.1)	5,677,787,261	4,143,741,319

33.1 Levy represents minimum tax on turnover and tax on other income under relevant provisions of the Income Tax Ordinance, 2001. However tariff differential subsidy from Government of Pakistan is excluded from turnover of the Company as it constitutes exempt income.

34.	**TAXATION**		
	Current:		
	- for the year (Note 34.1)	2,329,981	2,375,741
	- for prior year	(2,003,279)	2,239,180
		326,702	4,614,921
	Deferred (Note 11)	(297,517,972)	(287,577,924)
		(297,191,270)	(282,963,003)

34.1 Provision for current taxation represents tax on other income under relevant provisions of the Income Tax Ordinance, 2001.

34.2 Tax losses available for carry forward as at 30 June 2024 are of Rupees 342,339.303 million (2023: Rupees 370,468.129 million). The tax losses related to unabsorbed tax depreciation are of Rupees 83,010.482 million and business losses are of Rupees 257,918 million. Total minimum tax available for carry forward under section 113 and other provisions of the Income Tax Ordinance, 2001 as at 30 June 2024 is of Rupees 18,557.025 million. Reconciliation of levy and tax expenses and product of accounting profit multiplied by the applicable tax rate is not presented in view of unused tax losses of the Company. The Company has not recognized deferred income tax assets in respect of above losses and minimum tax available for carry forward as sufficient taxable profits would not be available to utilize these in the foreseeable future and would expire as follows:

Accounting year to which the unused tax losses relates	Amount of unused tax losses	Accounting year in which unused tax losses will expire
	RUPEES	
2024	22,336,028,850	2030
2023	52,897,911,364	2029
2022	54,676,880,923	2028
2021	34,306,907,236	2027
2020	47,626,672,008	2026
2019	46,073,599,598	2025
	257,917,999,979	

Accounting year to which the minimum tax relates	Amount of minimum tax	Accounting year in which minimum tax will expire
	RUPEES	
2024	5,677,787,261	2027
2023	4,143,741,319	2026
2022	3,542,344,092	2025
2021	2,638,704,514	2026
2020	2,554,447,641	2025
	18,557,024,827	

		2024 RUPEES	2023 RUPEES
34.3	**Taxation and levy payable - net**		
	Advance income tax - net		
	Provision for taxation (Note 34)	2,329,981	2,375,741
	Advance income tax	(5,324,210,083)	(3,622,246,680)
		(5,321,880,102)	(3,619,870,939)
	Levy payable - net		
	Levy payable (Note 33)	5,677,787,261	4,143,741,319
	Prepaid levy	-	-
		5,677,787,261	4,143,741,319
		355,907,159	523,870,380

		2024 RUPEES	2023 RUPEES Restated
35.	**CASH GENERATED FROM OPERATIONS**		
	Profit / (loss) before taxation and levy	6,378,887,525	(8,045,737,153)
	Adjustments for non-cash charges and other items:		
	Depreciation	5,576,901,712	5,048,604,429
	Amortization of intangible assets	469,140	469,140
	Reversal of impairment loss	(138,548,206)	-
	Provision for staff retirement benefits	20,345,315,698	16,540,038,952
	Amortization of deferred credit	(2,465,354,289)	(2,206,904,646)
	Finance cost	882,296,224	882,417,807
	Allowance for expected credit losses	599,265,266	2,893,118,367
	Profit on bank deposits and term deposit receipts	(5,118,178,256)	(4,385,376,815)
	Excess deposit work receipts written back / credit balances written back	(81,517,098)	(154,330,251)
	Reversal of provision for slow moving, obsolete items of stores, spares and loose tools	(794,442)	(2,614,527)
	Non-cash settlement against deposit for shares	4,097,964,454	7,077,960,978
	Provision for workers' profit participation fund	335,730,922	-
	Working capital changes (Note 35.1)	(3,582,449,083)	1,486,130,254
		26,829,989,567	19,133,776,535

		2024 RUPEES	2023 RUPEES
35.1	**Working capital changes**		
	(Increase) / decrease in current assets:		
	Stores, spares and loose tools	(1,619,268,126)	(1,636,075,926)
	Trade debts	(8,235,520,974)	11,271,477,393
	Loans and advances	38,528,206	(295,947,707)
	Receivable from Government of Pakistan	2,811,022,760	(2,642,967,814)
	Other receivables	(3,162,810,445)	(5,551,956,435)
	Sales tax receivable	(209,506,260)	330,186,428
		(10,377,554,839)	1,474,715,939
	Increase in trade and other payables	6,795,105,756	11,414,315
		(3,582,449,083)	1,486,130,254

