PESHAWAR ELECTRIC SUPPLY COMPANY LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

RSM

RSM Avais Hyder Liaquat Nauman
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INDEPENDENT AUDITOR'S REPORT

To the Members of Peshawar Electric Supply Company Limited

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the annexed financial statements of Peshawar Electric Supply Company Limited (the Company), which comprise the statement of financial position as at June 30, 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 except as described in the *Basis for Qualified Opinion* section below, 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, except for the matter described in the *Basis for Qualified Opinion* section of our report, 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 June 30, 2024 and of the loss and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Qualified Opinion

The Company has partially recorded supplemental charges amounting to Rs. 18.327 billion since 2010 being charged by Central Power Purchasing Agency (CPPA) which are delayed payment charges of Independent Power Producers (IPPs). In our view, had these charges been fully recorded, trade and other payables and negative equity would have been higher by Rs. 146.598 billion (2023: Rs. 98.931 billion) and loss for the year would have been higher by Rs. 47.667 billion (2023: Rs. 10.758 billion).

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 qualified opinion.

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Material Uncertainity relating to Going Concern

Without further qualifying our opinion, we draw attention to note 1.2 to the accompanying financial statements, which shows that the Company has suffered a net loss of Rs. 88.722 billion (2023: Rs. 84.279 billion) for the year ended June 30, 2024 and at that date, the accumulated losses were Rs. 665.225 billion (2023: Rs. 561.007 billion). Similarly, the current liabilities exceed the current assets by Rs. 347.676 billion (2023: Rs. 288.868 billion) as at the year end. These conditions, along with other matters as set forth in note 1.2 to the financial statements indicate the existence of material uncertainty that cast significant doubt about the Company's ability to continue as a going concern. However, the financial statements have been prepared on going concern basis as the Company has managed to continue its operation due to continuous support from Government of Pakistan in the foreseeable future.

Emphasis of Matters

We draw attention to:

a) note 14 to the accompanying financial statements, which described various matters regarding tax contingencies, the ultimate outcome of which cannot be presently determined, hence pending the resolution thereof, no provision for the same has been made in the accompanying financial statements;

b) note 20.1 to the accompanying financial statements which shows Rs. 50.596 billion (2023: Rs. 46.943 billion) as receivable from Tribal Electric Supply Company (TESCO). The Company's management believes that since TESCO is a government owned entity, there is no likelihood of default by TESCO in paying its liabilities and PESCO is confident of recovering these debts; and

c) note 6.4 to the accompanying financial statements which explains that the Company has not yet issued shares of Rs. 18.082 billion (2023: Rs.18.082 billion) to WAPDA.

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, the requirements of Companies Act, 2017(XIX of 2017) and the State-Owned Enterprises (Governance and Operations) Act, 2023 (SOE Act 2023) 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.

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Report on Other Legal and Regulatory Requirements

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

a) Except for the matter described in the *Basis for Qualified Opinion* section of our report, proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) Except for the matter described in the *Basis for Qualified Opinion* section of our report, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, 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 the SOE Act, 2023 are in agreement with the books of account and returns;

c) Except for the matter described in the *Basis for Qualified Opinion* section of our report, 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 Suhr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Muhammad Arif Saeed.

RSM Avais Hyder Liaquat Nauman

RSM Avais Hyder Liaquat Nauman * Chartered Accountants * Peshawar

RSM AVAIS HYDER LIAQUAT NAUMAN
CHARTERED ACCOUNTANTS

Peshawar

Date: November 06, 2024

UDIN: AR202410513b4tplOUKy

PESHAWAR ELECTRIC SUPPLY COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 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	5	10,000	10,000	10,000
Deposits for issue of share capital	6	205,820,918,996	130,867,728,553	92,855,405,071
Accumulated loss		(665,225,902,911)	(561,007,981,549)	(460,632,696,088)
TOTAL EQUITY		(459,404,973,915)	(430,140,242,996)	(367,777,281,017)
Non-current liabilities				
Liabilities against government investment	7	-	50,187,189,539	50,187,189,539
Long term loans - secured	8	10,146,770,199	8,061,124,905	7,867,513,425
Staff retirement benefits	9	172,770,193,736	148,528,485,046	126,421,111,601
Deferred credit	10	49,972,681,170	43,715,376,868	39,221,980,766
Consumers' security deposits	11	7,374,971,928	6,793,519,936	6,260,816,713
		240,264,617,033	257,285,696,294	229,958,612,044
Current liabilities				
Trade and other payables	12	614,175,044,907	515,714,981,540	462,586,371,365
Accrued markup	13	4,748,160,873	3,791,062,735	3,178,873,917
Current maturity of long term loans	8	3,083,417,577	3,556,618,533	2,143,075,981
Levies payable	29	4,024,343,257	3,145,518,170	-
Provision for taxation	30	-	-	2,257,808,735
		626,030,966,614	526,208,180,978	470,166,129,998
TOTAL LIABILITIES		866,295,583,647	783,493,877,272	700,124,742,042
Contingencies and commitments	14	-	-	-
		406,890,609,732	353,353,634,276	332,347,461,025
ASSETS				
Non-current assets				
Property, plant and equipment	15	128,535,066,859	116,012,851,449	101,917,287,124
Long term loans - considered good	16	886,534	709,333	1,786,049
		128,535,953,393	116,013,560,782	101,919,073,173
Current assets				
Stores, spare parts and loose tools	17	13,136,070,339	11,247,241,103	9,580,113,785
Trade debts	18	126,241,322,886	89,652,665,555	70,463,916,828
Loans and advances - considered good	19	4,339,165,956	3,732,288,648	2,496,250,975
Other receivables	20	97,497,589,163	96,359,975,230	95,734,895,215
Receivable from government of Pakistan (Ministry of Finance)	21	27,710,688,228	26,091,064,330	42,901,199,260
Bank balances	22	9,429,819,768	10,256,838,629	9,252,011,789
		278,354,656,340	237,340,073,494	230,428,387,852
TOTAL ASSETS		406,890,609,732	353,353,634,276	332,347,461,025

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

CHIEF EXECUTIVE OFFICER **DIRECTOR**

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

	Note	2024 Rupees	2023 Rupees (Restated)
Electricity sales - net	23	306,887,402,775	240,223,816,812
Subsidy from Government of Pakistan on sale of electricity		20,595,310,043	39,271,580,895
		327,482,712,818	279,495,397,707
Cost of electricity	24	(371,678,016,832)	(326,248,824,475)
Gross (loss)		(44,195,304,014)	(46,753,426,768)
Amortization of deferred credit	10	2,619,658,300	2,308,964,609
		(41,575,645,714)	(44,444,462,159)
Operating cost			
Other operating cost excluding depreciation	25	(50,902,770,707)	(41,579,990,507)
Depreciation on operating fixed assets	15.1	(4,594,697,699)	(4,210,463,102)
		(55,497,468,406)	(45,790,453,609)
(Loss) from operations		(97,073,114,120)	(90,234,915,767)
Other income			
Rental and service income	26	57,010,571	52,485,906
Other income	27	13,243,909,365	10,121,705,368
		13,300,919,936	10,174,191,274
Financial cost	28	(922,139,756)	(1,065,899,814)
(Loss) before levies and income tax		(84,694,333,940)	(81,126,624,308)
Levies	29	(4,024,343,257)	(3,145,518,170)
(Loss) before taxation		(88,718,677,196)	(84,272,142,478)
Taxation	30	(4,256,985)	(7,666,108)
Net (loss) for the year		(88,722,934,181)	(84,279,808,586)

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

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

	Note	2024 Rupees	2023 Rupees (Restated)
(Loss) for the year		(88,722,934,181)	(84,279,808,586)
Other comprehensive (loss):			
Items that will not be subsequently reclassified to statement of profit or loss			
Actuarial (loss) on remeasurement of post retirement benefits	9.3	(15,494,987,181)	(16,155,526,751)
Total comprehensive (loss) for the year		(104,217,921,362)	(100,435,335,337)

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

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

	Note	2024 Rupees	2023 Rupees (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) for the year before income tax and Levies		(84,694,333,940)	(81,126,624,308)
Adjustments for non-cash charges and other items:			
Depreciation	15.1	4,594,697,699	4,210,463,102
Provision for staff retirement benefits		20,041,083,444	15,047,065,855
Provision for doubtful debts		12,734,504,772	10,913,946,930
Effect of correction of error and restatement		-	12,095,353,989
Profit on bank deposits		(2,074,835,850)	(1,503,380,463)
Amortization of deferred credit		(2,619,658,300)	(2,308,964,609)
Financial charges		922,139,756	1,065,899,814
		33,597,931,521	39,520,384,616
Operating (loss) before working capital changes		(51,096,402,419)	(41,606,239,692)
(Increase) / decrease in current assets:			
Stores, spare parts and loose tools		(1,888,829,236)	(1,667,127,318)
Trade debts		(49,323,162,103)	(38,070,367,668)
Loans and advances		(606,877,308)	(1,236,037,672)
Other receivables		(1,137,613,933)	(1,110,923,139)
Receivable from Government of Pakistan (Ministry of Finance)		(1,619,623,898)	16,810,134,930
		(54,576,106,479)	(25,274,320,867)
Increase in current liabilities		99,822,785,637	52,460,262,002
Cash (used in) operations		(5,849,723,261)	(14,420,298,557)
Staff retirement benefits paid		(10,869,361,935)	(9,095,219,161)
Levies paid		(4,024,343,257)	(3,145,518,170)
Tax paid		(4,256,985)	(7,666,108)
Financial charges paid		(922,139,756)	(1,065,899,814)
		(15,820,101,933)	(13,314,303,253)
Net cash (used in) operating activities		(21,669,825,194)	(27,734,601,810)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure incurred during the year		(17,116,913,109)	(18,306,027,425)
Profit received on bank deposits		2,074,835,850	1,503,380,463
Proceeds from customers in deferred credit		8,876,962,603	6,802,360,711
Long term loans disbursed during the year		(177,201)	1,076,716
Net cash (used in) investing activities		(6,165,291,857)	(9,999,209,535)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term loans obtained		2,085,645,294	193,611,480
Consumers' security deposits		581,451,992	532,703,223
Proceeds from GoP investment against circular debt	6	24,766,000,904	38,012,323,482
Employer contribution to fund for staff retirement benefits		(425,000,000)	-
Net cash generated from financing activities		27,008,098,190	38,738,638,185
Net (decrease) / increase in cash and cash equivalents		(827,018,861)	1,004,826,840
Cash and cash equivalents at beginning of the year		10,256,838,629	9,252,011,789
Cash and cash equivalents at end of the year	22	9,429,819,768	10,256,838,629

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

PESHAWAR ELECTRIC SUPPLY COMPANY LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2024

	Issued, subscribed and paid up share capital	Deposit for issue of shares	Accumulated loss	Total
	RUPEES			
Balance as at July 01, 2021 - as previously reported	10,000	20,176,265,375	(331,304,484,637)	(311,128,209,262)
Total comprehensive income/(loss) for the year				
Loss for the year	-	-	(102,128,200,726)	(102,128,200,726)
Actuarial loss on remeasurement of post retirement benefits	-	-	(18,789,656,736)	(18,789,656,736)
	-	-	(120,917,857,462)	(120,917,857,462)
Effect of correction of error (Note-32)			(8,410,353,989)	(8,410,353,989)
Equity injection against supplemental charges	-	879,673,400	-	879,673,400
Equity injection against accounts receivables	-	71,799,466,296	-	71,799,466,296
Balance as at June 30, 2022 - restated	10,000	92,855,405,071	(460,632,696,088)	(367,777,281,017)
Total comprehensive income/(loss) for the year				
Loss for the year	-	-	(84,279,808,586)	(84,279,808,586)
Actuarial loss on remeasurement of post retirement benefits	-	-	(16,155,526,751)	(16,155,526,751)
	-	-	(100,435,335,337)	(100,435,335,337)
GoP equity injection	-	38,012,323,482	-	38,012,323,482
Prior year adjustment (subsidy)	-	-	60,049,876	60,049,876
Balance as at June 30, 2023 - restated	10,000	130,867,728,553	(561,007,981,549)	(430,140,242,996)
Total comprehensive income/(loss) for the year				
Loss for the year	-	-	(88,722,934,181)	(88,722,934,181)
Actuarial loss on remeasurement of post retirement benefits	-	-	(15,494,987,181)	(15,494,987,181)
	-	-	(104,217,921,362)	(104,217,921,362)
GoP equity injection	-	24,766,000,904	-	24,766,000,904
Reclassification of Liability against Government Investment as Equity	-	50,187,189,539	-	50,187,189,539
Balance as at June 30, 2024	10,000	205,820,918,996	(665,225,902,911)	(459,404,973,915)

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

1 STATUS AND ACTIVITIES

1.1 Peshawar Electric Supply Company Limited (PESCO) ("the Company") is a public limited company incorporated under the repealed Companies Ordinance, 1984 (now Companies Act, 2017), having its registered office situated at WAPDA House, Lahore. The company was incorporated on April 23, 1998 to acquire/takeover all the properties, rights, assets, obligations and liabilities of Peshawar Area Electricity Board owned by Pakistan Water and Power Development Authority (WAPDA) and such other assets and liabilities as agreed. The company commenced commercial operation w.e.f. July 01, 1998. The principal activity of the company is the distribution and supply of electricity within its defined geographical boundaries. National Electric Power Regulatory Authority (NEPRA) has granted Distribution License to the company for electricity distribution. Government of Pakistan has notified the tariff determined by NEPRA for Peshawar Electric Supply Company Limited (PESCO). It currently purchases electricity through Central Power Purchasing Agency (CPPA) which is an associated undertaking of the Company.

1.2 The company has suffered a net loss of PKR. 88.722 billion (2023: Rs. 84.279 billion) for the year ended June 30, 2024 during the year under reference which has increased the accumulated losses to Rs. 665.225 billion (2023: Rs. 561.007 billion). Moreover, the current liabilities exceed current assets by an amount of Rs. 347.676 billion (2023: Rs. 288.868 billion). These factors indicate the existence of a material uncertainty, which may cast significant doubts on the company's ability to continue as a going concern. However, these financial statements have been prepared on going concern basis on the rational assumption that the losses due to shortfall in tariff and distribution losses will be made through Government subsidies. Further the company has initiated the programs and actions for reduction of distribution losses and recovery of receivables from consumers and associated undertakings.

2 BASIS OF PREPARATION

2.1 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 applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) 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 and the State-Owned Enterprises (Governance and Operations) Act, 2023 (SOE Act 2023).

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

2.2 Application of new and revised International Financial Reporting Standards (IFRSs)

2.2.1 Standards, amendments to standards and interpretations becoming effective in current year

The following standards, amendments to standards and interpretations have been effective and are mandatory for financial statements of the Company for the periods beginning on or after July 01, 2023 and therefore, have been applied in preparing these financial statements.

i. IAS 1 – Presentation of Financial Statements

The IASB has issued 'Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)' with amendments that are intended to help preparers in deciding which accounting policies to disclose in their financial statements in the following ways:

- an entity is now required to disclose its material accounting policy information instead of its significant accounting policies;
- the amendments clarify that accounting policy information may be material because of its nature, even if the related amounts are immaterial;
- the amendments clarify that accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements; and
- the amendments clarify that if an entity discloses immaterial accounting policy information, such information shall not obscure material accounting policy information.

In addition, IFRS Practice Statement 2 has been amended by adding guidance and examples to explain and demonstrate the application of the 'four-step materiality process' to accounting policy information in order to support the amendments to IAS 1. Once the entity applies the amendments to IAS 1, it is also permitted to apply the amendments to IFRS Practice Statement 2.

