

CONTENTS

Company Profile-----	2
MEPCO MAP-----	4
Company Information -----	5
BOD's Profiles-----	9
Criteria & Remuneration Package for BOD's-----	14
Organogram -----	16
Chairman's Message-----	17
CEO's Message-----	19
Vision & Mission Statements-----	20
Company's Objectives-----	21
MEPCO's Distribution Network-----	22
Code of Conduct-----	25
Customer Care Policy-----	27
Health, Safety, Environment, Social Safeguards & Governance Policies-----	29
Sports Association -----	35
Achievements by ERP (SAP) -----	41
Notice of AGM-----	42
Directors' Report-----	43
Auditors Report to Members-----	73
Balance Sheet -----	77
Profit and Loss Account -----	78
Statement of Comprehensive Income-----	79
Statement of Changes in Equity-----	80
Cash Flow Statement-----	81
Notes to the Financial Statements-----	82

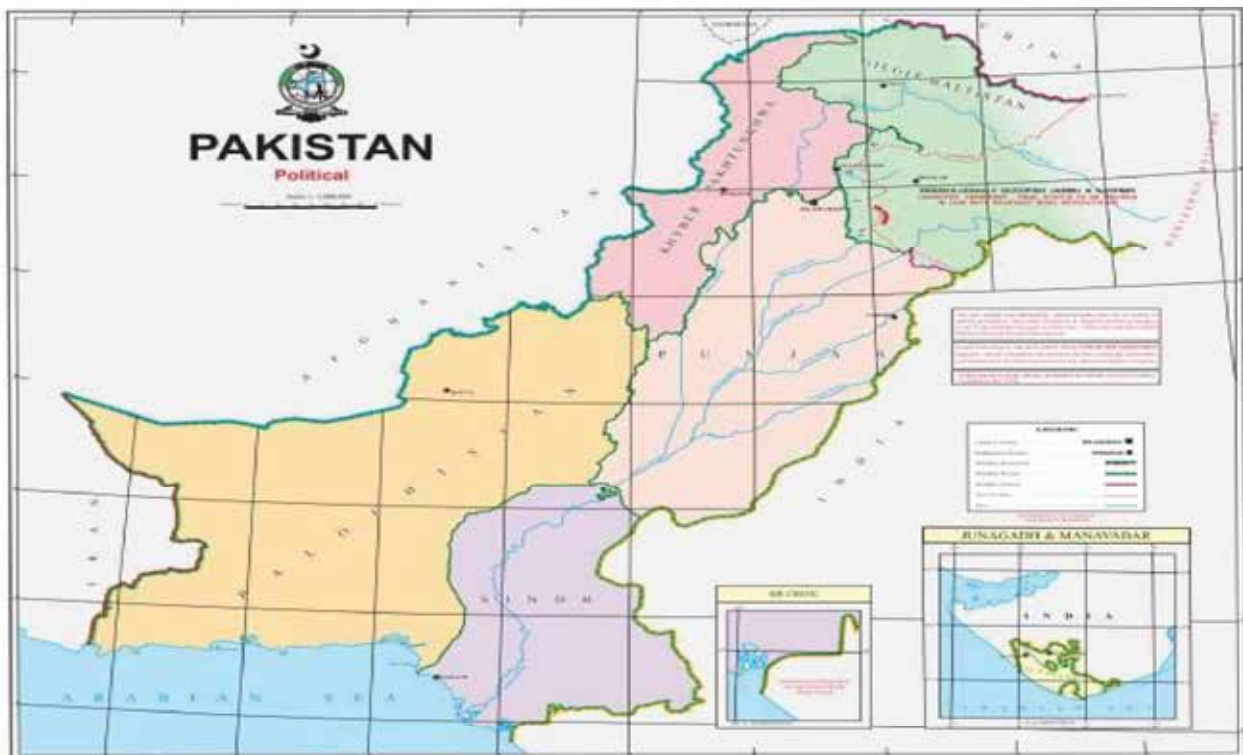
COMPANY PROFILE

COMPANY PROFILE

Multan Electric Power Company Limited (MEPCO) is a public limited company incorporated on **May 14, 1998** in line with Government of Pakistan policy of unbundling and corporatization of the Power Sector. The company was established to acquire all properties, rights, assets, obligations and liabilities of the defunct Multan Area Electricity Board as well as the Grid Stations and Transmission Lines which were directly and exclusively supplying electricity in the jurisdiction of the defunct Multan Area Electricity Board.