35.2 Reconciliation of movement of liabilities to cash flows arising from financing activities:

	2024			
	Long term financing	Long term security deposits	Receipt against deposit works and deferred credit	Total
	RUPEES			
Balance as at 01 July 2023	5,541,279,779	11,915,862,061	61,110,225,193	78,567,367,033
Security deposits - net	-	1,031,033,034	-	1,031,033,034
Receipts against deposit work - net	-	-	7,022,624,990	7,022,624,990
Amortization of deferred credit	-	-	(2,465,354,289)	(2,465,354,289)
Balance as at 30 June 2024	5,541,279,779	12,946,895,095	65,667,495,894	84,155,670,768

	2023			
	Long term financing	Long term security deposits	Receipt against deposit works and deferred credit	Total
	RUPEES			
Balance as at 01 July 2022	5,541,279,779	10,963,989,417	53,294,513,252	69,799,782,448
Security deposits - net	-	951,872,644	-	951,872,644
Receipts against deposit work - net	-	-	10,022,616,587	10,022,616,587
Amortization of deferred credit	-	-	(2,206,904,646)	(2,206,904,646)
Balance as at 30 June 2023	5,541,279,779	11,915,862,061	61,110,225,193	78,567,367,033

36. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise Government of Pakistan, associated companies / undertakings, other related parties and key management personnel. The Company in the normal course of business carries out transactions with various related parties at mutually agreed terms and conditions. Detail of transactions with related parties, other than those which have been disclosed elsewhere in these financial statements, are as follows:

Name of related party	Nature of transactions	2024 RUPEES	2023 RUPEES Restated
Government of Pakistan			
Economic Affairs Division Ministry of Finance	Finance cost	879,586,866	879,586,866
	Subsidies from GoP accrued	26,248,959,848	51,244,289,375
	Non-cash adjustment of deposit for shares	(4,097,964,454)	(7,077,960,978)
Associated companies / undertakings			
National Electric Power Regulatory Authority	Fee paid to NEPRA	136,405,482	132,661,748
National Transmission and Despatch Company Limited	Use of system charges	22,051,933,506	20,786,040,127
	Settlement against use of system charges	3,618,171,044	1,547,886,105
	Free supply of electricity provided to employees of associated company	129,977,822	65,869,076
	Pension paid to employees of associated company	465,337,253	414,370,952
Central Power Purchasing Agency (Guarantee) Limited	Purchase of electricity	424,588,189,167	360,599,527,850
	Financing cost surcharge	33,114,176,089	9,154,125,107
Northern Power Generation Company Limited	Free supply of electricity provided to employees of associated company	119,902,699	30,698,636
	Pension paid to employees of associated company	413,067,474	379,668,093
Water and Power Development Authority	Free supply of electricity provided to employees of associated company	205,966,591	118,687,419
Islamabad Electric Supply Company Limited	Free supply of electricity provided to employees of associated company	28,553,919	21,615,555
	Free supply of electricity received by employees of the Company from associated company	12,571,853	9,046,629
	Pension paid to employees of associated company	131,443,566	110,704,153
	Pension received by employees of the Company from associated company	50,431,463	47,562,579
	Sale of material	24,500,000	19,650,000
	Purchase of material	24,500,000	19,650,000
Peshawar Electric Supply Company Limited	Free supply of electricity provided to employees of associated company	101,092,473	18,977,631
	Free supply of electricity received by employees of the Company from associated company	186,729,694	36,782,820
	Pension paid to employees of associated company	18,456,793	20,112,037
	Pension received by employees of the Company from associated company	66,246,528	51,121,454