The amendments to IAS 1 are effective for annual periods beginning on or after 1 January 2023. Application of these amendments do not have any significant impact on the Company's financial statements.

ii. IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The IASB has published 'Definition of Accounting Estimates' to help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates is replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty".

The IASB clarifies that a change in accounting estimate that results from new information or new developments is not the correction of an error. In addition, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.

The amendments are effective for annual periods beginning on or after 1 January 2023. Application of these amendments do not have any significant impact on the Company's financial statements.

iii. IAS 12 – Income Taxes

(I) The IASB has published 'Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)' that clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. Accordingly, the initial recognition exemption, provided in IAS 12.15(b) and IAS 12.24, does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023.

(II) The IASB has issued amendments to provide a temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes. The amendments introduce an exception to the requirements in the standard that an entity does not recognise and does not disclose information about deferred tax assets and liabilities related to the OECD pillar two income taxes.

An entity applies the exception and the requirement to disclose that it has applied the exception immediately upon issuance of the amendments; the remaining disclosure requirements are required for annual reporting periods beginning on or after 1 January 2023.

Application of these amendments do not have any significant impact on the Company's financial statements.

iv. IAS 12 Application Guidance on Accounting for Minimum taxes and final tax

The Institute of Chartered Accountants of Pakistan has developed application guidance on accounting for Minimum taxes and final taxes. The guidance is made in the context of provisions of Income Tax Ordinance, 2001 to be applied by entities obligated to use accounting and reporting standards as applicable in Pakistan other than those entities which apply AFRS for SSEs.

The purpose of the guidance is to provide guidelines on accounting of minimum tax and final taxes under the requirements of relevant IFRS Accounting Standards and provide appropriate approaches to account for minimum taxes and final taxes in compliance with the requirements of IFRS Accounting Standards.

The subject matter of TR-27 is adequately covered in the guidance, the Council of the Institute, accordingly has withdrawn TR-27.

2.2.2 Standards, amendments to standards and interpretations becoming effective in current year but not relevant

There are certain new standards, amendments to standards and interpretations that became effective during the year and are mandatory for accounting periods of the Company beginning on or after July 01, 2023 but are considered not to be relevant to the Company's operations and are, therefore, not disclosed in these financial statements.

2.2.3 Standards, amendments to standards and interpretations becoming effective in future periods

The following standards, amendments to standards and interpretations have been published and are mandatory for the Company's accounting periods beginning on or after the effective dates specified therein.

i. IAS 1 – Presentation of Financial Statements

(I) The IASB has issued 'Classification of Liabilities as Current or Non-current (Amendments to IAS 1)' providing a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments in Classification of Liabilities as Current or Non-current (Amendments to IAS 1) affect only the presentation of liabilities in the statement of financial position — not the amount or timing of recognition of any asset, liability income or expenses, or the information that entities disclose about those items. They:

- clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months and make explicit that only rights in place "at the end of the reporting period" should affect the classification of a liability;
- clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and
- make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The IASB has further modified the requirements introduced by 'Classification of Liabilities as Current or Non-current' on how an entity classifies debt and other financial liabilities as current or non-current in particular circumstances. Only covenants with which an entity is required to comply on or before the reporting date affect the classification of a liability as current or non-current. In addition, an entity has to disclose information in the notes that enables users of financial statements to understand the risk that non-current liabilities with covenants could become repayable within twelve months.

The amendments to IAS 1 are effective for annual periods beginning on or after 1 January 2024. The amendments are to be applied retrospectively in accordance with IAS 8. Application of these amendments is not expected to have any significant impact on the Company's financial statements.

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ii. **IAS 7 – Statement of Cash Flows and IFRS 7 – Financial Instruments: Disclosures**

The IASB has published 'Supplier 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 arrangements. The amendments in Supplier Finance Arrangements:

- Do not define supplier finance arrangements. Instead, the amendments describe the characteristics of an arrangement for which an entity is required to provide the information. The amendments note that arrangements that are solely credit enhancements for the entity or instruments used by the entity to settle directly with a supplier the amounts owed are not supplier finance arrangements.
- Add two disclosure objectives. Entities will have to disclose in the notes information that enables users of financial statements:
  - to assess how supplier finance arrangements affect an entity's liabilities and cash flows and
  - to understand the effect of supplier finance arrangements on an entity's exposure to liquidity risk and how the entity might be affected if the arrangements were no longer available to it.
- Complement current requirements in IFRSs by adding to IAS 7 additional disclosure requirements about:
  - the terms and conditions of the supplier finance arrangements;
  - for the arrangements, as at the beginning and end of the reporting period:

    a) the carrying amounts of financial liabilities that are part of the arrangement and the associated line item presented;

    b) the carrying amount of financial liabilities disclosed under a) for which suppliers have already received payment from the finance providers;

    c) the range of payment due dates (for example, 30 to 40 days after the invoice date) of financial liabilities disclosed under a) and comparable trade payables that are not part of a supplier finance arrangement; and
  - the type and effect of non-cash changes in the carrying amounts of the financial liabilities that are part of the arrangement

    The IASB decided that, in most cases, aggregated information about an entity's supplier finance arrangements will satisfy the information needs of users of financial statements.
- Add supplier finance arrangements as an example within the liquidity risk disclosure requirements in IFRS 7.

An entity applies these amendments for annual reporting periods beginning on or after 1 January 2024. Application of these amendments is not expected to have any significant impact on the Company's financial statements.

iii. **IFRS 16 – Leases**

The IASB has issued amendments for 'Lease Liability in Sale and Leaseback' that clarify how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for sale.

'Lease Liability in a Sale and Leaseback Amendments' requires a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognising in profit or loss any gain or loss relating to the partial or full termination of a lease. The amendments also include one amended and one new illustrative example.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024. Application of these amendments is not expected to have any significant impact on the Company's financial statements.

2.2.4 Standards, amendments to standards and interpretations becoming effective in future periods but not relevant

There are certain new standards, amendments to standards and interpretations that are effective from different future periods as specified therein, but are considered not to be relevant to the Company's operations, therefore, not disclosed in these financial statements.

2.2.5 Standards issued by IASB but not applicable in Pakistan

Following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan:

IFRS 1 - First-time adoption of International Financial Reporting Standards
IFRS 18 - Presentation and Disclosures in Financial Statements
IFRS 19 - Subsidiaries without Public Accountability: Disclosures
IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information
IFRS S2 Climate-related Disclosures

2.3 Basis of measurement

These financial statements have been prepared under the historical convention except for the staff retirement benefits which are carried at present value in accordance with the requirement of IAS-19, "Employee Benefits" .

2.4 Functional and presentation currency

The financial statements are prepared in Pakistani Rupees which is the Company's functional and presentation currency. All functional information presented in Pakistani Rupees has been rounded to the nearest rupee unless otherwise stated.

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2.5 Significant accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also require management to make judgment, estimates and assumption that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Estimates and associated assumptions are based on historical experience and other factors that are believe to be reasonable under the circumstances, the result of which form the basis of making the judgment about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumption are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period or in the period of revision and future periods if affects both current and future periods. Judgments made by the management in application of approved accounting standards that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in ensuring paragraphs.

2.5.1 Property, plant and equipment

The company reviews the useful lives and residual values of property, plant and equipment on a regular basis. Any change in estimates in future years might affect the carrying amounts of the respective items of property, plant and equipments with a corresponding effect on the depreciation charge and amortization of deferred credit.

2.5.2 Provision for inventory obsolescence and doubtful receivables

The Company reviews the carrying amount of stores and spares on a regular basis and provision is made for obsolescence if there is any change in usage pattern and physical form of related stores and spares. Further the carrying amounts of trade and other receivables are assessed on a regular basis and if there is any doubt about the reliability of these receivables, appropriate amount of provision is made.

2.5.3 Staff retirement benefits

Retirement benefits are provided to regular employees of the Company. Calculation of provision for staff retirement benefits require assumptions to be made of the future outcomes, the principle ones being in respect of increase in remuneration, discount rates and inflation rate used to convert future cash flows to current values. Calculations are sensitive to changes in the underlying assumptions.

2.5.4 Taxation

The Company takes into account the current income tax laws and decisions taken by the taxation authorities. Instances where the Company's views differ from the views 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.

2.5.5 Contingencies

The Company reviews the status of all the legal cases on a regular basis. Based on the expected outcomes and lawyers' judgment, appropriate disclosure or provision is made.

2.5.6 Impairment

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists the assets recoverable amount is estimated. Impairment recognized wherever the carrying amount of the asset exceeds its recoverable amount. Impairment losses are charged to statement of comprehensive income current year.

3 MATERIAL ACCOUNTING POLICY INFORMATION

3.1 Staff retirement benefits

The Company provides pension, post retirement medical, free electricity benefits and compensated absences to all its regular employees. These are unfunded defined benefit plans, liabilities for these benefits are determined on the basis of actuarial valuation carried out by using the Projected Unit Credit Method. The amounts recognized in Statement of financial position represent the present value of defined benefit obligations as adjusted for unrecognized actuarial gains and losses.

All actuarial gains and losses are recognized in 'other comprehensive income' as they occur.

For General Provident Fund and WAPDA welfare Fund, the company makes deductions from salaries of employees and remits the same to the funds established by WAPDA.

3.2 Deferred credit

Amount received from consumers and the government as contribution towards the cost of extension of distribution network and of providing service connections are deferred for amortization over the useful lives of related assets. Amortization and depreciation for the year are included in statement of profit or loss.

3.3 Trade and other payables

Trade and other payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year. If not, they are presented as non-current liabilities. Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company and subsequently measured at amortised cost. Exchange gains and losses arising on transaction in respect of liabilities in foreign currency are added to the carrying amount of the respective liabilities.

3.4 Mark-up bearing borrowings

Mark-up bearing borrowings are recognized initially at cost, less attributable transaction cost. Subsequent to initial recognition, markup bearing borrowings are stated at original cost less subsequent repayments, while the difference between the original recognized amounts (as reduced by periodic payments) and redemption value is recognized in the Statement of profit or loss and other comprehensive income account over the period of borrowing on effective rate basis. The borrowing cost on qualifying asset is included in the cost of related asset.

3.5 Borrowing cost

Borrowing costs are charged to income as and when incurred except costs that are directly attributable to acquisition, construction or production of qualifying assets that are capitalized as part of the cost of assets.

3.6 Taxation

Tax Liability is based on taxable income at the current rates of taxation after taking into account available tax credits and rebates and charge / credit for prior years or minimum tax payable under the Income Tax Ordinance, 2001, whichever is higher.

Current

The charge for current taxation is calculated on taxable income using the notified rate of taxation after taking into account tax credits and rebates available, if any is recognized as "current income tax expense".

Levies

Tax charged under Income Tax Ordinance, 2001 which is not based on taxable income and based on revenue or other basis other than taxable income is classified as levy. Minimum taxes in excess over the amount designated as income tax is recognized as levy falling under the scope of IFRIC 12/IAS 37.

Deferred

Deferred tax is accounted for using the balance sheet method, providing for temporary differences between the carrying value of assets and liabilities for financial reporting purposes and the amount used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognized on all major temporary differences. Deferred tax assets recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference, unused tax losses and tax credits can be utilized. Deferred tax are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the relaxed tax benefit will be realized.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on the net basis or their tax assets and liabilities will be realized simultaneously.

3.7 Provision

Provisions are recognized in the statement of financial position when the company has legal or constructive obligation as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are measured at the present value of expected expenditure, discounted at a pre tax rate that reflects current market assessment of the time value of money and the risk specific to the obligation. However, provisions are reviewed at each reporting date and adjusted to reflect current best estimates.

3.8 Contingencies and commitments

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

3.9 Property, plant and equipment

Freehold land is stated at cost amount while capital work in progress is stated at cost less impairment loss, if any. Building on freehold land and distribution equipment are stated at cost amount less accumulated depreciation. All other operating fixed assets are stated at cost less accumulated depreciation and accumulated impairment, if any.

Cost include expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets include the cost of materials, direct labour and any other costs directly attributable to bringing the assets into working condition for their intended use and capitalized borrowing costs.

Depreciation is charged to income on straight line method so as to write-off the depreciable amount of an asset over its estimated useful life at the rates mentioned in note 15.1 to the financial statements. Depreciation on depreciable assets is commenced from the month the asset is available for use up to the month preceding the month of disposal. Major renewals and improvements are capitalized, while minor replacements, repairs and maintenance are charged to income.

3.10 Impairment

The carrying amounts of assets are reviewed at each reporting date to determine whether there is any indication of impairment loss. If any such indication exists, the recoverable amount of that asset is estimated in order to determine the extent of the impairment loss if any. Impairment losses are recognized as expense in other comprehensive income.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization. If no impairment loss had been recognized. For non-financial assets, financial assets measured at amortized cost, available for sale financial assets that are debt securities, the reversal is recognized in profit or loss.

3.11 Stores, spare parts and loose tools

These are valued at moving average cost less allowance for impairment for obsolete and slow moving stores. Items in transit which are valued at cost comprising invoice value and related expenses incurred thereon up to the reporting date less impairment, if any.

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3.12 Trade debts and other receivables

Trade and other receivables are recognized and carried at original invoice amount which is the fair value of the consideration to be received in future for goods sold. When a trade debt is uncollectable, it s written and charged statement of profit or loss. Subsequent recoveries of amounts previously written off are credited to the profit or loss.

3.13 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and bank balances.

3.14 Financial Instruments

3.14.1 Financial assets

The Company classifies its financial assets in the following categories: at fair value through profit or loss, fair value through other comprehensive income and amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. All the financial assets of the Company as at statement of financial position date are carried at amortized cost.

Amortized Cost

A financial asset is measured at amortized cost if it meets both the following conditions and is not designated as at fair value through profit or loss:
(i) it is held with in a business model whose objective is to hold assets to collect contractual cash flows; and
(ii) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Impairment of financial assets

The Company recognizes loss allowance for Expected Credit Losses (ECLs) on financial assets measured at amortized cost and contract assets. The Company measures loss allowance at an amount equal to lifetime ECLs .Lifetime ECLs are those that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk. At each reporting date, the Company assesses whether the financial assets carried at amortized cost are credit-impaired. A financial asset is credit-impaired when one or more events that have detrimental impact on the estimated future cash flows of the financial assets have occurred. Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. The gross carrying amount of a financial asset is written of when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

As per notification of Securities and Exchange Commission of Pakistan Vide S.R.O. 985 (I)/2019 Dated September 2, 2019, the requirement with respect to application of expected credit loss in IFRS-9 shall not be applicable to financial assets due from Government of Pakistan. Such financial assets shall be dealt with in according with the requirement of IAS-39 (Financial Instruments).

3.14.2 Financial liabilities

All financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument.

3.14.3 Recognition measurement

All financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently measured at fair value, amortized cost or cost, as the case may be. The particular measurement methods adopted are disclosed in the individual policy statements associated with each item.

3.14.4 Derecognition

The financial assets are de-recognized when the Company loses control of the contractual rights that comprise the financial assets. The financial liabilities are de-recognized when they are extinguished i.e. when the obligation specified in the contract is discharged, cancelled or expired.

3.15 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements only when the Company has a legally enforceable right to set-of the recognized amounts and the Company intends to settle either on a net basis or realize the asset and settle the liability simultaneously.