MEPCO is the largest power distribution company in the country with customer base of **8,356,422** as on 30.06.2024, operating in **13 administrative districts of Southern Punjab** namely Multan, Muzaffargarh, Layyah, D.G.Khan, Rajanpur, Lodhran, Bahawalpur, R.Y.Khan, Khanewal, Sahiwal, Pakpattan, Vehari and Bahawalnagar. **(No. of Constituencies of National Assembly=51 and constituencies of Punjab Assembly = 104.**

The service territory of the company is predominantly rural and its customer mix is heavily dominated by domestic category i.e 90% of the total consumers. MEPCO is a licensee of NEPRA for Distribution of Power and Supply of Power in the service territory of **13 administrative districts of Southern Punjab.**


GEOGRAPHICAL MAP OF CIRCLES UNDER MEPCO MULATN (Existing)


COMPANY INFORMATION

Board of Directors

- Sardar Muhammad Jamal Khan Leghari
- Mr. Khurram Mushtaq
- Engr. Nasir Ayaz Khan (CEO)
- Mr. Rana Yasir Rauf
- Engr. Fazalullah Durrani
- Mr. Jam Muhammad Jabir Lar
- Mr. Amad-ud-Din
- Mr. Javed Iqbal Khan
- Mr. Zafar Abbas
- Dr. Naeem Rauf
- Mr. Athar Ali Mazari
- Mr. Hussain Ahmed Fazal
- Mr. Asghar Leghari
- Mr. Mian Shahid Iqbal
- Mr. Muhammad Nawazish Ali Pirzada
- Mr. Mian Muhammad Ali

Audit, Finance, Investigation, Financial Risk Management and Internal Control Committee

- Mian Shahid Iqbal
- Hussain Ahmad Fazal
- Ammad ud Din
- Khurram Mushtaq
- Mian Muhammad Ali
- Rana Yasir Rauf
- Mr. Zafar Abbas
- Mr. Javed Iqbal Khan
- Dr. Naeem Rauf

Policy, Strategy, Other Operations and Marketing Committee

- Khurram Mushtaq
- Hussain Ahmed Fazal
- Mian Shahid Iqbal
- Amad ud Din
- Jam Muhammad Jabir Lar
- Athar Ali Mazari
- Zafar Abbas
- Javed Iqbal Khan
- Engr. Mahar Allahyar Khan

Technical Initiatives, Development, Operational Risk Management and Procurement Committee

- Muhammad Nawazish Ali Pirzada
- Sardar Muhammad Jamal Khan Leghari
- Mian Muhammad Ali
- Rana Yasir Rauf
- Fazalullah Durrani
- Khurram Mushtaq
- Zafar Abbas
- Dr. Naeem Rauf
- Engr. Mahar Allahyar Khan

Policy, Strategy, Other Operations and Marketing Committee

- Asghar Leghari
- Fazalullah Durrani
- Mian Muhammad Ali
- Amad ud Din
- Muhammad Nawazish Ali Pirzada
- Athar Ali Mazari
- Jam Muhammad Jabir Lar
- Zafar Abbas
- Engr. Mahar Allahyar Khan

HR, Legal & Other Misc. Matters Committee

- Sardar Muhammad Jamal Khan Leghari
- Mr. Asghar Leghari
- Engr. Fazalullah Durrani
- Jam Muhammad Jabir Lar
- Athar Ali Mazari
- Rana Yasir Rauf
- Hussain Ahmad Fazal
- Zafar Abbas
- Allah Yar Khan

Finance Director

Mr. Mian Ansar Mahmood

Company Secretary

Mr. Sajid Yaqoob

Principal Bankers

- National Bank of Pakistan
- Habib Bank Limited
- United Bank Limited
- MCB Bank Limited
- Allied Bank Limited
- Bank of Punjab
- Al Falah Bank
- Faysal Bank
- Soneri Bank
- Meezan Bank
- Bank Al Habib

Auditors

**M/s Yousuf Adil,
Chartered Accountants,**

Chief Executive Officer**Engr. Nasir Ayaz Khan****Registered Office Address**

**Multan Electric Power Company Limited, Office of
Company Secretary, MEPCO Chief Executive Office,
Khanewal Road, Multan.**

Head Office Address

**Multan Electric Power Company Limited, Office of
Company Secretary, MEPCO Chief Executive Office,
Khanewal Road, Multan.**

Ph: 061-9210380-84 Website: www.mepco.com.pk

BOARD DIRECTOR'S PROFILES



Sardar Muhammad Jamal Khan Leghari

CHAIRMAN B.O.D

Sardar Muhammad Jamal Khan Leghari is a known Pakistani politician and is son of Former President of Pakistan Farooq Ahmad Khan Leghari. Jammal Leghari's native Village is Chotti Zareen in Dera Ghazi Khan District of Punjab. He has also been a Former Member of the Provincial Assembly of Punjab, Ex. Senator and Ex. Chairman District Council D.G.Khan. Mr Leghari represented Pakistan in F-Class World Championship as a member of Pakistan National FTR Rifle Team in Bloemfontein, South Africa.