Name of related party	Nature of transactions	2024 RUPEES	2023 RUPEES
Gujranwala Electric Power Company Limited	Free supply of electricity provided to employees of associated company	19,173,776	12,295,680
	Free supply of electricity received by employees of the Company from associated company	6,915,101	6,080,046
	Pension paid to employees of associated company	71,928,638	65,266,467
	Pension received by employees of the Company from associated company	39,867,329	45,953,769
	Sale of material	800,000	88,765,000
	Purchase of material	120,831,000	168,888,030
Quetta Electric Supply Company Limited	Free supply of electricity provided to employees of associated company	6,896,115	4,927,109
	Free supply of electricity received by employees of the Company from associated company	760,823	492,506
	Pension paid to employees of associated company	32,867,299	28,679,802
	Pension received by employees of the Company from associated company	3,944,332	1,985,977
	Sale of material	100,812,000	39,613,500
	Purchase of material	106,134,000	62,809,886
Central Power Generation Company Limited	Free supply of electricity provided to employees of associated company	17,464,562	2,641,185
	Pension paid to employees of associated company	25,671,823	34,878,289
Hyderabad Electric Supply Company Limited	Free supply of electricity provided to employees of associated company	11,497,483	877,463
	Free supply of electricity received by employees of the Company from associated company	1,138,662	1,567,133
	Pension paid to employees of associated company	19,074,299	20,398,082
	Pension received by employees of the Company from associated company	1,300,322	2,511,440
	Sale of material	24,455,620	-
	Purchase of material	53,660,000	23,000,000
Lakhra Power Generation Company Limited	Free supply of electricity provided to employees of associated company	94,122	65,330
	Pension paid to employees of associated company	-	1,368,542
Tribal Areas Electric Supply Company Limited	Free supply of electricity provided to employees of associated company	595,754	252,885
	Pension paid to employees of associated company	215,867	192,600
Jamshoro Power Company Limited	Free supply of electricity provided to employees of associated company	341,365	719,884
	Pension paid to employees of associated company	3,982,635	5,907,697
Sukkur Electric Power Company Limited	Free supply of electricity provided to employees of associated company	923,262	585,911
	Free supply of electricity received by employees of the Company from associated company	2,324,130	2,066,909
	Pension paid to employees of associated company	11,725,639	10,643,705

Name of related party	Nature of transactions	2024 RUPEES	2023 RUPEES
Lahore Electric Supply Company Limited	Free supply of electricity provided to employees of associated company	66,351,676	37,577,782
	Free supply of electricity received by employees of the Company from associated company	45,608,233	10,230,634
	Pension paid to employees of associated company	118,519,182	105,412,732
	Pension received by employees of the Company from associated companies	151,233,794	110,460,362
	Sale of material	-	29,626,200
	Purchase of material	-	81,442,000
Multan Electric Power Company Limited	Free supply of electricity provided to employees of associated company	37,588,091	23,589,527
	Free supply of electricity received by employees of the Company from associated company	20,380,350	10,986,793
	Pension paid to employees of associated company	185,095,678	157,288,382
	Pension received by employees of the Company from associated company	32,252,778	29,988,925
	Sale of material	71,180,500	245,219,100
	Purchase of material	71,180,500	20,971,130
Power Planning and Monitoring Company (Private) Limited (PPMC)	Management fee	-	11,200,000
Power Information Technology Company (Private) Limited	Consultancy fee and software license fee	140,027,682	92,784,907
Other related parties			
FESCO Employees Pension Fund Trust	Contribution Paid	6,076,000,000	3,913,000,000

36.1 The Company and the above mentioned companies / undertakings are under common control of GoP with the Ministry of Water and Power. While Government of Pakistan is the sovereign authority over all these companies / undertakings.

36.2 Detail of compensation to key management personnel comprising of Chief Executive officer, directors and executives is disclosed in Note 37.

37. REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

The aggregate amount charged in the financial statements for remuneration, including all benefits to the Chief Executive Officer, directors and executives of the Company is as follows:

	2024	2023	2024	2023
	Chief Executive Officer		Executives	
	----------	----------	RUPEES ----------	----------
Basic salary	2,577,039	3,376,300	360,039,264	313,818,406
Conveyance allowance & transport subsidy	268,790	300,000	13,176,000	10,246,169
Honorarium / bonus	-	384,450	-	16,557,706
Utilities and other benefits	5,868,323	4,312,117	550,033,504	211,380,491
Travelling and daily allowance	1,148,940	1,427,439	66,450,550	31,452,274
	9,863,092	9,800,306	989,699,318	583,455,046
Number of persons	1	1	209	185

37.1 The Chief Executive Officer is provided with the Company's maintained vehicles, free electricity and other utilities. Further, most of the executives of the Company have been provided with the Company's maintained vehicles and unfurnished accommodation according to the Company's policy, while free electricity has been provided to all executives.