3.16 Derivative financial instruments

These are initially recorded at fair value on the date a derivative contract is entered into and are re-measured to fair value at reporting date. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Company does not apply hedge accounting for any derivatives. Any gain or loss from change in fair value of derivatives that do not qualify for hedge accounting are taken directly to profit or loss.

3.17 Foreign currency transactions and translation

Transactions in foreign currencies are converted into functional currency (PKR) at the rates of exchange prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies are translated into functional currency at the rates of exchange prevailing on the reporting date. Exchange gains and losses are recognized in profit or loss.

3.18 Revenue recognition

Electricity sale

Revenue related to electricity sales is recognized once the company supplies electricity and there is no unfulfilled obligation on the part of the Company. Electricity is supplied at the rates determined by NEPRA and notified by Government of Pakistan from time to time. Late payment surcharge is recognized on accrual basis.

Tariff adjustment

Tariff adjustment for variation in fuel price is recognized in the relevant period on the basis of rates determined by NEPRA and notified by Government of Pakistan up to the date of approval of financial statements by the board of directors of the company.

Contract assets

Contract assets arise when the Company performs its performance obligations by providing services to a customer before the customer pays its consideration or before payment is due.

Contract liabilities

Contract liability is the obligation of the Company to provide services to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company provides services, a contract liability is recognized when the payment is made. Contract liabilities are recognized as revenue when the Company performs its performance obligations under the contract.

Others

- Scrap sales are recognized on delivery to customers at realized amounts.
- Return on deposit is accrued on time proportion basis by reference to the principle outstanding and the applicable rate of return.
- All other income is recognized on accrual basis.

3.19 Electricity subsidy to consumers

Subsidy on electricity announced by the Government of Pakistan for consumers is recognized under revenue on accrual basis.

3.20 Change in accounting policy of Taxation

During the year the Institute of Chartered Accountants of Pakistan (ICAP) has withdrawn the Technical Release 27 regarding treatment of final taxes and issued guidance - "IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes". The said guidance requires certain amounts of minimum tax and final tax to be classified separately as a levy instead of current tax expense.

Accordingly, the impact has been incorporated in these financial statements retrospectively in accordance with the requirement of International Accounting Standard (IAS 8) — 'Accounting Policies, Change in Accounting Estimates and Errors'. There has been no effect on the statement of changes in equity, the statement of cash flows and earning per share as a result of this change.

The effect of the change in accounting policy is summarised below:

	For the year ended June 30, 2024			For the year ended June 30, 2023		
	Had there been no changes in accounting policy	Impact of change in accounting policy	After incorporating effect of change in accounting policy	Had there been no changes in accounting policy	Impact of change in accounting policy	After incorporating effect of change in accounting policy
Effect on the statement of financial position						
Levies payable	-	4,024,343,257	4,024,343,257	-	3,145,518,170	3,145,518,170
Provision for taxation	4,024,343,257	(4,024,343,257)	-	3,145,518,170	(3,145,518,170)	-
Effect on statement of profit or loss						
Profit before income tax	(84,694,333,940)	(4,024,343,257)	(88,718,677,196)	(81,126,624,308)	(3,145,518,170)	(84,272,142,478)
Levies	-	(4,024,343,257)	(4,024,343,257)	-	(3,145,518,170)	(3,145,518,170)
Income tax expense	4,024,343,257	(4,024,343,257)	-	3,145,518,170	(3,145,518,170)	-

4 SUMMARY OF SIGNIFICANT TRANSACTIONS AND EVENTS

The Company has incurred a gross loss of Rs. 44.195 billion during current financial year due to increase in power purchase price without corresponding increase in tariff. The cost of power purchase was increased by Rs. 4.88 per unit compared to the last financial year 2022-23 with a financial impact of Rs. 69.1 billion. Similarly a key factor contributing to the gross loss was the tariff determination for current financial year, which was based on target loss of 19.71%, thereby resulting in gross loss.

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	2024 Rupees	2023 Rupees

5 ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

2024	2023		2024 Rupees	2023 Rupees
Number of shares				
1,000	1,000		10,000	10,000

5.1 1000 Ordinary shares of Rs.10 each, issued as fully paid up in cash to President of Pakistan (through PEPCO) and its nominee Directors.

6 DEPOSITS FOR ISSUE OF SHARE CAPITAL

	Note	2024 Rupees	2023 Rupees
Incorporation expenses incurred by WAPDA		5,042,575	5,042,575
Allocation of net worth transferred by WAPDA	6.1	8,885,483,927	8,885,483,927
		8,890,526,502	8,890,526,502
Adjustment of other loans and assets	6.2	7,620,265,187	7,620,265,187
Adjustment of net assets on transfer of FATA business to WAPDA	6.3	1,571,234,102	1,571,234,102
	6.4	18,082,025,791	18,082,025,791
Equity injection against mark-up	6.5	2,094,239,584	2,094,239,584
Equity injection against supplemental charges	6.6	879,673,400	879,673,400
Equity injection against accounts receivables	6.7	27,773,678,000	27,773,678,000
GoP equity injection	6.8	5,236,221,196	5,236,221,196
GoP equity injection	6.9	20,142,046,300	20,142,046,300
GoP equity injection	6.10	15,292,224,200	15,292,224,200
GoP equity injection	6.11	3,355,296,600	3,355,296,600
GoP equity injection	6.12	38,012,323,482	38,012,323,482
GoP equity injection	6.13	1,318,231,788	-
GoP equity injection	6.14	1,790,511,164	-
GoP equity injection	6.15	895,255,582	-
GoP equity injection	6.16	20,762,002,370	-
GoP equity injection	6.17	50,187,189,539	-
		205,820,918,996	130,867,728,553

6.1 This represents net worth of the Company as on 01 July 1998 and subsequent adjustments/additions.

6.2 This represents adjustments of loan repayment and assets transferred, through current account maintained with WAPDA.

6.3 It represents net worth of FATA amounting to Rs. 1,670 million which has been surrendered to WAPDA w.e.f. from July 01, 2003 but still held by PESCO on their behalf and the reversal of employees retirement benefits amounting to Rs. 99.05 million on incorporation of TESCO.

6.4 WAPDA has confirmed vide letter No 36-66/GMF(P)/MFHQ/B.K-40 to the Company to issue shares of Rs.10 each equivalent to share deposit money of Rs.18.082 billion.

6.5 Ministry of Energy (Power) Division through its letter No.PF.5(4)/2012-Vol.X dated 22-03-2019 directed all DISCO's to book Equity amounting to Rs. 9,347.649 million against payment of Financial charges in respect of STFFs of PKR 7.487 billion, PKR 25 billion and PKR 30 billion. The payment of these charges has been made by the Govt of Pakistan (Finance Division) and PESCO's share is Rs. 2,094 million.

6.6 Ministry of Energy (Power division) through its letter No.F-05(06-PHL) 2021-22 dated 22-09-2021 directed all DISCO's to book GoP Equity amounting to Rs.4.4 billion and CPPA has issued credit note to PESCO amounting Rs.879.673 million vide Credit Note No. PPA - 13 / PESCO-01 dated 09-09-2021.

6.7 Ministry of Energy (Power division) through its letter No. F No. 05(06-PHL) 2021-22 Dated 07.02.2022, directed all the DISCOs to book GoP Equity amounting to Rs.134.783 billion and CPPA-G has issued a credit note to PESCO amounting to Rs. 27.773 billion vide Credit Note No, PPA-188 / PESCO-18 dated 31-01-2022.

6.8 Ministry of Energy (Power division) through its letter No.F-05(02)2021-22 dated February 18, 2022, directed all DISCOs to book GoP Equity amounting to Rs.24.847 billion and CPPA has issued Credit Note to PESCO amounting Rs.5.236 billion vide Credit Note No.PPA - 248 / PESCO-24 dated 23-02-2022.

6.9 Ministry of Energy (Power division) through its letter No.F-05(02)2021-22 dated July 22, 2022, directed all DISCOs to book GoP Equity amounting to Rs.96.133 billion and CPPA has issued Credit Note to PESCO amounting Rs. 20.142 billion vide Credit Note No.PPA - 449 / PESCO-45 with effective date 30-6-2022.

6.10 Ministry of Energy (Power division) through its letter No.F-05(02)2021-22 dated July 07,2022, directed all DISCOs to book GoP Equity amounting to Rs.72.986 billion and CPPA has issued Credit Note to PESCO amounting Rs.15.292 billion vide Credit Note No.PPA - 425 / PESCO-42 with effective date 30-6-2022.

6.11 Ministry of Energy (Power division) through its letter No.F-05(02)2021-22 dated August 01, 2022, directed all DISCOs to book GoP Equity amounting to Rs.16.014 billion and CPPA has issued Credit Note to PESCO amounting Rs.3.355 billion vide Credit Note No.PPA - 458 / PESCO-46 with effective date 30-6-2022.

6.12 Ministry of Energy (Power division) through its letter No.F-05(02)2021-22 dated 18-10-2022, letter No.F-05(02)2021-22 dated 14-02-2023, letter No.F-05(02)2021-22 dated 13-03-2023, letter No.F-05(02)2021-22 dated 09-05-2023, and letter No.F-05(02)2021-23 dated 13-06-2023, directed all DISCO's to book GoP Equity amounting to Rs.152.438 billion and CPPA has issued credit note PPA - 52 / PESCO-05 dated 10-2022 for Rs.1.439 billion, credit note No.PPA - 116 / PESCO-12 dated.02-2023,for Rs. 5.831 billion, credit note No. CPPA-125/PESCO-13 dated 02-2023 for Rs.1.692 billion, credit note No. CPPA-134/PESCO-14 dated 02-2023 for Rs.6.591 billion, credit note No. CPPA-147/PESCO-15 dated 03-2023,for Rs.848 million, credit note No.CPPA-195/PESCO-20 dated 04-2023 for Rs.1.686 billion credit note No.CPPA-204/PESCO-21 dated 04-2023 for Rs.13.131 billion and credit note No. CPPA-258 / PESCO-27 dated 05-2023 for Rs.834 million and letter No. F- No. 5(02)/2021-23 dated 01-08-2023 vide credit note No.PPA-374 / PESCO-40 dated 30-06-2023 for Rs. 5.957 billion has been received on account of Equity.

6.13 Being the booking of Credit Note No. PRA -143 / PESCO -18 dated January, 2024 for Rs. 1,318,231,788 received from CPPA - G. on account of share in GoP Equity of Rs.6.00 billion (PESCO Share 1,318.231 Millions) as per ECC of the Cabinet decision No. 299/38/2011 dated 31-10-2022 and as approved by the Secretary Power Division being permanent 100 % proxyholder of shares of DISCOs.

6.14 Being the booking of Credit Note No. PRA -214 / PESCO -26 dated March, 2024 for Rs. 1,790,511,164 received from CPPA - G. on account of share in GoP Equity of Rs.8.00 billion (PESCO Share 1790.511 Millions) as per ECC of the Cabinet Decision No. 299/38/2011 dated 31-10-2022 and as approved by the Secretary Power Division being permanent 100 % proxyholder of shares of DISCOs.

6.15 Being the booking of Credit Note No. PRA -224 / PESCO -29 dated April, 2024 for Rs. 895,255,582 received from CPPA - G. on account of share in GoP Equity of Rs.4.00 billion (PESCO Share 895.255 Millions) as per ECC of the Cabinet Decision No. 299/38/2011 dated 31-10-2022 and as approved by the Secretary Power Division being permanent 100 % proxyholder of shares of DISCOs.

6.16 Being the booking of Credit Note No. PPA -267 / PESCO -35 dated June, 2024 for Rs. 895,693,090, received from CPPA - G.on account of share in GoP Equity of Rs.4.00 billion, Credit Note No.PPA-276/PESCO-36 dated June, 2024 for Rs.892,280,894, received from CPPA - G.on account of share in GoP Equity of Rs.4.00 billion, Credit Note No.PPA-303/PESCO-40 dated June,2024 for Rs.882,512,948 received from CPPA - G.on account of share in GoP Equity of Rs.4.00 billion and Credit Note.PPA-312/PESCO-41 dated June, 2024 for Rs.18,091,515,438 received from CPPA-G on account of share in GoP Equity of Rs.82.00 billion (Total PESCO Share 20.762 Millions) as per ECC of the Cabinet Decision No. 299/38/2011 dated 31-10-2022 and as approved by the Secretary Power Division being permanent 100 % proxyholder of shares of DISCOs.

6.17 This amount shows GoP Investment in the DISCO's against Circular Debt Settlement.As per letter of Government of Pakistan Finance Division No. F-1(5) CF-I/2012-13/1017 dated July 02, 2013, Finance Division has transferred Rs. 341.958 billion in PEPCO's account through State Bank of Pakistan on June 27, 2013 for the settlement of power sector circular debt payable to IPP's and other entities. PESCO received Credit Memo No. PPA-204/PESCO-26 dated May 06, 2014 for Rs. 82.145 billion from CPPA on account of GoP Investment against Circular debt of aforesaid amount. Debit Memo No. PPA-260/PESCO-22 dated March 30, 2016 for Rs. 1.168 billion and Debit Memo No. PPA-261/PESCO-23 dated 30-03-2016 for Rs.16.766 billion and Debit Memo No. PPA-07 / PESCO-01 dated 31-01-2018 for Rs. 0.087 billion has been adjusted against this liability on account of Subsidy Receivable from Government of Pakistan.

As per letter of Ministry of Energy (Power Division) letter No. PF-05(02)2019-20 dated 23-12-2020, a Debit Note No. PPA-159/PESCO-16 dated 31-12-2020 is received from CPPA on account of adjustment of equity amounting to Rs. 13.936 billion which was recorded during the year 2019-20. The said amount previously shown as liability against Government Investment has now been reclassified as Equity.

7 LIABILITIES AGAINST GOVERNMENT INVESTMENT

	Note	2024 Rupees	2023 Rupees
Federal Government Investments (Circular Debt Settlement)	6.17	-	50,187,189,539

8 LONG TERM LOANS - secured

	Note	2024	2023
Loan from Government of Pakistan	8.1	125,284,795	125,284,795
Asian Development Bank - Trench I (2438-PK)	8.2	847,267,493	847,267,493
Asian Development Bank - Trench II (2727-PK)	8.3	955,422,626	955,422,626
Asian Development Bank - Trench III (2972-PK)	8.4	1,976,630,025	1,976,630,025
Asian Development Bank - Trench IV (3096-PK)	8.5	1,668,205,374	1,668,205,374
Earthquake Reconstruction and Rehabilitation Authority	8.6	2,255,658,158	2,083,217,020
Electrification work at Chitral (Federal PSDP) CCPR-3129	8.7	1,513,009,000	594,653,000
132 KV Grid system Chitral (Federal PSDP) CCPR-3130	8.8	299,981,590	148,522,590
Evacuation of Power from Swabi (Federal PSDP) CCPR-3131	8.9	738,620,000	477,771,000
Supply of Power to Rashakai Economic Zone(Federal PSDP)	8.10	1,798,530,515	1,798,530,515
Supply of Power to Hattar Economic Zone (Federal PSDP)	8.11	942,239,000	942,239,000
Electricity Distribution Efficiency Improvement Program (EDEIP)	8.12	109,339,200	-
		13,230,187,776	11,617,743,438
Less: Current maturity		(3,083,417,577)	(3,556,618,533)
		10,146,770,199	8,061,124,905

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8.1 Loan from Government of Pakistan

This loan has been advanced by the Government of Pakistan (GoP) for the restoration of Power Distribution Infrastructure and Electricity Consumption in earthquake affected areas. The loan is free of interest charges and currency fluctuations.