Zaffar Abbas

Mr. Zafar Abbas is working as Joint secretary Transmission. He has an extensive Experience in Energy Sector, He is a qualified Engineer from UET Lahore and Master of Business Administration (MBA) Oil & Gas Management, University of Dundee, Scotland. Mr. Zafar Abbas carries a vast experience of administrative financial, development matters of NTDC and Public Sector Power Generation Companies (GENCOs).



Javed Iqbal Khan

Mr Javed Iqbal Khan has Master Degree in information system. He is also PIPFA Associate Member. His professional experience includes Joint Secretary (Budget), Director General (Accountant General Pakistan Revenues), and Treasurer (Zulfiqar Ali Bhutto Medical University).



Engr. Fazalullah Durrani

Engr. Fazalullah Durrani is B.Sc (Electrical). He performed his services as Chief Executive Officer in Multan Electric Power Company Ltd. (MEPCO) from 09-2015 to 09-2016.



Muhammad Nawazish Ali Pirzada

Muhammad Nawazish Ali Pirzada is LLM from United States of America. He is leading the firm Pirzada Parterner. He is Founding Director of SALEC (South Asia Legal Education Consortium) and he is also a member of Editorial Advisory Board.



Khurram Mushtaq

Mr Javed Iqbal Khan has Master Degree in information system. He is also PIPFA Associate Member. His professional experience includes Joint Secretary (Budget), Director General (Accountant General Pakistan Revenues), and Treasurer (Zulfiqar Ali Bhutto Medical University).



Mian Shahid Iqbal

Mian Shahid Iqbal is Graduate and remained Member of Board of Director MEPCO from 2016-18 and also served as Executive Member BCCI till 2016. He is shareholder at Universal Gas Distribution Company.



Asghar Leghari

Mr. Asghar Leghari completed his LLM degree from USA. He is advocate High Court and Partner at Prime Legal Co., Advocates & Corporate Counsel.



Jam Muhammad Jabir Lar

Jam Muhammad Jabir Lar is M.Sc. (Economics & Finance). He was served as Manager at Zarai Taraqati Bank Limited from 2015 to 2020. He got certificate in Office Automation.



Rana Yasir Rauf

Mr. Rana Yasir Rauf is Graduate. He is a businessman and working as contractor with Provincial Highway Department Punjab.



Amad ud Din

Mr. Amad ud Din is Master in Business Administration from NUST. He is Former President, Chamber of Commerce & Industry, R.Y. Khan and Vice Chairman of Fayyaz Group of Industries.



Dr. Naeem Rauf

Dr. Naeem Rauf is an Officer of Pakistan Administrative Service (PAS/BS-20) and is presently working as secretary to Government of Punjab, Energy Department. Prior to this portion he has served at various key positions i.e. Secretary Environmental & Protection Department, Secretary Local Government in the province of Punjab and in the Federal Government.



Mian Muhammad Ali

Mian Muhammad Ali is B.Sc (Electrical) degree holder from UET Lahore. He performed his Services as General Manager MEPCO. He served 35 years in MEPCO / WAPDA. He retired from his service in 2017.



Hussain Ahmed Fazal

Hussain Ahmed Fazal is CEO of AFSANEH, a retail brand of clothing. He is Director of Hussain Mills Ltd. He also served as Director at Multan Waste Management Company from 2020-2023. He remained President-Board of Management Multan Industrial Estate.



Athar Ali Mazari

Mr. Athar Mazari is practicing lawyer and a Pakistani politician. He belongs to Rojhan District. He remained President of Bar Association Rojhan and Member District Council. He is Chairman Municipal Committee Rojhan. He is also an agriculturist.