37.2 Aggregate amount charged in the financial statements for meeting fee to 13 (2023: 14) directors including Chief Executive Officer (CEO) was Rupees 57.943 million (2023: Rupees 40.405 million).

37.3 No remuneration other than meeting fee was paid to any Director of the Company.

38. NUMBER OF EMPLOYEES

	2024	2023
Number of employees as on 30 June	13 310	13 117
Average number of employees during the year	13 214	13 354

39. ENTITY - WIDE INFORMATION

The Company's main revenue generation is from sale of electricity. The Company does not hold non-current assets in any foreign country. The Company revenue earned from large mix of customers.

40. FINANCIAL RISK MANAGEMENT

40.1 Financial risk factors

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

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

(a) Market risk

Market risk is the risk that changes in market process, such as currency risk, interest rate risk and other price risk which affect the Company's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing returns.

i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions, or receivables and payables that exist due to transactions in foreign currencies. The Company has no receivable / payable balance in foreign currency as at 30 June 2024 (2023: Nil).

ii) Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is not exposed to other price risk.

iii) Interest rate risk

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

The Company's interest rate risk arises from long term financing, long term advances, bank balances in saving accounts and term deposit receipts. Financial instruments at variable rates expose the Company to cash flow interest rate risk. Financial instruments at fixed rate expose the Company to fair value interest rate risk.

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

	2024 RUPEES	2023 RUPEES
Fixed rate instruments		
Financial assets		
Long term advances	225,710,737	123,313,562
Term deposit receipts	17,500,000,000	19,000,000,000
Financial liabilities		
Long term financing	5,541,279,779	5,541,279,779

	2024 RUPEES	2023 RUPEES
Floating rate instruments		
Financial assets		
Bank balances - deposit accounts	2,573,647,213	4,478,453,249

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the reporting date would not affect profit or loss of the Company.

Cash flow sensitivity analysis for variable rate instruments

If interest rates, at the year end date, fluctuates by 1% higher / lower with all other variables held constant, profit / (loss) after taxation for the year would have been Rupees 24.450 million higher / lower (2023: Rupees 44.785 million lower / higher), mainly as a result of higher / lower interest income on floating rate financial instruments. This analysis is prepared assuming amounts of financial instruments outstanding at reporting date were outstanding for the whole year.

(b) Credit risk

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

Trade debts	76,115,806,764	68,479,551,056
Loans and advances	225,710,737	123,313,562
Accrued interest	777,893,915	870,546,283
Deposits	52,753,706	40,553,756
Other receivables	34,249,955,948	31,087,145,503
Bank balances	22,169,684,527	25,051,379,918
	133,591,805,597	125,652,490,078

To manage exposure to credit risk in respect of trade debts, management takes into account the long standing business relationships with these counterparties, and after giving due consideration to their strong financial standing, including obtaining security deposits from them, the management does not expect non-performance by these counter parties on their obligations to the Company. Accordingly, credit risk is minimal. The Company's electricity is sold to industrial, commercial and residential consumers and government organizations. Due to large number and diversity of its consumer base, concentration of credit risk with respect to trade debts is limited. Additionally other receivables mainly includes receivables from related parties (Government owned entities). Therefore, management has assessed that there is no impairment loss in respect of these balances and these are recoverable in full.

The Company applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade debts. Management uses actual historical credit loss experience, credit risk characteristics and past days due, adjusted for forward-looking factors specific to the debtors and the economic environment to determine expected credit loss allowance.

Based on the past experience and deliberations management has recognized expected credit losses in respect of trade debts as given in Note 20.3 to the financial statements.