8.2 Asian Development Bank - Trench I

This represents relevant portion of total term finance facility obtained by the Government of Pakistan (GoP) from Asian Development Bank (ADB) for power distribution and enhancement project. Out of total finance facility an amount of US $ 36.60 million has been allocated to the Company vide letter dated 30-03-2009 of Ministry of Economic Affairs & Statistics (Economic Affairs Division) Government of Pakistan. Out of the total allocated facility, the Company has utilized and repaid US $ 22.661 million and US $ 0.424 million respectively and left with outstanding amount up to US $ 22.237 million as at June 30, 2018. Ministry of Economic Affairs & Statistics (Economic Affairs Division) vide letter No. 6-16(7) DMR/GF/2011 dated 25-08-2014 has revised the terms and conditions of the loan. Under the revised terms, the loan carries interest @ 17% inclusive of exchange risk 6% is repayable in 26 semi-annual instalments ending August 15, 2023 with first repayment due on February 15, 2011. Accordingly the principal amount which has fallen due and are due for repayment within 12 months of the reporting date has been transferred to current portion. Further, since the revised repayment terms require the repayment of principal in Pak Rupee, exchange difference arising on revaluation of this loan for the year has not been recognized.

8.3 Asian Development Bank - Trench II

This represents re-lent portion of total term finance facility obtained by the GoP from ADB for power distribution and enhancement project. Out of total finance facility, an amount of US $ 26.66 million has been allocated to the Company vide letter No. 1(3) ADB-II/06-A dated 31-03-2011 of Ministry of Economic Affairs & Statistics (Economic Affairs Division) Government of Pakistan. As per the letter dated 09-04-2011 of the Ministry of Economic Affairs & Statistics (Economic Affairs Division), the loan amount has been relent to the Company on the following terms:

- 15% p.a inclusive of interest rate of 8.2% plus exchange risk coverage (ERC) of 6.8% which shall be charged both on principal amount and interest amount separately.

- repayment maximum period of 17 years excluding a grace period of 3 years.

- all charges and fees including commitment charges etc if any payable by the Government of Pakistan to the above foreign lender shall also be borne by the Company.

8.4 Asian Development Bank - Trench III

This represents re-lent portion of total term finance facility obtained by the GoP from ADB for power distribution and enhancement project. Out of total finance facility an amount of US $ 21.55 million has been allocated to the Company vide letter No. 2(9) ADB-II/12 dated 31-12-2013 of Ministry of Economic Affairs & Statistics (Economic Affairs Division) Government of Pakistan. Out of the total allocated facility the company has utilized US $ 7.38 million up to June 30, 2016. As per the letter dated 31-12-2013 of the Ministry of Economic Affairs & Statistics (Economic Affairs Division) the loan amount has been relent to the Company on the following terms:

- 15% p.a inclusive of interest rate of 8.2% plus exchange risk coverage (ERC) of 6.8% which shall be charged both on principal amount and interest amount separately.

- repayment maximum period of 20 years including a grace period of 5 years.

- all charges and fees including commitment charges etc if any payable by the Government of Pakistan to the above foreign lender shall also be borne by the Company.

8.5 Asian Development Bank - Trench IV

This represents re-lent portion of total term finance facility obtained by the GoP from ADB for Earthquake Emergency Assistance Project. Out of total finance facility an amount of US $ 11.00 million has been allocated to the Company vide letter dated 22 July 2008 of Ministry of Economic Affairs & Statistics (Economic Affairs Division) Government of Pakistan. As per the above said letter, the loan amount has been relent to the Company on the terms and conditions agreed between the GoP and ADB which are as follows:

'- repayment maximum period of 25 years including a grace period of 5 years.
- the facility carries interest at 1% per annum on the amount of the Loan withdrawn from the loan account and outstanding from time to time.
- repayment maximum period of 40 years including a grace period of 10 years, repayment shall be made in 30 semi annual instalments.
- 15% inclusive of interest rate of 8.2% plus exchange risk coverage (ERC) of 6.8% which shall be charged both on principal amount and interest amount separately.

- all charges and fees including commitment charges etc. if any payable by the Government of Pakistan to the above foreign lender shall also be borne by the Company.

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8.6 Earthquake Reconstruction and Rehabilitation Authority

This represents re-lent portion of total term finance facility obtained by the GoP from ADB for Earthquake Emergency Assistance Project. Out of total finance facility an amount of US $ 11.00 million has been allocated to the Company vide letter dated 22-07-2008 of Ministry of Economic Affairs & Statistics (Economic Affairs Division) Government of Pakistan. As per the above said letter, the loan amount has been relent to the Company on the terms and conditions agreed between the GoP and ADB which are as follows:

- the facility carries interest at 1% per annum on the amount of the loan withdrawn from the loan account and outstanding from time to time.
- repayment maximum period of 40 years including a grace period of 10 years, repayment shall be made in 30 semi annual instalments.
- 15% inclusive of interest rate of 8.2% plus exchange risk coverage (ERC) of 6.8% which shall be charged both on principal amount and interest amount separately.
- all charges and fees including commitment charges etc. if any payable by the Government of Pakistan to the above foreign lender shall also be borne by the Company.

8.7 Electrification work at Chitral (CCPR-3129)

This represents long term loan facility provided by the Finance Division of Government of Pakistan under the Public Sector Development Program (PSDP) for electrification works at different valleys of Lower District Chitral. The project involves construction of 437.73 KM HT line and 597 KM LT line in District Chitral Lower area. The total estimated cost of the project is Rs. 1,558.689 million. As per schedule provided by the Finance Division, the loan has been sanctioned on the following terms:

- The loans will be recoverable in 25 years along-with interest which includes grace period of five years for recovery of principal amount. The interest will be chargeable at the prevailing rate for the respective year.
- As at June 30, 2024, an amount of Rs. 1,417.539 million has been released by the Ministry, however, adjustment of Rs. 95.470 million has been recorded against the accrued markup of Rs 190.126 million after which accumulated loan amount is Rs. 1,513 million.

8.8 132 KV Grid system Chitral (CCPR-3130)

This represents long term loan facility provided by the Finance Division of Government of Pakistan under the Public Sector Development Program (PSDP) for establishment of 132 KV along with up-gradation of existing 33 KV Grid System in District Chitral. The total estimated cost of the project is Rs. 309.981 million. As per schedule provided by the Finance Division, the loan has been sanctioned on the following terms:

- The loans will be recoverable in 25 years along-with interest which includes grace period of five years for recovery of principal amount. The interest will be chargeable at the prevailing rate for the respective year.
- As at June 30, 2024, an amount of Rs. 251.173 million has been released by the Ministry, however adjustment of Rs. 48.809 million was recorded against the accrued markup of Rs. 66.638 million after which accumulated loan amount is Rs. 299.982 million.

8.9 Evacuation of Power from Swabi (CCPR-3131)

This represents long term loan facility provided by the Finance Division of Government of Pakistan under the Public Sector Development Program (PSDP) for construction of 132 KV transmission lines to evacuate power from 220 KV Grid Station Swabi to meet with the additional load demand and voltage profile improvement in the area. The total estimated cost of the project is Rs. 738.620 million. As per schedule provided by the Finance Division, the loan has been sanctioned on the following terms:

- The loans will be recoverable in 25 years along-with interest which includes grace period of five years for recovery of principal amount. The interest will be chargeable at the prevailing rate for the respective year.
- As at June 30, 2024, an amount of Rs. 625.29 million has been released by the Ministry, however adjustment of Rs. 113.330 million was recorded against the accrued markup of Rs. 146.323 million after which accumulated loan amount is Rs. 738.620 million.

8.10 Supply of Power to Rashakai Economic Zone (CCPR-7018)

This represents long term loan facility provided by the Finance Division of Government of Pakistan under the Public Sector DevelopmentProgram (PSDP) for constructionof 11 KV feederand 132 KV transmissionlines for supply of Power to Rashakai Special Economic Zone. The total estimated cost of the project is Rs. 182,5.796 million. As per schedule provided by the Finance Division, the loan has been lent on the following terms:

- The loans will be recoverablein 25 years along-with interest which includes grace period of five years for recovery of principal amount. The interest will be chargeable at the prevailing rate for the respective year.

- As at June 30, 2024, an amount of Rs. 1,475.774 million has been released by the Ministry, however adjustment of Rs. 322.758 million was recorded against the accrued markup of Rs. 535.585 million after which accumulated loan amount is Rs. 1,798.531 million.

8.11 Supply of Power to Hattar Economic Zone (CCPR-7019)

This represents long term loan facility provided by the Finance Division of Government of Pakistan under the Public Sector DevelopmentProgram (PSDP) for construction of 11 KV feeder and 132 KV transmission lines for supply of Power to Hattar Special Economic Zone. The total estimated cost of the project is Rs. 1036.828 million. As per schedule provided by the Finance Division, the loan has been sanctioned on the following terms:

- The loans will be recoverablein 25 years along-with interest which includes grace period of five years for recovery of principal amount. The interest will be chargeable at the prevailing rate for the respective year.

- As at June 30, 2024, an amount of Rs. 790.217 million has been released by the Ministry, however adjustment of Rs. 152.023 million was recorded against the accrued markup of Rs. 268.426 million after which accumulated loan amount is Rs. 942.240 million.

8.12 Electricity Distribution Efficiency Improvement Program (EDEIP)

This represents World Bank loan for Distribution efficiency improvement in three DISCOs including PESCO. The loan agreement was signed between Islamic Republic of Pakistan and the International Bank for Reconstruction and Development (World Bank) in December 2021 and become effective w.e.f August 15, 2022. The PC I of this project was approved by ECNEC in the meeting held on November 24, 2021 with the total expected cost of USD 209.06 million designated for improvement of distribution system and upgrading three DISCOs and the modernization in Ministry of Energy. PESCO share of loan is USD 73.44 million (with World Bank financing USD 70.10 million & PESCO contribution equal to USD 3.34 million for overheads). The project aim is to enhance the Grid system, modernize power distribution system, improve Operation & Management, capacity building and to provide Technical assistance for strengthening the distribution network and to reduce technical losses. As on December 31, 2023, World Bank disbursed funds of USD 500,000 (equivalent to PKR 152.705 million at exchange rate of Rs 305.41) through Assignment accounts at NBP Peshawar Cantt. Out of these funds, expenditure of PKR 109.339 million incurred during Fiscal Year 2023-24.

9 STAFF RETIREMENT BENEFITS

	Note	2024 Rupees	2023 Rupees
Pension	9.1	147,751,838,646	128,935,840,619
Free electricity	9.1	9,471,439,277	6,690,179,884
Medical benefits	9.1	10,823,876,187	9,113,901,338
Compensated absences	9.1	4,723,039,626	3,788,563,205
		172,770,193,736	148,528,485,046

The disclosures made in the following notes are based on the information included in actuarial report.

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

	Note	Pension	Free electricity	Medical benefits	Compensated absences	Total
		Rupees				
As at 30 June 2024						
Balance as at 01 July 2023		128,935,840,619	6,690,179,884	9,113,901,338	3,788,563,205	148,528,485,046
Charge for the year	9.2	16,296,799,520	1,109,654,550	1,510,716,736	1,123,912,638	20,041,083,444
Remeasurements recognized in statement of comprehensive income	9.3	13,275,385,576	2,014,123,205	205,478,400	-	15,494,987,181
Benefits paid		(10,331,187,069)	(342,518,362)	(6,220,287)	(189,436,217)	(10,869,361,935)
Employer contribution		(425,000,000)	-	-	-	(425,000,000)
Balance as at 30 June 2024		147,751,838,646	9,471,439,277	10,823,876,187	4,723,039,626	172,770,193,736
As at 30 June 2023						
Balance as at 01 July 2022		109,458,241,759	4,738,365,842	8,618,513,658	3,605,990,342	126,421,111,601
Charge for the year	9.2	12,712,925,750	697,313,665	1,237,776,531	399,049,909	15,047,065,855
Remeasurements recognized in statement of comprehensive income	9.3	15,411,390,781	1,477,038,053	(732,902,083)	-	16,155,526,751
Benefits paid		(8,646,717,671)	(222,537,676)	(9,486,768)	(216,477,046)	(9,095,219,161)
Balance as at 30 June 2023		128,935,840,619	6,690,179,884	9,113,901,338	3,788,563,205	148,528,485,046

9.1.1 The amount of pension obligation recognized in the statement of finacial position is as follows:

	Note	Pension	Free electricity	Medical benefits	Compensated absences	Total
		Rupees				
Present value of defined benefit obligations		148,176,838,646	-	-	-	148,176,838,646
Fair value of plan assets	9.1.1.1	(425,000,000)	-	-	-	(425,000,000)
		147,751,838,646	-	-	-	147,751,838,646

9.1.1.1 Composition of fair value of plan assets

	Pension	Free electricity	Medical benefits	Compensated absences	Total
Balance as at 01 July 2023	-	-	-	-	-
Cash flows:					
Employer's contribution	425,000,000	-	-	-	425,000,000
Balance as at 30 June 2024	425,000,000	-	-	-	425,000,000

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9.2 Amounts recognized in the statement of profit or loss against defined benefit plans are:

	Pension	Free electricity	Medical benefits	Compensated absences	Total
	....	....	Rupees	....	....
As at 30 June 2024					
Current service cost	802,985,604	82,924,539	75,767,123	7,211,791	968,889,057
Interest cost	15,493,813,916	1,026,730,011	1,434,949,613	581,780,603	18,537,274,143
Experience adjustment	-	-	-	534,920,244	534,920,244
Net charge for the year	16,296,799,520	1,109,654,550	1,510,716,736	1,123,912,638	20,041,083,444
As at 30 June 2023					
Current service cost	1,019,716,555	72,655,569	74,917,544	72,174,590	1,239,464,258
Interest cost	11,693,209,195	624,658,096	1,162,858,987	472,196,495	13,952,922,773
Experience adjustment	-	-	-	(145,321,176)	(145,321,176)
Net charge for the year	12,712,925,750	697,313,665	1,237,776,531	399,049,909	15,047,065,855

9.3 Remeasurements recognized in statement of comprehensive income:

	Pension	Free electricity	Medical benefits	Compensated absences	Total
As at 30 June 2024					
Experience adjustments	13,275,385,576	2,014,123,205	205,478,400	-	15,494,987,181
	13,275,385,576	2,014,123,205	205,478,400	-	15,494,987,181
As at 30 June 2023					
Experience adjustments	15,411,390,781	1,477,038,053	(732,902,083)	-	16,155,526,751
	15,411,390,781	1,477,038,053	(732,902,083)	-	16,155,526,751

9.4 Reconciliation of present value of defined benefit obligations:

	Pension	Free electricity	Medical benefits	Compensated absences	Total
	....	....	Rupees	....	....
As at 30 June 2024					
Balance as at 01 July 2023	128,935,840,619	6,690,179,884	9,113,901,338	3,788,563,205	148,528,485,046
Current service cost	802,985,604	82,924,539	75,767,123	7,211,791	968,889,057
Interest cost	15,493,813,916	1,026,730,011	1,434,949,613	581,780,603	18,537,274,143
Benefits paid during the year	(10,331,187,069)	(342,518,362)	(6,220,287)	(189,436,217)	(10,869,361,935)
Experience adjustments	13,275,385,576	2,014,123,205	205,478,400	-	15,494,987,181
Experience adjustment	-	-	-	534,920,244	534,920,244
Employer contribution	(425,000,000)	-	-	-	(425,000,000)
Balance as at 30 June 2024	147,751,838,646	9,471,439,277	10,823,876,187	4,723,039,626	172,770,193,736
As at 30 June 2023					
Balance as at 01 July 2022	109,458,241,759	4,738,365,842	8,618,513,658	3,605,990,342	126,421,111,601
Current service cost	1,019,716,555	72,655,569	74,917,544	72,174,590	1,239,464,258
Interest cost	11,693,209,195	624,658,096	1,162,858,987	472,196,495	13,952,922,773
Benefits paid during the year	(8,646,717,671)	(222,537,676)	(9,486,768)	(216,477,046)	(9,095,219,161)
Experience adjustments	15,411,390,781	1,477,038,053	(732,902,083)	(145,321,176)	16,010,205,575
Balance as at 30 June 2023	128,935,840,619	6,690,179,884	9,113,901,338	3,788,563,205	148,528,485,046