CRITERIA & REMUNERATION PACKAGE FOR BOARD OF DIRECTORS

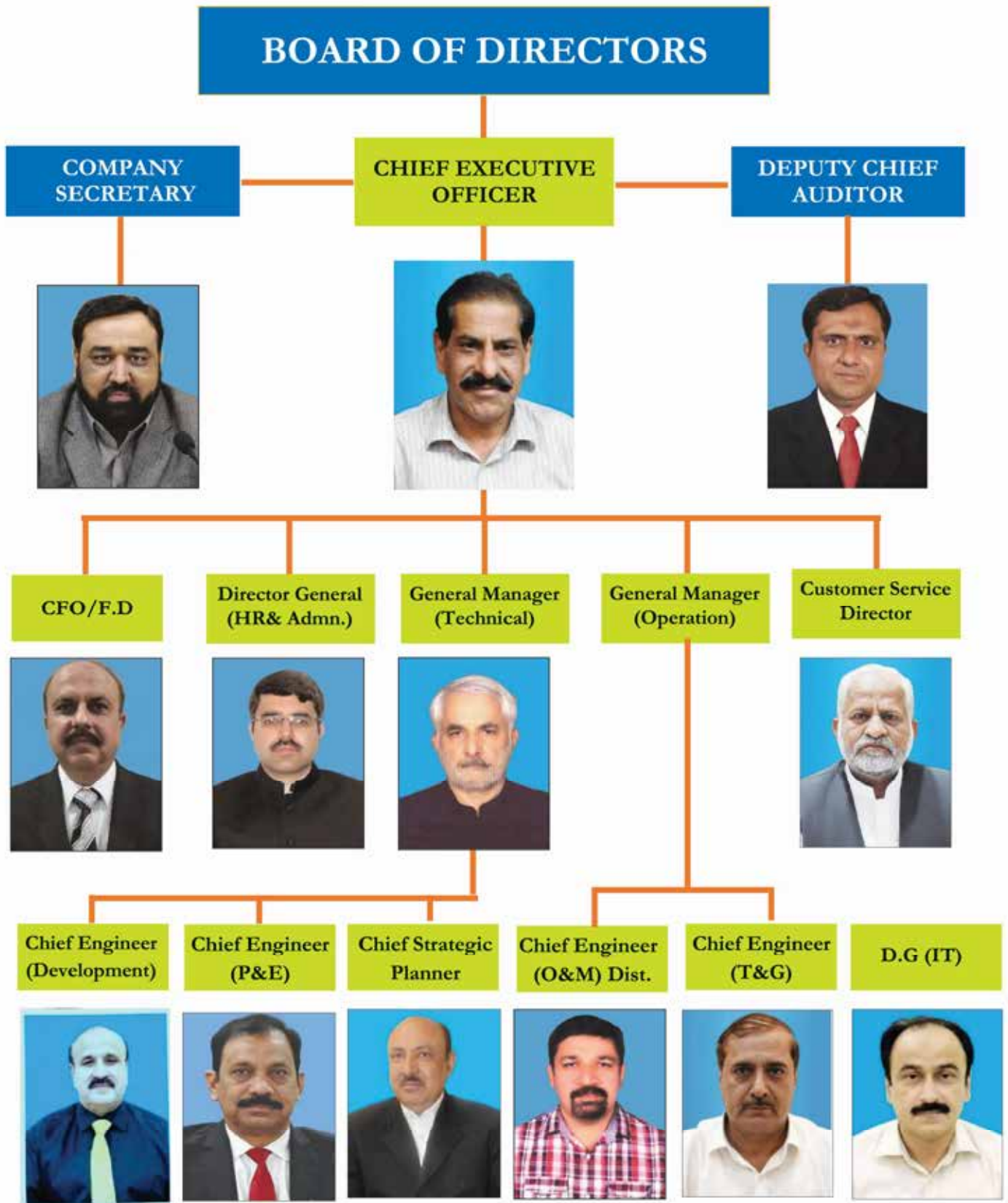
The standardized remuneration package has been approved by MEPCO Board of Directors during its 176th meeting held on 15-10-2021, vide agenda item No. 7-a Resolution(176-BOD-R), has granted approval for the following revised remuneration package for the Board of Directors MEPCO regarding Board & its Committee's meeting w.e.f 05-10-2021.