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

	Rating			2024	2023
	Short term	Long term	Agency	----------RUPEES----------	
Banks					
National Bank of Pakistan	A1+	AAA	PACRA	3,675,735,758	524,004,343
Sindh Bank Limited	A-1+	AA-	VIS	29,492	17,158
The Bank of Khyber	A-1	A+	VIS	4,460	7,306
The Bank of Punjab	A1+	AA+	PACRA	3,577,452,106	130,547,846
Zarai Taraqiati Bank Limited	A-1+	AAA	VIS	32,952,678	4,673,514,661
Allied Bank Limited	A1+	AAA	PACRA	191,475,714	295,679,890
Askari Bank Limited	A1+	AA+	PACRA	576,978	3,801,709,865
Bank Alfalah Limited	A1+	AAA	PACRA	30,892,558	4,438,115,237
Faysal Bank Limited	A1+	AA	PACRA	3,504,187,648	3,800,862,386
Habib Bank Limited	A-1+	AAA	VIS	153,338,605	250,264,502
JS Bank Limited	A1+	AA	PACRA	3,501,047,306	3,823,062,695
MCB Bank Limited	A1+	AAA	PACRA	533,593	374,385,896
Telenor Microfinance Bank Limited	A1	A	PACRA	81,460,629	58,179,172
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	17,395	17,411
United Bank Limited	A-1+	AAA	VIS	122,553,539	100,695,686
Bank AL Habib Limited	A1+	AAA	PACRA	1,308,785,140	1,363,248,574
Samba Bank Limited	A1	AA	PACRA	11,672	11,672
Dubai Islamic Bank Pakistan Limited	A-1+	AA	VIS	117,663	625,618
Meezan Bank Limited	A-1+	AAA	VIS	417,400	403,141
BankIslami Pakistan Limited	A1	AA-	PACRA	203,247	31,192
Soneri Bank Limited	A1+	AA-	PACRA	3,769,409,033	297,636,314
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	152,754	16,521
AlBaraka Bank (Pakistan) Limited	A-1	A+	VIS	575,079,990	730,341
Bank Makramah Limited	Suspended		VIS	41,385	597
The Punjab Provincial Co-operative Bank Limited	A2	BBB+	PACRA	54,369,907	7,781,621
Receivable from General Post Office (GPO)*	N/A	N/A	N/A	1,588,837,877	1,109,830,273
				22,169,684,527	25,051,379,918

* As Pakistan Post Office is not a bank, therefore no credit rating is available.

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

(c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with its financial liabilities. The Company's approach for managing liquidity is to ensure, as far as possible, that it will always have sufficient funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. For this purpose financial support is available to the Company from Federal Government. Further, liquidity position of the Company is closely monitored through budgets, cash flow projections and comparison with actual results by the Board.

Following are the contractual maturities of financial liabilities as at 30 June 2024:

	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-3 years	More than 3 years
	---RUPEES---					
Non-derivative financial liabilities:						
Long term financing	5,541,279,779	14,682,293,436	8,912,689,774	350,975,088	1,305,842,146	4,112,786,428
Long term security deposits	12,946,895,095	12,946,895,095	-	-	-	12,946,895,095
Trade and other payables	94,188,328,275	94,188,328,275	94,188,328,275	-	-	-
Accrued mark-up	6,111,094,688	6,111,094,688	6,111,094,688	-	-	-
	118,787,597,837	127,928,611,494	109,212,112,737	350,975,088	1,305,842,146	17,059,681,523

Following are the contractual maturities of financial liabilities as at 30 June 2023:

	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-3 years	More than 3 years
	---RUPEES---					
Non-derivative financial liabilities:						
Long term financing	5,541,279,779	14,246,748,391	7,745,777,089	370,586,730	1,384,288,712	4,746,095,860
Long term security deposits	11,915,862,061	11,915,862,061	-	-	-	11,915,862,061
Trade and other payables	95,970,479,322	95,970,479,322	95,970,479,322	-	-	-
Accrued mark-up	5,231,507,822	5,231,507,822	5,231,507,822	-	-	-
	118,659,128,984	127,364,597,596	108,947,764,233	370,586,730	1,384,288,712	16,661,957,921

The contractual cash flows relating to the above financial liabilities have been determined on the basis of mark-up rates effective as at 30 June. The rates of mark-up have been disclosed in Note 6 to these financial statements.