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9.5 Principal actuarial assumptions:

	30 June 2024			
	Pension	**Free electricity**	**Medical benefits**	**Compensated absences**
Discount rate (per annum)	14.00%	14.00%	14.00%	14.00%
Salary increase rate used for year end obligation (per annum)	13.00%	-	-	13.00%
Pension / Electricity indexation rate	8.00%	13.00%	-	-
Medical cost increase rate	-	-	14.00%	-
Mortality rates	SLIC 2001-2005 setback 1 year Age-based	SLIC 2001-2005 setback 1 year Age-based	SLIC 2001-2005 setback 1 year Age-based	SLIC 2001-2005 setback 1 year Age-based
Withdrawal rates	Low	Low	Low	Low
Expected charge to the statement of profit or loss for the next financial year (Rupees)	22,042,204,870	1,519,119,893	1,633,310,411	669,442,752

	30 June 2023			
	Pension	**Free electricity**	**Medical benefits**	**Compensated absences**
Discount rate (per annum)	15.75%	15.75%	15.75%	15.75%
Salary increase rate used for year end obligation (per annum)	14.75%	-	-	14.75%
Pension / Electricity indexation rate	9.75%	14.75%	-	-
Medical cost increase rate	-	-	15.75%	-
Mortality rates	SLIC 2001-2005 setback 1 year Age-based	SLIC 2001-2005 setback 1 year Age-based	SLIC 2001-2005 setback 1 year Age-based	SLIC 2001-2005 setback 1 year Age-based
Withdrawal rates	Low	Low	Low	Low
Expected charge to the statement of profit or loss for the next financial year (Rupees)	21,110,380,501	1,136,627,871	1,511,206,584	603,910,496

9.6 Sensitivity analysis for actuarial assumptions:

The sensitivity of the staff retirement benefits as at reporting date to changes in the weighted principal assumption is:

	30 June 2024			
	Pension	**Free electricity**	**Medical benefits**	**Compensated absences**
Discount rate	1.00%	1.00%	1.00%	1.00%
Increase in assumption (Rupees)	(132,494,897,915)	(10,361,184,832)	(10,048,886,652)	(4,297,029,079)
Decrease in assumption (Rupees)	166,893,552,953	12,798,576,768	11,724,422,686	5,233,120,776
Future salary increase	1.00%	-	-	1.00%
Increase in assumption (Rupees)	151,042,646,435	-	-	5,235,710,023
Decrease in assumption (Rupees)	(145,629,270,622)	-	-	(4,287,888,620)
Indexation rate	1.00%	1.00%	1.00%	-
Increase in assumption (Rupees)	164,003,471,462	12,963,551,599	11,682,209,569	-
Decrease in assumption (Rupees)	(134,490,210,235)	(10,288,608,756)	(10,065,122,467)	-

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	30 June 2023			
	Pension	Free electricity	Medical benefits	Compensated absences
Discount rate	1.00%	1.00%	1.00%	1.00%
Increase in assumption (Rupees)	(123,992,117,815)	(5,911,995,972)	(8,461,346,003)	(3,491,505,184)
Decrease in assumption (Rupees)	160,045,155,307	7,536,516,343	9,872,177,930	4,135,522,211
Future salary increase	1.00%	-	-	1.00%
Increase in assumption (Rupees)	144,656,378,287	-	-	4,135,522,211
Decrease in assumption (Rupees)	(133,890,697,183)	-	-	(3,485,150,562)
Indexation rate	1.00%	1.00%	1.00%	-
Increase in assumption (Rupees)	156,586,858,754	7,564,234,860	9,836,633,715	-
Decrease.in assumption (Rupees)	(133,978,883,210)	(5,877,804,959)	(8,475,016,855)	-

The above 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 staff retirement benefits recognized within the statement of financial position.

9.7 Risks associated with staff retirement benefits:

Salary increase risk

The risk that the actuall salary increase is higher than the expected salary increase, where benefits are linked with final salary at the time of cessation of service, is likely to have an impact on liability.

Mortality risk

Actual mortality experience may different from the assumed in the calculation.

Withdrawal risk

Actual withdrawals experience may different from the assumed in the calculation.

Pension increase risk

The risk that the actual pension increaseis higher than the expected, where benefits are being paid in form of monthly pension, is likely to have animpact on the plan liability.

Discount rate risk

The risk of changes in discount rate may have an impact on the plans liabilities.

	2024 Rupees	2023 Rupees

10 DEFERRED CREDIT

	2024 Rupees	2023 Rupees
Balance brought forward	64,561,009,585	57,758,648,874
Additions during the year	8,876,962,603	6,802,360,711
	73,437,972,188	64,561,009,585
Amortization		
- Balance brought forward	(20,845,632,717)	(18,536,668,108)
- For the year	(2,619,658,300)	(2,308,964,609)
	(23,465,291,017)	(20,845,632,717)
	49,972,681,170	43,715,376,868

10.1 This represents amount received from customers for new connections/constructionworks. The amount is initially recorded under "*Trade Payables*" and then transferred to this head once task is completed. The amount is amortized over the life of fixed assets.

11 CONSUMERS' SECURITY DEPOSITS

	2024 Rupees	2023 Rupees
Consumers' security deposits	7,374,971,928	6,793,519,936

These represent security deposits received from consumers at the time of electricity connection and are refundable/ adjustable on disconnection of electricity supply. This amount has been kept in a separate bank account.

12 TRADE AND OTHER PAYABLES

	Note	2024 Rupees	2023 Rupees ('Restated)
Associated undertakings - unsecured	12.1	547,511,408,383	453,430,197,348
Trade creditors payable		4,520,573,612	5,943,087,759
		552,031,981,995	459,373,285,107
Receipt against deposit work		23,595,052,054	27,461,559,113
Realized :			
Electricity duty		269,777,376	116,489,005
Income tax withheld		846,428,050	691,058,323
Professional tax		612,800	454,650
KPRA tax		1,670,007	-
TV license fee		49,857,836	49,588,170
Neelum Jhelum surcharge		877,477,195	876,600,465
Equalization surcharge		769,770,825	779,668,867
Taxes		54,574	12,119
Finance cost surcharge		1,695,623,114	2,046,273,842
UOS/Tariff rationalization surcharge		1,020,962,864	1,020,873,986
General sales tax		2,497,397,230	468,782,630
		8,029,631,871	6,049,802,057
Un-Realized :			
Electricity duty		2,300,530,767	1,847,365,004
Income tax on electricity bills		2,024,146,013	1,546,549,826
TV license fee		1,497,197,651	1,340,835,194
Neelum Jhelum surcharge		1,289,660,613	1,299,466,427
Equalization surcharge		224,558,787	225,319,515
Extra tax		325,047,368	73,930,373
Further tax		112,088,419	40,512,811
Unrealized Sales Tax 2014		68,066,059	23,107,277
Taxes		96,396,012	97,440,043
Finance cost surcharge		9,903,098,719	6,431,643,659
UOS/Tariff rationalization surcharge		221,186,708	222,310,384
General sales tax		9,480,183,110	4,424,892,705
		27,542,160,226	17,573,373,218
Others:			
Employees shares in fund		10,194,932	9,461,941
Accrued liabilities		1,639,053,907	2,385,418,408
Retention money - contractors / suppliers		746,336,041	651,225,334
Capital contribution awaiting connections		567,612,189	2,083,998,614
Other liabilities		13,021,692	126,857,742
		2,976,218,761	5,256,962,039
		614,175,044,907	515,714,981,540

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	2024 Rupees	2023 Rupees (Restated)

12.1 Creditors - associated undertakings

Central Power Purchasing Agency	547,045,209,807	452,962,062,991
Multan Electric Power Company	454,474,896	455,930,995
Pakistan Electric Power Company	11,723,680	12,203,362
	547,511,408,383	453,430,197,348

13 ACCRUED MARKUP

Asian Development Bank - Trench I (2438-PK)	432,106,420	430,469,653
Asian Development Bank - Trench II (2727-PK)	689,505,205	605,811,661
Asian Development Bank - Trench III (2972-PK)	1,545,030,244	1,325,130,414
Asian Development Bank - Trench IV (3096-PK)	1,354,320,419	1,161,035,369
Earthquake Reconstruction and Rehabilitation Authority	233,564,335	198,122,738
Electrification work at Chitral(Federal PSDP) CCPR-3129	94,656,000	12,930,000
132 KV Grid system Chitral (Federal PSDP) CCPR-3130	17,829,000	23,087,800
Evacuation of Power from Swabi(Federal PSDP) CCPR-3131	32,993,000	8,986,000
Supply of Power to Rasahkai E Zone(Federal PSDP) CCPR-7018	230,827,000	18,992,400
Supply of Power to Hattar E Zone(Federal PSDP) CCPR-7019	116,403,000	6,496,700
Electricity Distribution Efficiency Improvement Program (EDEIP)	926,250	-
	4,748,160,873	3,791,062,735

13.1 During the year 2020, receivable from AJK amounting to Rs. 3,450 million has been adjusted against accrued markup amounting to Rs. 1,686.539 million against ADB Trench I, Rs. 823.603 million against ADB Trench II, Rs. 464.247 million against ADB Trench III, Rs. 411.167 million against ADB Trench IV and Rs. 64.13 million against ERRA as non cash adjustment vide GoP Finance Division letter No. F.I(14)CF-1/2015-16/1290 dated 26-09-2019.

14 CONTINGENCIES AND COMMITMENTS

14.1 Contingencies

14.1.1 Large number of small cases have been filed against the Company, primarily by the Company's employees, customers and vendors, the quantum of which can not be estimated reliably. However 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.

14.1.2 Income Tax

(i) RTO, Peshawar raised demands in three different cases against the Company amounting to Rs. 2,725 million for the tax years 2009, 2010 and 2013, respectively, under section 161 of Income Tax Ordinance, 2001. The Company has preferred an appeal before ATIR, which are pending adjudication. Similarly, RTO, Peshawar has also created tax demand against the Company amounting to Rs. 1,696 million for the tax years 2019 and 2020 under section 161 of Income Tax Ordinance, 2001. Being aggrieved by the decision, the Company preferred an appeal before CIR(A), which is still pending adjudication. The management of the Company believes that there is high likelihood of winning these cases.

(ii) DCIR RTO, Peshawar raised demands against the Company amounting to Rs. 5,187 million for the tax years 2016 to 2021 on account of non payment of turnover tax on subsidy and various income heads. Being aggrieved by the decision, the Company filed appeal against the tax demands before the CIR(A) and the same is pending adjudications. In addition to this, appeals against the tax liability of Rs. 168 million has been filed before ATIR against the orders passed by CIR (A), which is pending adjudications. The management of the Company believes that there is high likelihood of winning the case.

14.1.3 Sales Tax

(i) Show cause notices were issued to the Company by Regional Tax Office for recovery of Rs. 314 million, 344 million, 464 million and Rs. 99 million which declared as sales tax charged to Steel Melters for the period from January 2011 to June 2011, July 2011 to December 2011, January 2012 to June 2012 and October 2012 to October 2013, respectively, however, the same was also recovered. The Company appeals against the tax demands of Regional Tax Office has now been decided by Peshawar High Court in favour of the Company, however, the decision has been challenged before the Supreme Court of Pakistan by the Regional Tax Office, which is pending adjudication.

(ii) The sales tax charged to the Steel Melters under Rule 58H was declared as per the prescribed format of Sales Tax Return-STR 7 for the period from May 2008 to March 2013, however, Regional Tax Office (RTO), Peshawar has also recovered the adjusted amount of taxes, by creating the tax demands of Rs. 1,630 million, Rs.314 million, Rs. 344 million 464 million Rs. 531 million, Rs. 65 million and Rs. 21 million respectively, including default surcharge of Rs.228 Million. The Company has filed a tax refund of Rs.3,597 million of the adjusted amount of taxes with RTO Peshawar as per the prescribed format of STR-7 under Sales Tax Rules, 2006 and the decision of Commissioner Inland Revenue in instant matter is awaited. The management of the Company believes that since this is an industry wide issue, therefore the Company has positive prospects to get favourable outcome.

(iii) Appeal against tax liability created on account of inadmissible input tax on supplies to Tribal Areas (PATA) to the tune of Rs. 2,085 million have been decided by ATIR in favor of PESCO, the order of ATIR has been challenged by FBR before Peshawar High Court (PHC) and the same is pending adjudication. Similarly, tax liability of Rs. 5,130 million created for FY 2009-10 to FY 2014-2015 on account of inadmissible input tax on supplies to Tribal Areas (PATA) has been decided in favor of PESCO by PHC. However, order passed by PHC has been challenged by FBR before Supreme Court of Pakistan and the same is pending adjudication. Moreover, appeals (CPLAs) against the tax liability of Rs. 1,650 million, 328 million and 441 million on account of Inadmissible of input against exempt supplies (PATA/FATA) have been filed against PHC judgments before the Supreme Court of Pakistan which are pending adjudications. In addition to this, tax demand raised by DCIR RTO Peshawar amounting to Rs.871 million on account of inadmissible input tax adjustment against exempt supplies of PATA has been challenged before CIR (A), which is pending adjudication. Since, the PHC and ATIR have already decided similar cases in favor of the Company, the management of the Company believes that there is high likelihood of winning these cases.

(iv) The DCIR has issued an order raising a demand of Rs. 181 million on account of non-payment of sales tax on payments received from the Government of AJK, appeal has been filed before the ATIR, which is pending adjudication. Additionally, an appeal regarding the tax liability of Rs. 1,598 million on account of inadmissible input tax on supplies to AJK (subsidy portion), has been filed against the order passed by the DC-IR, RTO Peshawar, before the CIR(A) and is awaiting adjudication. Moreover, RTO, Peshawar issued a show cause notice against the Company amounting to Rs. 8,450 Million on account of inadmissible input tax adjustment against AJK supplies, which is pending adjudication. The management of the Company believes that there is high likelihood of winning these cases.

(v) RTO, Peshawar raised a demand against the Company amounting to Rs.57 million on account of non realization of sales Tax on free electricity to employees. An appeal against the said liability has been filed before Alternative Dispute Resolution Committee (ADRC) and is pending adjudication. The management of the Company believes that since, different Judicial forums have decided the similar cases in favor of the Company, therefore there is high likelihood of winning the said case in ADRC.

(vi) DG KPRA raised a demand against the Company amounting to Rs.1700 million on account of non realization of sales Tax on Wheeling Charges(TESCO). The Company has assailed the show cause notice in the writ jurisdiction before the Peshawar High Court. The Company also challenged the Assessment order before the Collector Appeals, which is pending adjudication.