• FOR BOARD AND BOARD COMMITTEE MEETINGS

1. Payment of Rs. 60,000/- (including taxes) for BOD meetings and Rs. 60,000/- (including taxes) for committee meetings.
2. Hotel claim with receipt amounting to Rs. 25,000/- night and hotel claim without receipt amounting to Rs. 15,000/- night, for maximum of 02 nights for one meeting, will be allowed.
(This will include meal charges but exclude taxes. Stay above 2 nights will be approved by Chairman of BOD. In case of stay in Capital city where hotels are more expensive, Chairman of BOD is authorized to approve hotel expenses on actual on production of bills.)
3. Air Travel by economy class and in case of use of own road transport, payment is admissible at the rate of Rs.20/km inclusive of toll tax (both ways). Taxi fare will be paid as per actual, if a company vehicle is not provided by MEPCO.

- **FOR ATTENDING OTHER MEETINGS, WORKSHOPS, SEMINARS AND VISITS ETC.**

1. Payment of fee for attending workshop (if applicable).
2. Hotel claim with receipt amounting to Rs. 25,000/-night and hotel claim without receipt amounting to Rs.15,000/-night, for a maximum of 02 nights for one meeting , will be allowed.
(This will include meal charges but exclude taxes. Stay above 2 nights will be approved by Chairman of BOD. In case of stay in Capital city where hotels are more expensive, Chairman of BOD is authorized to approve hotel expenses on actual on production of bills.)
3. Air travel by economy class and in case of use of own road transport, payment is admissible at the rate of Rs.20/km inclusive of toll tax (both ways). Taxi fare will be paid as per actual, if a company vehicle is not provided by MEPCO.

ORGANOGRAM


CHAIRMAN'S MESSAGE



It is a privilege and pleasure to serve as Chairman of Multan Electric Power Company (MEPCO) Board. I am humbled to share MEPCO Annual Report for the year ended June 30, 2024. MEPCO provides power distribution services to Multan, Khanewal, Sahiwal, Pakpattan, Vehari, Bahawal Nagar, Bahawal Pur, Rahim Yar Khan, Lodhran, Muzaffargarh, D.G Khan, Rajan Pur and Layyah districts of Pakistan.

In FY 2024, customer's satisfaction remained the top priority goal of the company. During F.Y 2023-24 MEPCO demand reduced to 4,880 but the sales increased from 16,732 MkwH in F.Y 2022-23 to 16,904 MkwH in F.Y 2023-24, showing better Power Drawl Management. MEPCO agriculture consumers increased by 1.5% whereas the units sold decreased by (4.3%) mainly due to solarization. 89% consumer base of MEPCO comprises on domestic category. Though, there is trend to shift on solar energy but growth was still recorded in current year.

Company invested around Rs.32 Billion and enhanced its Transmission & Distribution System capacity, reliability & efficiency through expansion, augmentation and rehabilitation.

Company's 2024 sales volume mix comprised of Residential (54%), Commercial (7%), Agricultural (17%), Industrial (18%) and Other Customers (4%).

Revenue from sale of electricity amounting to Rs. 597 Billion recorded positive growth of 32.57% over 2023 & earned Rs. 71.121 Billion gross profit in 2024.

Average cost of power purchased from CPPA increased by 20.04% (2024: Rs. 26.42/kWh, 2023: Rs. 22.48/kWh) mainly due to increase in power generation fixed capacity charges and fuel cost charges.

Keeping electricity tariff rates within affordable range of our customers is a big challenge that unfortunately is not within the control of the company since we buy power from a single source pool of supply (Central Power Purchase Agency) that has major power purchase agreements with generators who generate power with imported fuels and payments are indexed with US dollar. Power Purchase Cost comprised of 88% of the total revenue billed to customers for FY 2024.

Company launched training programs for occupational health and safety of our employees and personnel working within the company operating territory. Safety of the communities is also ensured by rerouting of the network lines away from the populous areas. MEPCO sponsors national games and its players are selected in the national teams.

Timely resolution of customer complaints has always been a key focus area. Company has set up complaint centers within its own territory and call centers managed by third party for facilitation of registering complaints and tracking progress. MEPCO also hold Open Kacheharies at circle level for settlements of complaints at the spot.

MEPCO Employees remain company's most valuable assets. For continuous motivation, compensation package of fatal and non-fatal accidents have been enhanced to support the families of the victims. Employment is provided to the children/ widows of the deceased employees who die on the job.

Employees are equipped with standard tool kits for their safety. Safety seminars are conducted to promote safety culture for safety of employees and communities. A comprehensive health care policy has been implemented to cater healthcare needs of the employees and their families.

We are fully committed to pursue initiatives that will enable MEPCO to meet our customer's expectation of uninterrupted power supply at affordable rates. Financial turnaround of the company is very much on the cards in FY 2024.