(d) Capital risk management

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

40.2 Financial instruments by categories

	2024 RUPEES	2023 RUPEES
	At amortized cost	
As at 30 June		
Assets as per statement of financial position		
Trade debts	76,115,806,764	68,479,551,056
Loans and advances	225,710,737	123,313,562
Accrued interest	777,893,915	870,546,283
Deposits	52,753,706	40,553,756
Other receivables	34,249,955,948	31,087,145,503
Cash and bank balances	22,751,139,528	25,413,844,358
	134,173,260,598	126,014,954,518
Liabilities as per statement of financial position		
Long term financing	5,541,279,779	5,541,279,779
Long term security deposits	12,946,895,095	11,915,862,061
Trade and other payables	94,188,328,275	95,970,479,322
Accrued mark-up	6,111,094,688	5,231,507,822
	118,787,597,837	118,659,128,984

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

	2024			2023		
	Financial assets	Other than financial assets	Total as per statement of financial position	Financial assets	Other than financial assets	Total as per statement of financial position
	RUPEES					
Assets as per statement of financial position						
Trade debts	76,115,806,764	-	76,115,806,764	68,479,551,056	-	68,479,551,056
Long term advances	195,615,972	-	195,615,972	104,537,732	-	104,537,732
Loans and advances	30,094,765	316,932,962	347,027,727	18,775,830	355,461,168	374,236,998
Accrued interest	777,893,915	-	777,893,915	870,546,283	-	870,546,283
Deposits	52,753,706	-	52,753,706	40,553,756	-	40,553,756
Other receivables	34,249,955,948	-	34,249,955,948	31,087,145,503	-	31,087,145,503
Cash and bank balances	22,751,139,528	-	22,751,139,528	25,413,844,358	-	25,413,844,358
	134,173,260,598	316,932,962	134,490,193,560	126,014,954,518	355,461,168	126,370,415,686

	2024			2023		
	Financial liabilities	Other than financial liabilities	Total as per statement of financial position	Financial liabilities	Other than financial liabilities	Total as per statement of financial position
	RUPEES					
Liabilities as per statement of financial position						
Long term financing	5,541,279,779	-	5,541,279,779	5,541,279,779	-	5,541,279,779
Long term security deposits	12,946,895,095	-	12,946,895,095	11,915,862,061	-	11,915,862,061
Trade and other payables	94,188,328,275	29,390,519,374	123,578,847,650	95,970,479,322	20,559,048,747	116,529,528,070
Accrued mark-up	6,111,094,688	-	6,111,094,688	5,231,507,822	-	5,231,507,822
	118,787,597,837	29,390,519,374	148,178,117,212	118,659,128,984	20,559,048,747	139,218,177,732

40.4 Offsetting financial assets and financial liabilities

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

41. RECOGNIZED FAIR VALUE MEASUREMENTS

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. Judgments and estimates are made in determining the fair values of the financial instruments that are recognized and measured at fair value in these financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company classifies its financial instruments into 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, 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 maximize 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.

42. RECOGNIZED FAIR VALUE MEASUREMENTS - NON-FINANCIAL ASSETS

(i) Fair value hierarchy

Judgements and estimates are made in determining the fair values of the non-financial assets that are recognized and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its non-financial assets into the following three levels:

As at 30 June 2024	Level 1	Level 2	Level 3	Total
		RUPEES		
Land - freehold	-	73,055,766,900	-	73,055,766,900
Buildings on freehold land	-	4,753,919,114	-	4,753,919,114
Feeders (up to 11 kv)	-	78,633,089,671	-	78,633,089,671
Grids and equipment	-	41,500,145,330	-	41,500,145,330
Total non-financial assets	-	197,942,921,015	-	197,942,921,015

As at 30 June 2023	Level 1	Level 2	Level 3	Total
		RUPEES		
Land - freehold	-	31,246,168,980	-	31,246,168,980
Buildings on freehold land	-	4,199,654,701	-	4,199,654,701
Feeders (up to 11 kv)	-	66,068,508,642	-	66,068,508,642
Grids and equipment	-	33,180,868,003	-	33,180,868,003
Total non-financial assets	-	134,695,200,326	-	134,695,200,326

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

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

(ii) Valuation techniques used to determine level 2 fair values

The Company obtains independent valuation for its freehold land, buildings thereon, feeders, grids and equipment. The best evidence of fair value of land is current prices in an active market for similar lands. The best evidence of fair value of buildings is to calculate fair depreciated market value by applying an appropriate annual rate of depreciation on the new construction / replacement value of the same building. The best evidence of fair value of feeders, grids and equipment is to calculate fair depreciated market value by applying an appropriate annual rate of depreciation on the value of new feeders, grids and equipment.