(vii) Three cases related to sales tax liability on 'Subsidies received from GoP' involving tax liabilities to the tune of Rs. 6,412 million, Rs. 5,002 million and Rs. 4,862 million have been decided in favor of the Company by Appellate Tribunal Inland Revenue (ATIR), however the department has filed a Sales Tax Reference before Peshawar High Court against the order of the ATIR in the instant matter. The management of the Company believes that since, ATIR has decided the issue in favor of the Company, therefore the likelihood of winning these cases is high.

(viii) RTO, Peshawar raised demands against the Company amounting to Rs. 15,202 million for the tax years 2012 by disallowing input tax claimed on the basis of CPPA-G invoices and vehicles purchased. The Company filed appeal against the tax demands before ATIR. ATIR has remanded the case back to RTO Peshawar and demand was vacated, however being aggrieved by the decision, the RTO Peshawar preferred an appeal before Peshawar High Court (PHC) and then Supreme Court of Pakistan. The Supreme Court of Pakistan upheld the decision of ATIR and remand the case back to RTO, except the issue of input tax on vehicles purchased for Rs. 7 million , which was remanded back to PHC. An appeal has been filed by RTO Peshawar against the order of PHC before the Supreme Court of Pakistan. The management of the Company believes that there is high likelihood of winning the case.

(ix) RTO, Peshawar raised demand against the Company amounting to Rs. 22 million on account of inadmissible input tax on purchase of materials. Being aggrieved by the decision, the Company filed appeal against the tax demands before the CIR(A) and the case was decided in favour of the Company, however, RTO Peshawar has been challenged the order passed by CIR (Appeals) before ATIR, which is pending adjudication. The management of the Company believes that there is high likelihood of winning the case.

(x) RTO, Peshawar raised demands against the Company amounting to Rs.426 million on account of Levy of Sales Tax on supply of electricity generated from HSD. Being aggrieved by the decision, the Company filed appeal against the tax demands before the CIR(A) and decided the case in favour of Company, however, RTO Peshawar challenged the order passed by CIR (Appeals) before ATIR, which is pending adjudication. The management of the Company believes that there is high likelihood of winning the case.

(xi) RTO, Peshawar raised demands against the Company amounting to Rs.2,104 million & Rs.7,682 million on account of disallowed input tax on T&D losses and MNA funds for FY 2008-09 & FY 2009-10. The case has been decided in favour of the Company by Peshawar High Court (PHC), however, the decision of PHC has been challenged by FBR before Supreme Court of Pakistan which is pending adjudication. The management of the Company believes that there is high likelihood of winning the case.

15 PROPERTY, PLANT AND EQUIPMENT

	Note	2024 Rupees	2023 Rupees
Operating fixed assets	15.1	89,414,932,386	78,628,588,361
Capital work in progress	15.2	39,120,134,473	37,384,263,088
		128,535,066,859	116,012,851,449

15.1 Operating fixed assets

	Freehold land	Leasehold land	Buildings	Distribution equipment	Computer and ancillary equipment	Furniture and fixtures	Vehicles	Other equipment	Total
	Rupees								
As at June 30, 2022									
Cost	1,115,579,303	878,400	3,838,237,285	99,618,583,729	759,515,330	53,235,232	1,176,661,335	922,158,014	107,484,848,628
Accumulated depreciation	-	-	(936,782,012)	(36,433,945,197)	(443,604,695)	(41,116,397)	(733,596,780)	(522,676,276)	(39,111,721,357)
Net book value	1,115,579,303	878,400	2,901,455,273	63,184,638,532	315,910,635	12,118,835	443,064,555	399,481,738	68,373,127,271
Year ended June 30, 2023									
Opening net book value	1,115,579,303	878,400	2,901,455,273	63,184,638,532	315,910,635	12,118,835	443,064,555	399,481,738	68,373,127,271
Additions during the year	243,904,110	-	-	-	47,198,124	6,227,444	140,082,797	227,932,527	665,345,002
Transfers from CWIP	-	-	232,867,017	13,567,712,172	-	-	-	-	13,800,579,189
Depreciation charge	-	-	(84,323,229)	(3,866,651,999)	(64,577,588)	(7,465,070)	(72,013,462)	(115,431,752)	(4,210,463,102)
Closing net book value	1,359,483,413	878,400	3,049,999,061	72,885,698,705	298,531,171	10,881,209	511,133,890	511,982,513	78,628,588,361
As at June 30, 2023									
Cost	1,359,483,413	878,400	4,071,104,302	113,186,295,901	806,713,454	59,462,676	1,316,744,132	1,150,090,541	121,950,772,819
Accumulated depreciation	-	-	(1,021,105,241)	(40,300,597,196)	(508,182,283)	(48,581,467)	(805,610,242)	(638,108,028)	(43,322,184,459)
Net book value	1,359,483,413	878,400	3,049,999,061	72,885,698,705	298,531,171	10,881,209	511,133,890	511,982,513	78,628,588,361
Year ended June 30, 2024									
Opening net book value	1,359,483,413	878,400	3,049,999,061	72,885,698,705	298,531,171	10,881,209	511,133,890	511,982,513	78,628,588,362
Additions during the year	-	-	-	-	278,824,442	4,965,671	109,339,200	109,437,251	502,566,564
Transfers from CWIP	-	-	221,382,851	14,657,092,308	-	-	-	-	14,878,475,159
Depreciation charge	-	-	(84,021,287)	(4,219,001,841)	(94,556,376)	(3,365,534)	(84,586,222)	(109,166,439)	(4,594,697,699)
Closing net book value	1,359,483,413	878,400	3,187,360,625	83,323,789,172	482,799,237	12,481,346	535,886,868	512,253,325	89,414,932,386
As at June 30,2024									
Cost	1,359,483,413	878,400	4,292,487,153	127,843,388,209	1,085,537,896	64,428,347	1,426,083,332	1,259,527,792	137,331,814,542
Accumulated depreciation	-	-	(1,105,126,528)	(44,519,599,037)	(602,738,659)	(51,947,001)	(890,196,464)	(747,274,467)	(47,916,882,156)
Net book value	1,359,483,413	878,400	3,187,360,625	83,323,789,172	482,799,237	12,481,346	535,886,868	512,253,325	89,414,932,386
Annual rate of depreciation	-	-	2%	4%	10%	10%	10%	10%	

15.1.1 The cost of the assets as on June 30, 2024 includes fully depreciated assets amounting to Rs. 3,734,315,099 (2023: Rs.3,734,315,099) but are still in use of the Company.

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		2024 Rupees	2023 Rupees
15.1.2	**Reconciliation of book value:**		
	Net book value at the beginning of the year	78,628,588,362	68,373,127,271
	Additions during the year	502,566,564	665,345,002
	Transfers from CWIP	14,878,475,159	13,800,579,189
	Depreciation for the year	(4,594,697,699)	(4,210,463,100)
	Net book value at the end of the year	89,414,932,386	78,628,588,362

15.1.3 Governmentof Pakistan (GoP) and Ministry of Energy through Power Holding (Private) Limited is in process of arranging Shariah Compliant Islamic Finance Facility through issuance of Sukuk amounting Rs. 400 billion to settle the Energy Sector Circular Debts of all DISCO's. During the year 30-06-2019 & 30-06-2020, GoP has issued Pakistan Energy Sukuks under Ijarah agreement for PKR 400 billion for the period of 10 years to the Banks, Mutual Funds, Security Broker and other Domestic Financial Institutions. For this purpose PESCO Land is treated as underlying asset. Under the arrangement, PESCO holds the title of these Assets as Trustee/Title Agent on behalf of Sukuk Certificate holders. The legal documents executed by PESCO and the relevant counter parties reveal that the said assets have been leased out under an Ijarah agreement to GOP with an undertaking to resell the Assets to the PESCO at the end of the Ijarah Term. Although the legal documents have contemplated the overall arrangement on the model of Sukuk Ijarah, the management of PESCO has exercised its judgement, as required under International Accounting Standards (IAS)-1, "Presentation of Financial Statements", that the said transaction was in substance, a financing arrangement and therefore did not give rise to revenue on account of disposal of PESCO Assets. The management also determined that PESCO could not derecognize the Assets as the conditions to recognize revenue on sale of land have not been satisfied. In view of the above, based on the substance over form and the fact that proceeds of Sukuk Bonds had been retained by the PHPL, the repayment of Ijarah Sukuk and Ijarah rentals is the responsibility of the GoP and PESCO does not have to derecognize the assets in its financial statements.

15.1.4 The assets addition includes borrowing cost capitalized during the year amounting to Rs. 268.426 million (2023: Rs. 341.742 million).

		Note	2024 Rupees	2023 Rupees
15.2	**Capital work in progress**			
	Civil works		405,602,882	452,300,119
	Distribution equipment work in progress		38,714,531,591	36,931,962,969
		15.2.1 & 15.2.2	39,120,134,473	37,384,263,088
15.2.1	**Movement of CWIP is as follows:**			
	Opening balance		37,384,263,088	33,544,159,853
	Addition during the year		16,614,346,544	18,306,027,425
	Transferred to operating fixed assets	15.1	(14,878,475,159)	(14,465,924,190)
			39,120,134,473	37,384,263,088

15.2.2 This includes Deposit Work in Progress amount of Rs. 15.755 million (2023: Rs.16.777 million).

15.2.3 Financial expenses of the following PSDP loans will be capitalized during the year as per IAS 23 "Borrowing Costs".

	2024 Rupees	2023 Rupees
Electrification work at Chitral (CCPR-3129)	135,855,000	33,447,000
132 KV Grid system Chitral (CCPR-3130)	33,937,200	16,634,000
Evacuation of Power from Swabi (CCPR-3131)	84,601,000	32,676,562
Supply of Power to Rashakai Economic Zone (CCPR-7018)	2,820,730	-
Supply of Power to Hattar Economic Zone (CCPR-7019)	-	82,933,817
	257,213,930	165,691,379

16	**LONG TERM LOANS - considered good**		
	House building advance	1,133,468	1,011,385
	Car advance	318,750	-
	Motor cycle advance	43,900	29,580
		1,496,118	1,040,965
	Current maturity of long term loans	(609,584)	(331,632)
		886,534	709,333

16.1 This represents long term loans made to employees. House building and plot loans are repayable in 10 years, car and motor-cycle loans in 5 years. Markup is charged on these loans at the same rate as that payable on employees balances in General Provident Fund. Loans are secured by mortgage of immovable property and hypothecation of vehicles.

		Note	2024 Rupees	2023 Rupees
17	**STORES, SPARE PARTS AND LOOSE TOOLS**			
	Stores		13,141,038,822	11,252,209,586
	Provision for obsolete stores		(4,968,483)	(4,968,483)
			13,136,070,339	11,247,241,103
18	**TRADE DEBTS**			
	Sale of electricity	18.1	58,765,619,345	50,090,536,399
	Government levies and other charges	18.3	48,817,485,684	39,016,236,156
	Receivables from WAPDA	18.2	943,422,845	545,893,000
	Accrued revenue	23.1	17,714,795,012	-
	Secured and considered good		126,241,322,886	89,652,665,555
	Considered doubtful		115,686,506,152	102,952,001,380
			241,927,829,038	192,604,666,935
	Provision for doubtful debts		(115,686,506,152)	(102,952,001,380)
			126,241,322,886	89,652,665,555

18.1 Trade debts are partially secured to the extent of corresponding consumers' security deposits against electricity connection.

18.2 This amount includes free electricity supplied to WAPDA employees/offices and no provision for doubtful debts has been made for it.

		Note	2024 Rupees	2023 Rupees
18.3	**Government levies and other charges**			
	Electricity duty receivable-E/Bills		2,300,530,767	1,847,365,004
	Income tax receivable-E/Bills		2,024,146,013	1,546,549,826
	G.S.T receivable		30,178,883,372	25,337,238,893
	T.V fee receivable		1,497,197,651	1,340,835,194
	Neelum Jhelum surcharge receivable		1,289,660,613	1,299,466,427
	Equalization surcharge receivable		224,558,787	225,319,515
	Extra tax receivable		647,513,706	373,411,646
	Further tax receivable		284,707,506	186,902,695
	Sales tax 2014 receivable		149,605,830	107,568,766
	Tax under 235-A receivable		93,190,047	95,849,462
	Tax under 235-B receivable		3,034,853	1,590,581
	FC surcharge receivable		9,903,098,719	6,431,643,659
	U.O.S/Tariff rationalization surcharge receivable		221,186,708	222,310,384
	Additional tax receivable		171,112	184,104
			48,817,485,684	39,016,236,156
19	**LOANS AND ADVANCES - considered good**			
	Current portion of long term loans - considered good	16	609,584	331,632
	Advances to suppliers - considered good		223,570,206	256,091,464
	Advance income tax		3,274,920,817	2,714,320,774
	Advance sales tax		-	50,000,000
	Advance general sales tax spillover		755,825,429	616,458,341
	Advance extra tax spillover		1,776,152	27,508,740
	Advance further tax spillover		17,881,225	10,456,340
	Advances for expenses	19.1	64,582,543	57,121,357
			4,339,165,956	3,732,288,648
19.1	**Advances for expenses**			
	Against other expenses		60,000,450	47,755,535
	For travelling expenses		4,582,093	9,365,822
			64,582,543	57,121,357
20	**OTHER RECEIVABLES - considered good**			
	Due from WAPDA and associated undertakings-net	20.1	53,136,696,675	49,435,275,816
	Sales tax receivable - net	20.2	41,022,339,028	43,182,161,128
	Pension receivable from associated undertakings	20.3	3,337,331,731	3,735,248,779
	Other receivables net		1,221,729	7,289,507
			97,497,589,163	96,359,975,230

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	Note	2024 Rupees	2023 Rupees
20.1 Due from WAPDA and associated undertakings - net			
WAPDA Welfare Fund		746,606,474	695,245,070
WAPDA	20.1.2	398,226,146	398,226,146
GENCO-1		1,109,511	882,477
GENCO-2		6,928,702	6,538,699
GENCO-3		10,120,582	8,157,053
National Transmission and Dispatch Company		638,472,327	764,145,957
Lahore Electric Supply Company		14,556,681	10,893,487
Faisalabad Electric Supply Company Limited		19,316,294	16,576,302
Quetta Electric Supply Company Limited		102,099,039	84,068,245
Gujranwala Electric Power Company Limited		15,993,159	11,319,697
Islamabad Electric Supply Company Limited		576,052,916	486,872,291
Hyderabad Electric Supply Company Limited		6,713,913	4,726,208
GENCO-4		1,786,444	1,678,430
Tribal Electric Supply Company Limited		50,596,231,971	46,943,948,099
Sukkar Electric Power Company Limited		2,482,516	1,997,655
		53,136,696,675	49,435,275,816

20.2 Receivable from Tax authorities

Receivable from tax authorities - net	41,022,339,028	43,182,161,128

20.2.1 This represents amounts receivable from taxation authorities in respect of carry forward balance of excess input tax paid over output tax and the Sales Tax Refunds claims. The management of the Company believes that excess amounts of input sales tax paid are refundable on a lump sum basis or through monthly claims in the Company's sales tax returns.

20.2.2 The observation against the four different sales tax refund cases involving total amount of Rs.16,275 million were set aside and the cases were decided in favour of the Company by ATIR, however, FBR has challenged its decision before Islamabad High Court, which are pending adjudication. Moreover, appeal against the Sales Tax refund amounting to Rs.15,063 Million of FBR has also rejected by the Peshawar High Court, however FBR has filed CPLA before Supreme Court of Pakistan, which is also pending adjudication and the management of the company believes that decisions of these cases are likely to be in favor of the Company.