CEO MESSAGE



On behalf of Multan Electric Power Company (MEPCO), I am pleased to publish the Annual Report and Statement of Accounts for the Financial Year ended 30th June, 2024. MEPCO is committed to provide safe, reliable and uninterrupted electric power supply to its consumers.

MEPCO is fully cognizant of the fact that future growing demand must be accomplished through improvement, enhancement & expansion of existing Transmission & Distribution System. It would also require preventive maintenance campaigns, reduce T&D losses & achieving 100% revenue recovery Targets. MEPCO also emphasizes to use more advanced technological tools e.g. Aerial Bundled Conductor (ABC), AMR/AMI & Smart Grid etc. for reduction in theft of energy, reduce T & D losses & improved customer services.

Simultaneously, it is a known fact that effective and motivated human resources play key role for future achievements and also strategies. That's why the management and field force of MEPCO is focused on improvement & enhancement of customer service with innovation for better level of customer satisfaction. MEPCO has set up Customer Services Center within its territory and call centers for facilitation of registering complaints and tracking progress.

Being Public Utility Company, MEPCO always endeavor to make a positive social and environmental contribution to the value chains in which we operate and we can only achieve our sustainability objectives by balancing the needs of all our customers. This report covers our activities and progress over the past year and to set our targets for the future.

It is also worth mentioning to reiterate that MEPCO has adopted and implemented the zero tolerance policy against corruption & corrupt practices and during the year, a large number of FIRs lodged against the consumers who were involved in theft of electricity. MEPCO has been entrusted with full support of DSU, which has markedly reduced the risk of theft and allied risks in territorial border of MEPCO adjoining QESCO, SEPCO & PESCO. The Scanning Meters also installed on high loss feeders.

MEPCO, during 2023-24, recorded purchase of 19.929 (B) units and Sold 16.904 (B) units which recording increase of 5% from last year.



Mission

Ensure convenient availability of high quality electric power to the people at affordable price, retaining financial viability of the company.



Vision

To ensure convenient availability of high quality power in area of responsibility, in order to alleviate the poverty, improve quality of life and make the industrial and agricultural sector competitive in the world market.

OBJECTIVES

- To play an active role to make “Sar Sabaz and Roshan Pakistan.
- To facilitate agriculture and industrial sector.
- To ensure un-interrupted & stable power supply to all our customers.
- State-of-art customer care for entire satisfaction of customers.
- To provide electricity to every village in jurisdiction of company
- To establish, construct and operate reliable electricity distribution network.

MEPCO'S POWER TRANSMISSION AND DISTRIBUTION NETWORK

MEPCO is the one of largest distribution company having more than 8.3 million consumers and 105,505 square kilo meters area covering 13 districts of whole South Punjab. Our consumer density per Square kilometer is 79 Persons/KM.

Some other Technical Highlights of distribution network are as follows:

GRID SYSTEM		
	June 2024	June 2023
Grid Stations	146	142
Maximum Load	4,880 MW	5,141 MW
Maximum Energy Drawl	4,387	4,391
Power Transformers	329 No.	320 No.
Installed Capacity	9,311 MVA	9,089 MVA
Transformation Capacity	8,380 MW	8,180 MW
Transmission Line 132KV	4,854 KM	4,769 KM
DISTRIBUTION SYSTEM		
No. of Distribution transformers	236,213 Nos.	230,606 Nos.
Installed Capacity	13,613 MVA	13,391 MVA
No. Of 11 KV Feeders	1,798 Nos.	1,762 Nos.
H.T Line Length	87,412 KM	82,238 KM
L.T Line Length	50,714 KM	50,664 KM

MEPCO is making efforts through implementation of approved improvements plans to reduce T&D loss and save energy.

By completion of new Grid Stations, addition of Power Transformers, augmentation of Power Transformers and other Grid Station works along-with Transmission Lines at various existing STG system of MEPCO. The total estimated cost incurred on these projects is Rs. 3477.732 million including deposit works.