43. RESTATEMENT

Upon motion filed by Ministry of Energy (Power Division) Islamabad, NEPRA approved relief package for industrial consumers vide No.43673-43675 dated 01 December 2020 notified by Government of Pakistan vide S.R.O. No. 1292 (1)/2020 dated 03 December 2020. As per the said relief package, Rs.12.96/kWh was to be charged to industrial consumers categories (B1,B2,B3 & B4) for off peak hours on incremental consumption basis over their consumption in corresponding months of the period March 2019 to February 2020. The said relief was allowed for the period from November 2020 to October 2023. The incremental sales to industrial consumers at a flat rate of Rupees 12.96/kWh was subsidy neutral proposition, ought to be excluded from the industrial as well as total unit sales in the calculation of Tariff Differential Subsidy (TDS). But the incremental sales @ flat rate of Rs.12.96/kWh were included at the respective determined and notified rates. Resultantly, the Inter DISCOs Tariff Rationalization (IDTR) was overstated and revenue understated. On the said issue, during the current financial year, a meeting chaired by Joint Secretary (Power Division) Ministry of Energy Islamabad with Chief Financial Officers of DISCOs, CPPA-G, PPMC, DG (IT), PITC and Cost Accounts officer Subsidy Cell, Ministry of Energy, Power Division was held on 09 January 2024. It was decided in the meeting that DISCOs will submit revised subsidy claims after excluding the impact of incremental units sold to the industrial consumers at flat rate of Rupees 12.96/kWh. The financial impact of said revision was Rupees 11,135.908 million which could not be recognized in the financial statements for the years ended 30 June 2021, 30 June 2022 and 30 June 2023. In view of the above, the management of the Company has decided to restate the financial statements for the years ended 30 June 2021, 30 June 2022 and 30 June 2023 in accordance with the provisions of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'. The impacts on the Company's Statement of Financial Position and Statement of Profit or Loss are as follows:

STATEMENT OF FINANCIAL POSITION

As on 30 June 2023	**As previously Reported**	**Adjustment**	**As Restated**
	----------RUPEES----------		
Receivable from the Government of Pakistan	6,531,405,095	11,135,908,425	17,667,313,520
Total asset	6,531,405,095	11,135,908,425	17,667,313,520
Trade and other payables	116,126,576,246	402,951,824	116,529,528,070
Total liability	116,126,576,246	402,951,824	116,529,528,070
Accumulated loss	(96,762,692,971)	10,732,956,601	(86,029,736,370)
Total equity	(96,762,692,971)	10,732,956,601	(86,029,736,370)

As on 30 June 2022	**As previously Reported**	**Adjustment**	**As Restated**
	----------RUPEES----------		
Receivable from the Government of Pakistan	6,965,309,257	5,272,330,076	12,237,639,333
Total asset	6,965,309,257	5,272,330,076	12,237,639,333
Trade and other payables	116,269,492,182	402,951,824	116,672,444,006
Total liability	116,269,492,182	402,951,824	116,672,444,006
Accumulated loss	(77,474,995,875)	7,656,084,625	(69,818,911,250)
Total equity	(77,474,995,875)	7,656,084,625	(69,818,911,250)

STATEMENT OF PROFIT OR LOSS

For the year ended 30 June 2023	As previously Reported	Adjustment	As Restated
	----------RUPEES----------		
Sale of electricity - net	326,543,079,242	3,331,186,576	329,874,265,818
Tariff differential subsidies	51,244,289,375	(254,314,600)	50,989,974,775
	377,787,368,617	3,076,871,976	380,864,240,593
Distribution cost	(28,222,734,343)	-	(28,222,734,343)
Administrative expenses	(4,548,908,583)	-	(4,548,908,583)
Customer services costs	(6,217,751,731)	-	(6,217,751,731)
	(38,989,394,657)	-	(38,989,394,657)
Loss after taxation	(14,983,387,445)	3,076,871,976	(11,906,515,469)

44. CORRESPONDING FIGURES

Corresponding figures have been re-arranged and re-classified, wherever necessary, for the purpose of better presentation and for comparison. However, except for restatement and reclassification as disclosed in note 2.4 and note 43 to these financial statements, no significant re-arrangements/reclassifications have been made.

45. DATE OF AUTHORIZATION

These financial statements were authorized for issue on 04 OCT 2024 by the Board of Directors of the Company.

46. GENERAL

Figures have been rounded off to the nearest Rupee.

CHIEF EXECUTIVE OFFICER

DIRECTOR