	2024 Rupees	2023 Rupees
20.3 Pension receivable from associated undertakings - unsecured, considered good		
WAPDA	2,423,935,969	2,596,454,084
GENCO-1	3,573,294	3,942,254
GENCO-2	13,513,561	11,533,773
GENCO-3	8,262,725	11,218,302
National Transmission and Dispatch Company Limited	397,876,730	575,847,839
Lahore Electric Supply Company Limited	35,092,215	57,135,767
Faisalabad Electric Supply Company Limited	59,611,910	109,401,193
Multan Electric Power Company Limited	33,036,079	46,560,370
Quetta Electric Supply Company Limited	56,589,499	30,261,725
Gujranwala Electric Power Company Limited	22,901,322	17,890,306
Islamabad Electric Supply Company Limited	131,743,659	133,836,914
Hyderabad Electric Supply Company Limited	80,878,693	66,328,619
GENCO-4	720,000	1,193,335
Trible Area Electric Supply Company Limited	47,815,484	57,832,316
Sukkar Electric Power Company Limited	21,780,591	15,811,982
	3,337,331,731	3,735,248,779

20.3.1 The maximum amount due from related parties as on June 30, 2024 is Rs. 3.337 billion (2023 Rs 3.735 billion).

21 RECEIVABLE FROM GOVERNMENT OF PAKISTAN (Ministry of Finance)

This represents subsidy receivable from Ministry of Finance on account of tariff differential. Movement in this account during the year is as follow:

	2024 Rupees	2023 Rupees
Opening balance as at July 01,	26,091,064,330	42,901,199,260
Tariff differential subsidy recognized during the year	20,002,837,665	32,833,116,356
Zero rated subsidy claim	-	818,214,607
Kissan package subsidy	-	23,008,879
Credit note adjusted	(18,383,213,767)	(50,484,474,772)
	27,710,688,228	26,091,064,330

21.1 Tariff differential subsidy is net off tariff rationalization surcharge of Rs. 0.592 billion (2023: Rs. 5.675 billion) adjusted against receivable from Government of Pakistan through tariff differential subsidy invoices.

22 BANK BALANCES

	Note	2024 Rupees	2023 Rupees
Cash at banks in:			
Deposit accounts	22.1 & 22.2	8,794,148,053	10,155,244,023
Current accounts		635,671,715	101,594,606
		9,429,819,768	10,256,838,629

22.1 These accounts carry profit at the rates ranging from 19.5% to 20.5% (2023: 19.5% to 19.8%) per annum.

22.2 These include balances of Deposit works accounts of Rs. 0.156 billion (2023: Rs. 0.686 billion), capital contribution accounts of Rs. 0.396 billion (2023: Rs.2.276 billion) and meter security accounts of Rs. 7.411 billion (2023: Rs. 6.872 billion).

22.3 This excludes an amount of Rs. 425 million maintained on behalf of staff retirement benefits. However this account is maintained in the name of Company.

23 SALE OF ELECTRICITY

	Note	2024 Rupees	2023 Rupees
Sale of electricity		351,095,220,403	272,160,112,275
Less: Sales tax		(44,207,817,628)	(31,936,295,463)
		306,887,402,775	240,223,816,812
Subsidy from the Government of Pakistan (GoP) on sale of electricity	23.2	20,595,310,043	39,271,580,895
		327,482,712,818	279,495,397,707

23.1 Sale of electricity has been recognized based on the notified rates and includes accrual of Rs. 3,974 Million relating to Fuel Price Adjustment (FPA) for the month of May 2024 and June 2024, third and fourth quarter of Quarterly Tariff Adjustment (QTA) amounting to Rs. 10,585 million and Prior Year Adjustment (PYA) amounting to Rs. 3,156 million. The effect of above mentioned FPA, QTA and PYA has been passed to the consumers after the year end in accordance with NEPRA/GoP notifications.

23.2 This includes tariff differential subsidy of Rs. 26,463 million (2023: Rs. 39,215 million), Zero rated subsidy of Rs. nil (2023: Rs.818 million), Applicable Quarterly Tariff subsidy of Rs. (5,702) million (2023: Rs.(785) million) and ISP subsidy adjustment of Rs. (167) million (2023: Nil).

24 COST OF ELECTRICITY

	Note	2024 Rupees	2023 Rupees (Restated)
Central Power Purchasing Agency	24.1	363,419,103,088	317,624,007,678
Market Operations Agency Fee		115,745,189	121,253,663
Inadmissible sales tax on supplies		4,586,168,555	4,818,563,134
Supplemental Charges	24.2	3,557,000,000	3,685,000,000
		371,678,016,832	326,248,824,475

24.1 Electricity purchased during the year has been invoiced by CPPA, units 14,146 million at the average rate of Rs.25.70 per unit (2023: units 15,255 million at the average rate of Rs.20.82 per unit).

24.2 This include supplemental charges (CPPA-G) of Rs. 3.577 billion (2023: Rs. 3.685 billion).

	Note	2024 Rupees	2023 Rupees
25 OTHER OPERATING COST EXCLUDING DEPRECIATION			
Salaries, wages and other benefits	25.1	34,325,649,288	27,686,971,304
Repairs and maintenance		1,350,035,734	1,018,027,862
Rent, rates and taxes		65,902,273	85,163,645
Power, light and water		83,322,553	87,286,082
Postage and telephone		33,278,865	43,615,571
Office supplies and other expenses		1,043,064,956	625,584,932
Travelling Allowance		326,350,678	324,358,902
Transportation Expenses		295,774,455	272,188,060
Insurance expense		25,989,835	27,460,000
Electricity bill collection charges		196,702,015	216,420,351
Legal and professional charges		64,253,250	58,802,222
NEPRA fee and charges		248,331,175	98,074,471
PITC Charges		61,292,539	81,281,755
Auditor's remuneration	25.2	1,268,900	950,000
Advertisement and publicity		8,480,436	5,640,238
Provision for doubtful debts		12,734,504,772	10,913,946,930
Directors fee		18,366,399	14,923,427
Miscellaneous expenses		20,202,584	19,294,755
		50,902,770,707	41,579,990,507

25.1 Salaries, wages and other benefits include retirement benefits amounting to Rs. 20.041 billion (2023: Rs.15.047 billion).

	Note	2024 Rupees	2023 Rupees
25.2 Auditor's remuneration			
Fee for statutory audit and review report on compliance		850,000	850,000
Fee for other services		318,900	-
Out of pocket expenses		100,000	100,000
		1,268,900	950,000

	Note	2024 Rupees	2023 Rupees
26 RENTAL AND SERVICE INCOME			
Meter rent		37,440,995	38,661,805
Public lighting		1,438,597	1,538,866
Service rent		1,125,620	1,440,513
Connection / reconnection fee		17,005,359	10,844,722
		57,010,571	52,485,906

	Note	2024 Rupees	2023 Rupees
27 OTHER INCOME			
Profit on bank deposits		2,074,835,850	1,503,380,463
Sale of scrap		211,669,184	139,627,036
Late payment surcharge		6,366,271,527	5,363,891,540
Wheeling charges from TESCO	27.1	3,587,584,006	2,098,487,876
Miscellaneous		1,003,548,798	1,016,318,453
		13,243,909,365	10,121,705,368

27.1 This represent the amount charged to TESCO for the use of Company's transmission system/lines for electricity purchased from CPPA.

	Note	2024 Rupees	2023 Rupees
28 FINANCE COST			
Asian Development Bank - Trench I (2438-PK)		1,636,767	22,914,734
Asian Development Bank - Trench II (2727-PK)		83,693,544	120,331,714
Asian Development Bank - Trench III (2972-PK)		219,899,830	235,421,882
Asian Development Bank - Trench IV (3096-PK)		193,285,338	206,029,425
Earthquake Reconstruction and Rehabilitation Authority		19,041,716	18,002,472
Supply of Power to Hattar E.Zone(Federal PSDP) CCPR-7018		209,021,987	-
Electricity Distribution Efficiency Improvement Program (EDEIP)		926,250	-
Bank charges		5,793,305	3,488,434
Exchange loss		188,841,019	459,711,153
		922,139,756	1,065,899,814
29 LEVIES			
Minimum tax differential		4,024,343,257	3,145,518,170

29.1 This represents minimum tax provision under section 113 of the Income Tax Ordinance, 2001. The provision for minimum tax has been recognised as levies in these financial statements as per the requirements of IFRIC 21 / IAS 37.

	2024 Rupees	2023 Rupees
30 TAXATION		
Current tax	-	-
Prior year	4,256,985	7,666,108
	4,256,985	7,666,108

30.1 Reconciliation of current tax charge charged as per tax laws for the year, with current tax recognised in the staement of profit or loss, is as follows:

	2024 Rupees	2023 Rupees
Current tax liability for the year as per applicable tax laws	4,024,343,257	3,145,518,170
Portion of current tax liability as per tax laws:		
representing income tax under IAS 12	-	-
representing levy in terms of requirements of IFRIC 21/IAS 37	(4,024,343,257)	(3,145,518,170)
Difference	-	-

30.2 Provision for current year taxation has been made on the basis of minimum tax on turnover under section 113 of income tax ordinance 2001. Accordingly numerical reconciliation between the average tax rate and applicable tax rate has not been presented in the financial statements.

30.3 In view of uncertainty of taxable profit in the foreseeable future against which the losses could be utilized, the company has not recognized deferred tax asset. Had the company recognized deferred tax, deferred tax asset as at June 30, 2024 would be Rs. 65,941 million (2023: Rs. 58,336 million).

31 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	June 30, 2024			June 30, 2023		
	Chief Executive Officer	Directors	Executives	Chief Executive Officer	Directors	Executives
	Rupees			Rupees		
Managerial remuneration	5,590,200	-	52,750,680	5,580,198	-	81,407,922
Meeting fee	-	18,366,399	-	-	16,126,588	-
Bonus-one time basic pay	-	-	-	249,650	-	4,419,390
Other perquisites	7,319,954	-	48,909,632	1,602,293	-	11,541,926
	12,910,154	18,366,399	101,660,312	7,432,141	16,126,588	97,369,238
Number of persons	1	14	23	1	14	22

32 RESTATEMENT OF COMPARATIVE FIGURE AND CORRECTION OF ERROR

32.1 The previous year financial Statements have been restated to incorporated this revision. The effect of the restatement on these financial statements is summarized below. There is no effect in the financial year 2024.

	2024 Rupees	2023 Rupees
Increase in cost of electricity	-	3,685,000,000
Increase in trade and other payables - Associated undertakings	-	3,685,000,000

32.2 CORRECTION OF ERROR

32.1 PESCO has not acknowledged supplemental charges related to delayed payment charges charged by CPPA-G for the supply of electricity. Following the Ministry of Energy (Power Division) directives (Letter No. 14/11/2018-DISCO-1 dated 11 October 2024, the Company has recognized supplemental charges based on Late Payment Surcharge recovered from consumers from FY 2014-15 to FY 2022-23, in view of the NEPRA decision No. NEPRA/TRF-273/PESCO-2014/3170-3172. Rs. 11.085 billion has been charged to prior periods while Rs. 3.685 billion has been charged in the year 2023.

32.2 An adjustment of Rs. 9.329 billion has been made to trade debts to accurately reflect receivables, relating to spill-over amounts from FY 2017-18.

32.3 Debit notes on account of mark up on PHL Loans (FY 2012-13) of Rs.136.454 billion (HBL), Rs.15 billion (NBP) and Rs.82 billion (OGDCL) received from CPPA-G amounting to Rs. 18.028 billion during the period 2012-13 to 2016-17. The year wise breakup of mark up includes Rs.4.826 billion during FY 2012-13, Rs.7.323 billion during FY 2013-14, Rs. 4.629 billion during 2014-15, Rs. 0.705 billion during FY 2015-16 and Rs.0.544 billion during FY 2016-17. Further Credit notes from CPPA-G on account of re-allocation of mark up of Rs. Rs.6.840 billion were received during 2015-16 (Rs.1.932 billion and Rs. 4.908 billion). During current period, CPPA -G has issued credit note on account of reversal of PHL markup against PHL Loans up to June 2017 vide credit note No.PPA-91 /PESCO-12 dated November, 2023, amounting to Rs. 11.188 billion.

32.4 Credit notes for Rs.766.281 million and Rs.49.773 million received from CPPA-G ,vide credit Note No. PPA-166 / PESCO-19,dated 4-2020 and PPA-209 / PESCO-24 dated 5-2020, on account of ISP adjustments.

Effect on statement of financial position (extract)	**As previously reported on June30, 2022**	**Increase/(decrease)**	**As restated on July 01, 2023**
	....	Rupees...	....
Statement of Financial position (extracts)			
Trade and other payables	462,689,582,387	103,211,022	462,586,371,365
Trade debts	78,977,481,839	(8,513,565,011)	70,463,916,828
		(8,410,353,989)	
Statement of Changes in equity (extracts)			
Accumulated loss	452,222,342,099	8,410,353,989	460,632,696,088

Description	**Note**	**Amount (Rs.)**
Supplemental charges	32.1	(11,085,000,000)
Adjustment of spillover (FY 2017-18)	32.2	(9,329,620,137)
Credit note regarding reversal of markup (FY 2012-17)	32.3	11,188,211,022
Subsidy adjustment	32.4	816,055,126
		(8,410,353,989)

33 FINANCIAL RISK MANAGEMENT

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

- Credit risk
- Liquidity risk
- Market risk

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

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is responsible for developing and monitoring the Company's risk management policies.

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

The Company's Board oversees how management monitors compliance with the company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Board is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Board.

The Company finances its operations through equity, borrowings and management of working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk.

33.1 Credit risk

Credit risk is the risk of financial loss to the Company if a consumer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk to the extent of loans, deposits and advances, trade debts, interest accrued, other receivables and bank balances. The Company deals with regular and permanent consumers who normally make payments on time. The Company controls its credit risk by continuous monitoring of its receivables. The management believes that there is no credit risk involved in respect of receivables from the Government of Pakistan.

33.1.1 Exposure to credit risk

The carrying amounts of the financial assets represent the maximum credit exposures. Out of total financial assets of Rs. 219.859 billion (2023: Rs.179.179 billion), the financial assets which are subject to credit risk amounted to Rs. 219.859 billion (2023: Rs.179.179 billion). The carrying amounts of financial assets exposed to credit risk at reporting date are as under:

	2024 Rupees	2023 Rupees
Loans	1,496,118	1,040,965
Trade debts	126,241,322,886	89,652,665,555
Other receivables	56,475,250,135	53,177,814,102
Receivable from GoP (Ministry of Finance)	27,710,688,228	26,091,064,330
Bank balances	9,429,819,768	10,256,838,629
	219,858,577,135	179,179,423,581

Geographically there is no concentration of credit risk as the company operates in the same geographical area.

33.1.1.1 The maximum exposure to credit risk for trade receivables at the reporting date by type of sector is as follows:

	2024 Rupees	2023 Rupees
Government sector	14,735,581,593	15,450,822,351
Private sector	92,847,523,436	82,169,515,215
	107,583,105,029	97,620,337,566

33.1.2 Impairment losses

The aging of trade receivables at the reporting date was:

	2024		2023	
	Gross	Impairment	Gross	Impairment
	Rupees			
Not past due	40,253,376,717	-	39,838,918,054	-
Past due up to 1 year	7,403,239,047	414,249,984	8,154,032,533	563,317,359
Past due between:				
- 1 to 3 years	29,706,537,685	6,553,041,379	15,509,804,929	3,241,666,319
Over 3 years	150,143,483,878	108,719,214,790	137,069,583,430	99,147,017,703
	227,506,637,327	115,686,506,153	200,572,338,946	102,952,001,381

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33.1.2.1 The movement in the allowance for impairment in respect of trade debts during the year was as follows:

	2024 Rupees	2023 Rupees
Balance as at July 01	102,952,001,381	92,038,054,451
Charge for the year	12,734,504,772	10,913,946,930
Balance as at June 30	115,686,506,153	102,952,001,381

33.1.3 Allowances for impairment

Based on past experience, the management believes that no impairment allowance is necessary in respect of trade debts against which impairment allowance has not been created. Trade debts are due from regular and permanent customers and mainly include government agencies and the Company does not expect these customers to fail to meet their obligations.