The main benefits achieved by MEPCO from the completion of STG projects are;-

- By completion of 02-No. new 132KV Grid Stations, addition / augmentation of Power Transformers and construction of new Transmission Lines at various existing STG system of MEPCO. The total estimated cost incurred on these projects is Rs. 3477.732 Million including deposit works.
- Overloading problem of the area has been removed by construction of 01-No. new 132KV Grid Station Musa Virk and 01-No. consumer Grid Station at Fatima Jinnah Town Multan.
- Overloading of Power Transformers at 132KV Grid Stations Rojhan, Industrial Estate Multan, Muzaffar Garh, Lal Sohanra, Rung Pur, Choti & Nawan Kot have been resolved by addition of Power Transformer Bays.
- 03-No. 26 MVA Power Transformer has been augmented with existing 13 MVA Power Transformer at 132KV Grid Stations Noor Ahmed Wali, Jamal Din Wali & Khan Pur Bagga Sher.
- 01-No. 31.5/40 MVA Power Transformer has been augmented with existing 20/26 MVA Power Transformer at 132KV Grid Station DG Khan-I.
- Construction of Line Bays at 03 x Grid Stations have been done at 132KV Grid Stations Shah Sadar Din, Nawan Kot & Larr.
- 01 x Bus Bar work from single to twin bundled has been done to strengthen the capacity of grid station at Rahim Yar Khan-I.
- MEPCO constructed 132KV Transmission Lines on war footing basis having length of 139.4 KM Including Deposit Work.



New 132 KV Transmission Line for Nishtar-II Grid Station



Interfacing work at 500 KV Grid Station R.Y.Khan



Civil Works in progress for New 132 KV Grid Station Pak Pattan II.

CODE OF CONDUCT

Historic Perspective

1. The Company has adopted the “Pakistan WAPDA Employees (Conduct) Rules-1978 issued by Pakistan Water & Power Development Authority vide its No. SO(R& CM)-35(WECD) 489-1049 dated: 10-05-1978 along with all amendments made from time to time.
2. This policy/code of conduct is communicated to all the employees at lower level of formation as well as place on Company’s website for ready reference and common understanding of standards.
3. All the MEPCO employees are bound to establish a common understanding of the standards of behavior mentioned in the said code of conduct. This policy provides a detailed and exhaustive list of what to do in every aspect of work and all the MEPCO employees are bound to follow this framework of professional ethics.
4. This code places an obligation on all employees to take responsibility for their own conduct and work with colleagues cooperatively to establish consultative and collaborative workplace environment where the people are happy and proud to work.

Scope

This policy is applicable to all directly recruited MEPCO employees, including those engaged on contract.

Objective

This code is intended to be a central guide and reference for users in support of day-to-day decision making. It is meant to clarify MEPCO’s mission, values and principles, linking them with standard of professional conduct. As a reference it can be used to locate relevant documents, services and other resources relevant to ethics within the organization. It will ensure that professional standards and corporate values are in place to promote integrity of the Board, Senior Management and other employees in the form of a code of conduct. This code of conduct shall articulate acceptable and unacceptable behavior. This code will be an open disclosure of the way MEPCO operates. It provides visible guidelines for acceptable and unacceptable behaviors. It shall serve as an important communication vehicle that will “reflect the covenant that MEPCO has made to uphold its important values, dealing with such matters as its commitment to employees, its standards for doing business

and its relationship with community”. This code is a tool to encourage discussions of ethics and to improve how employees/members should deal with the ethical dilemmas, prejudices and gray areas that are encountered in everyday work. It is meant to complement relevant standards, policies and rules, not to substitute for them.

Procedure for redressal of grievances arising from unethical practices

1. MEPCO has adopted Pakistan WAPDA Employees (Efficiency and Discipline) Rules, 1978 issued by Pakistan Water & Power Development Authority vide its No. SO (R &CM)-24 (E&D)/22731-23331 dated: 11-02-1978 and Pakistan Industrial and Commercial Employment (Standing Orders) Ordinance-1968 along with all the amendments made from time to time.
2. In case of any deviation of behavior from the standards, the delinquents will be dealt by their respective competent authorities (specified) under Pakistan WAPDA Employees (Efficiency and Discipline) Rules, 1978 and Pakistan Industrial and Commercial Employment (Standing Orders) Ordinance-1968 after fulfilling all the code formalities under the law.