33.1.4 Write-off policy

The allowance account in respect of trade debts is used to record impairment losses unless the Company is satisfied that no recovery of the amount owing is possible. At that point the amount considered irrecoverable is written off against the financial asset directly.

33.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

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

	June 30, 2024			
	Long term loans including markup		Trade and other payables	
	Carrying amount	Contractual cash flows	Carrying amount	Contractual cash flows
	Rupees			
Maturity up to one year	3,083,417,577	7,061,026,251	614,175,044,907	614,175,044,907
Maturity between 1 to 5 years	4,038,203,352	9247485677	-	-
Maturity over five years	6,108,566,847	13,988,618,079	-	-
	13,230,187,776	30,297,130,008	614,175,044,907	614,175,044,907

	June 30, 2023			
	Long term loans including markup		Trade and other payables	
	Carrying amount	Contractual cash flows	Carrying amount	Contractual cash flows
	Rupees			
Maturity up to one year	3,556,618,533	9,602,870,040	515,714,981,540	515,714,981,540
Maturity between 1 to 5 years	1,858,838,950	5,799,577,524	-	-
Maturity over five years	6,202,285,955	11,202,184,910	-	-
	11,617,743,438	26,604,632,474	515,714,981,540	515,714,981,540

33.2.2 The contractual cash flows relating to the loan related financial liabilities have been determined on the basis of mark-up rates disclosed in note 8 to these financial statements.

33.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The Company is exposed to currency risk and interest rate risk only.

33.3.1 Exposure to currency risk

Foreign currency risk is the risk that the future cash flows of financial asset or a liability will fluctuate due to a change in foreign exchange rates. It arises mainly where receivables and payables exist due to transactions entered into in foreign currencies. The Company's exposure to foreign currency risk is as follows:

	2024 Rupees	2023 Rupees
Financial liabilities		
Long term loans	2,255,658,158	2,083,217,020
Accrued mark-up	233,564,335	198,122,738
Total exposure	2,489,222,493	2,281,339,758

The following significant exchange rates applied during the year:

	Average rate		Reporting date rate	
	2024	2023	2024	2023
US Dollars	278.34	177.45	246.00	177.45

At reporting date, if the PKR had strengthened by 10% against the US Dollar with all other variables held constant, post-tax profit for the year would have been higher by the amount shown below, mainly as a result of net foreign exchange gain on net foreign currency exposure at reporting date.

	2024 Rupees	2023 Rupees
Effect on loss	188,841,019	132,054,781

The weakening of the PKR against US Dollar would have had an equal but opposite impact on the post-tax loss.

33.3.2 Interest rate risk

The interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. Majority of the interest rate exposure arises from long term loans. Therefore, a change in interest rate at reporting date would affect profit and loss of the company:

	2024 Rupees	2023 Rupees
Fixed rate instruments		
Financial assets		
Long term loans	886,534	709,333
Bank balances	8,794,148,053	10,155,244,023
	8,795,034,587	10,155,953,356
Financial liabilities		
Long term loans	13,230,187,776	11,617,743,438

33.4 Capital management

The company's objective when managing capital is to safeguard the Company's ability to continue as a going concern so that it can continue to provide returns to shareholders and benefits to other stakeholders, and to maintain a strong capital base to support the sustained development of its business. The Company manages its capital structure, which comprises capital and reserves, by monitoring it's return on net assets, and make adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend to shareholders, appropriation of amounts to capital reserves and / or issue new shares.

The company manages its capital structure and makes adjustments to it in the light of changes in economic conditions.

33.5 Financial instruments by category

	2024 Rupees	2023 Rupees
Financial assets at amortized cost		
Loans	1,496,118	1,040,965
Trade debts	126,241,322,886	89,652,665,555
Other receivables	56,475,250,135	53,177,814,102
Receivable from GoP (Ministry of Finance)	27,710,688,228	26,091,064,330
Cash and bank balances	9,429,819,768	10,256,838,629
	219,858,577,135	179,179,423,581
Financial liability at amortized cost		
Long term loans	13,230,187,776	11,617,743,438
Consumers' security deposits	7,374,971,928	6,793,519,936
Trade and other payables	562,470,220,438	468,596,050,588
Accrued markup	4,748,160,873	3,791,062,735
	587,823,541,015	490,798,376,697

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33.6 Fair value of financial assets and liabilities

This include supplemental charges of Rs. 3.577 billion (2023: Rs. 3.685 billion).

Underlying the definition of fair value is the presumption that the Company is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13 'Fair Value Measurement' requires the Company to classify fair value measurements and fair value hierarchy that reflects the significance of the inputs used in making the measurements of fair value hierarchy has the following levels.

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset either directly that is, derived from prices.

- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unadjusted) inputs.

Transfer between levels of the fair value hierarchy are recognised at the end of the reporting period during which the changes have occurred.

34 RECONCILIATION OF MOVEMENT OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

	June 30, 2024		
	Long term Borrowings including related accrued markup	Retained Earnings	Total
	----------Rupees----------		
Balance as at July 01, 2023 - restated	18,737,102,017	(557,322,981,549)	(538,585,879,532)
Proceeds from long term loans	7,657,377,463	-	7,657,377,463
Loans adjusted	(6,044,933,125)	-	(6,044,933,125)
	20,349,546,355	(557,322,981,549)	(536,973,435,194)
Total changes from financing activities			
Other changes			
Interest expense	957,098,138	-	957,098,138
Total loan related other changes	957,098,138	-	957,098,138
Total equity related other changes	-	(104,217,921,362)	(104,217,921,362)
Balance as at June 30, 2024	21,306,644,493	(661,540,902,911)	(640,234,258,418)

	June 30, 2023		
	Long term Borrowings including related accrued markup	Retained Earnings	Total
	----------Rupees----------		
Balance as at July 01, 2022 - restated	14,849,553,793	(460,632,696,088)	(445,783,142,295)
Proceeds from Long term loans	6,770,899,499	-	6,770,899,499
Loans adjusted	(3,495,540,093)	-	(3,495,540,093)
	18,124,913,199	(460,632,696,088)	(442,507,782,889)
Total changes from financing activities			
Other changes			
Interest adjusted	612,188,818	-	612,188,818
Total loan related other changes	612,188,818	-	612,188,818
Total equity related other changes	-	(96,750,335,337)	(96,750,335,337)
Prior year adjustment (subsidy)		60,049,876	60,049,876
Balance as at June 30, 2023 - restated	18,737,102,017	(557,322,981,549)	(538,585,879,532)

35 TRANSACTIONS WITH RELATED PARTIES

President of Pakistan holds 99.99% shares of the Company, therefore all electricity generation and distribution undertakings of WAPDA are related parties of the Company. Other related parties comprise of associated companies, directors, key management personnel, Government of Pakistan and Government owned entities.

Transactions with Government of Pakistan and Government owned entities are not disclosed as the management is of the opinion that it is impracticable to disclose such transactions due to the nature of the Company's operations.

Balances with related parties have been disclosed in respective notes to the financial statements. Transactions with electricity generation and distribution undertakings of WAPDA, other than remuneration and benefits to Chief Executive as disclosed in note 30 to the financial statements are as follows:

Name of related party	Nature of transactions	2024 Rupees	2023 Rupees
National Transmission and Despatch Company Limited	Free supply of electricity provided to employees of associated company	103,357,267	79,188,929
	Reversal Adjustment	(2,060,261)	(4,160,675)
	Adjustment free supply against UoS Charges NTDC	(225,000,000)	-
	Other	(1,970,634)	4,041,990,969
	Pension paid to employees of associated company	357,257,593	363,463,362
	Payment made by associated company	(535,228,702)	(284,149,944)
Central Power Purchasing Agency (Guarantee) Limited	Purchase of electricity	(344,796,165,545)	(299,437,454,118)
	GST	(27,108,746,558)	(31,613,939,266)
	Market operation fee	(115,745,189)	(121,253,663)
	Use of system charges - NTDC	(7,826,104,354)	(10,398,420,823)
	Use of system charges - PMLTC	(10,796,717,437)	(7,907,660,244)
	Supplemental charges	(18,327,000,000)	-
	Cash remitted	233,388,574,193	205,659,007,833
	Debit note received from CPPA	-	(4,041,829,834)
	Credit note received from CPPA	77,691,969,096	110,469,170,873
	Adjustment free supply against UoS Charges - NTDC	225,000,000	-
Lahore Electric Supply Company Limited	Free supply of electricity provided to employees of associated company	14,438,726	6,858,452
	Free supply of electricity received by employees of the Company from associated company	(10,605,756)	(3,269,812)
	Adjustments -Other	(169,775)	(339,410)
	Pension paid to employees of associated company	43,775,905	36,481,093
	Pension received by employees of the Company from associated companies	(32,819,457)	14,832,121
	Payment made by associated company	(33,000,000)	(90,000,000)
Multan Electric Power Company Limited	Free supply of electricity provided to employees of associated company	4,215,489	3,666,113
	Free supply of electricity received by employees of the Company from associated company	(2,747,334)	(1,492,804)
	Adjustments -other	(12,056)	456,362
	Pension paid to employees of associated company	36,485,607	32,260,162
	Pension received by employees of the Company from associated companies	(23,918,586)	1,056,493
	Payment made by associated company	(26,091,312)	(45,270,621)
Quetta Electric Supply Company Limited	Free supply of electricity provided to employees of associated company	18,216,058	13,804,073
	Free supply of electricity received by employees of the Company from associated company	(185,264)	(510,198)
	Pension paid to employees of associated company	44,702,742	31,513,066
	Pension received by employees of the Company from associated companies	-	703,412
	Payment made by associated company	(18,374,968)	(33,781,662)

Gujranwala Electric Power Company Limited	Free supply of electricity provided to employees of associated company	6,948,089	4,530,906
	Free supply of electricity received by employees of the Company from associated company	(2,214,796)	(1,932,259)
	Adjustments -other	(59,832)	-
	Pension paid to employees of associated company	32,604,059	26,056,789
	Pension received by employees of the Company from associated companies	(27,593,043)	(12,745,729)
Islamabad Electric Supply Company Limited	Free supply of electricity provided to employees of associated company	118,344,969	113,838,701
	Free supply of electricity received by employees of the Company from associated company	(28,983,955)	(46,612,523)
	Adjustments -Other	633,328	563,514
	Adjustments -Other	(813,716)	(923,780)
	Pension paid to employees of associated company	559,630,980	46,033,122
	Pension received by employees of the Company from associated companies	(70,824,235)	36,330,225
	Payment made by associated company	(490,900,000)	(700,000,000)
Hyderabad Electric Supply Company Limited	Free supply of electricity provided to employees of associated company	2,032,381	1,026,207
	Free supply of electricity received by employees of the Company from associated company	(44,673)	(197,643)
	Pension paid to employees of associated company	39,526,739	30,377,216
	Pension received by employees of the Company from associated companies	(24,976,665)	818,156
	Payment made by associated company	-	(21,165,796)
Sukkur Electric Power Company Limited	Free supply of electricity provided to employees of associated company	564,158	511,105
	Free supply of electricity received by employees of the Company from associated company	(79,299)	(803,683)
	Pension paid to employees of associated company	9,755,293	5,370,441
	Pension received by employees of the Company from associated companies	(3,786,684)	1,498,772
	Payment made by associated company	-	(1,389,165)
Faisalabad Electric Supply Company Limited	Free supply of electricity provided to employees of associated company	6,019,967	5,261,257
	Free supply of electricity received by employees of the Company from associated company	(3,157,328)	(1,927,608)
	Adjustments -Other	(97,821,775)	97,827,454
	Adjustments -Other	97,892,667	-
	Adjustments -Other	(193,539)	(16,969,854)
	Pension paid to employees of associated company	61,918,653	49,063,965
	Pension received by employees of the Company from associated companies	(47,707,936)	14,724,872
	Payment made by associated company	(64,000,000)	(69,000,000)
Tribal Areas Electric Supply Company Limited	Free supply of electricity provided to employees of associated company	69,253,151	50,879,884
	Adjustments -Other	(3,592,673,792)	(6,190,198,967)
	Adjustments -Other	7,175,704,513	8,166,971,770
	Pension paid to employees of associated company	185,727,921	160,458,589
	Payment made by associated company	(195,744,753)	(157,875,919)
GENCO Holding Company Limited	Free supply of electricity provided to employees of associated company	4,625,931	3,589,251
	Reversal Adjustment	(1,937,449)	(576,463)
	Adjustments -Other	-	(34,567,143)
	Pension paid to employees of associated company	22,080,058	42,789,329
	Payment made by associated company	(23,898,142)	(20,823,599)
Pakistan Electric Power Company (Private) Limited	Free supply of electricity provided to employees of associated company	479,682	1,146,218

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 sovereign authority over all these companies / undertakings.

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36 BENAZIR EMPLOYEE STOCK OPTION SCHEME

On August 14, 2009, the Government of Pakistan (GoP) launched Benazir Employees' Stock Option Scheme (the Scheme) for employees of certain State Owned Enterprises (SOEs) and non-State Owned Enterprises ,where GoP holds significant investments (non-SOEs). The scheme is applicable to permanent and contractual employees who were in employment of these entities on the date of launch of the scheme, subject to completion of five years vesting period by all contractual employees and by permanent employees in certain instances.

The Scheme provides for a cash payment to employees on retirement or termination based on the price of shares of respective entities. To administer this scheme, GoP shall transfer 12 % of its investments in such SOEs and non-SOEs to a Trust Fund to be created for this purpose by each of such entities. The eligible employees would be allotted units by each Trust Fund in proportion to their respective length of service and on retirement or termination such employees would be entitled to receive such amounts from Trust Funds in exchange for the surrendered units as would be determined based on market price for listed entities or breakup value for non-listed entities. The shares relating to the surrendered units would be transferred back to GoP.

The Scheme also provides that 50% of dividend related to shares transferred to the respective Trust Fund would be distributed amongst the unit-holder employees. The balance 50% dividend would be transferred by the respective Trust Fund to the Central Revolving Fund managed by the Privatization Commission of Pakistan for payment to employees against surrendered units. The deficit, if any, in Trust Funds to meet the re-purchase commitment would be met by GoP.

The IFRS 2 "Share Based Payments" will be implemented once the shares are issued against "deposits for shares".

37 NUMBER OF EMPLOYEES

	2024	2023
Total number of employees as at the reporting date	12,286	13,086
Average number of employees during the year	12,686	12,755

38 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 06-11-2024 by the Board of Directors of the Company.

39 GENERAL

39.1 Reclassification

39.1.2 Receivable from WAPDA on account of free electricity amounting to Rs. 583 million was shown in note 20.1 under the head *WAPDA in previous year*. It has been now reclassified under the head *Trade Debts*.

39.1.2 In previous year an amount of Rs. 9,468 million was erroneously recorded under current accounts within the Bank account head. Now it has been presented under deposit accounts.

39.2 Figures have been rounded off to the nearest Rupees.

CHIEF EXECUTIVE OFFICER

DIRECTOR