CUSTOMER CARE POLICY

1. MEPCO always keeps its customers at top priority and continuously making efforts to enhance satisfaction by various customer service improvement plans. Some of the initiatives taken by MEPCO in customer service improvement plan are as follows:
2. Revamping of Customer Service Centers. Upgraded Regional Complaint Center (RCC), MEPCO Head Office Multan and Circle Complaint Centers. All Complaint Centers of MEPCO will be integrated with Regional Customer Facilitation Center (RCFC).
3. Establishment of Ministry (Power Wing) Complaint Center at Head Office and disposal of complaints within given time frame.
4. Accurate billing is ensured by using advance technology of Meter Reading through Mobile Meter Reading (MMR) and installations of AMR Meters.
5. Timely and accurate billing is being ensured through implementation of Modern ORACLE based Billing System (CIS). Billing of all Circles is successfully being carried out on CIS since 2017-18.
6. Online payment and duplicate billing facility is made available to customers.
7. Complaint registration on 061-9220169 against theft of electricity is available.
8. Load shedding schedule is being displayed on MEPCO Website for customer's information.
9. MEPCO will establish online complaint registration and establish Call Centre's.
10. Set of policies and procedure including Customer Service Manual are uploaded on MEPCO Website for customers information.
11. Cost of service study is conducted to ensure that customers are billed on the basis of cost reflective tariff.
12. 12 months consumption and payment history is being provided on Electricity Bill for customer's information.
13. Detail of facilities availed by the consumers over the last 12 months is being provided
- 14.
15. ENC (Electricity New Connection) website has been launched to facilitate the consumers for online apply of New connection, Change of Name, Change of Tariff, Extension/Reduction of Load
16. Facility of Date Extension, Installments & Bill Correction has been automated instead of being manually treated.

17. CCMS Complaints are being entered by Consumers through Mobile APP (MEPCO Smart, NEPRA Asaan Approach etc) and walking customer complaints.
18. E-Ops is a innovative online application for electricity consumer to modernize and digitalize both the wire and commercial business operation of MEPCO.
19. Complaint and Control Centers (CNC) a newly created feature in e-Ops for a GIS based complaint location tracking and task assignment and field staff monitoring system developed for the operational offices. Old CCMS has no tracking and on-ground staff monitoring system has been started at 17XNos, Sub Divisions in 04XNos. Divisions of MEPCO Operation Circle, Multan.
20. 01XNos. Regional Customer Facilitation Center (RCFC) has been established at MEPCO H/Qs and 04XNos. Customer Facilitation Center (CFC) has been established at (Multan Circle, DHA, Mousa Pak and Mumtaz Abad).

HEALTH, SAFETY, ENVIRONMENT, SOCIAL SAFEGUARDS & GOVERNANCE POLICIES

HEALTH, SAFETY, AND ENVIRONMENT POLICY

MEPCO ensures that risks concerning health, safety and environment are mitigated properly to provide consumers friendly environment in its service area.

Following are the Environmental, Social and Governance Policies including Corporate Social Responsibility & Environment Protection Measures in Environment & Social Safeguard Cell PMU MEPCO.

- ❖ To Follow NEPRA License Section/Article-12 and Pakistan Environment Protection Action, 1997, Punjab Environment Protection Act, 2012. IEE/EIA is/are prepared for the purpose to assess the impacts which can arise during execution of projects.
- ❖ IEE/EIA is/are prepared to obtain Environmental Approval/NOC from EPA, Punjab. Rapid Environment & Social appraisal to be carried by the Environment and Social staff at the time of site/route selection.
- ❖ Selection of environmentally sound and socially acceptable land site for grid station and line route for T/line.
- ❖ The Environment Management Plan (EMP) will be a part of contract and the contractor will be responsible for the implementation of Environmental Management Plan.
- ❖ Contractor must comply with all applicable laws (Pakistan Environment Protection Act (P EPA-1997), Labor Laws) of the country and pertinent occupational health & safety regulations.
- ❖ Contractor will be responsible for the implementation of Environmental Management and Monitoring Plan (EMMP) and Resettlement Plan (RP) as mentioned in Environment and Social Reports of the project.
- ❖ Contractor engage/hires an Environmental Inspector who will liaise and coordinate with MEPCO Environment and Social Cell to ensure compliance with the proposed mitigation and monitoring measures required under EMMP and RP. MEPCO Environmental and Social safeguards section will provide necessary guidance in this respect to Environmental Inspector.
- ❖ Contractor will conduct Analysis of Environmental Indicators (Air, Noise Soil and Water tests)

- ❖ Contractor will carry out the physical work required for the restoration of any public utility (sewerage line, water transporting system/pipes, rainwater drainage system etc.) damage d due to construction activities at project site.
- ❖ Contractor will try to provide optimum employment opportunity to women living in the vicinity of the project area and refrain from child labor.
- ❖ Contractor will disseminate information at work sites regarding risks of transmissible diseases (HIV/AIDS & Hepatitis) for the workers employed during construction work and take adequate proper measures to protect workers from potential exposure to these diseases. Contractor will avoid discrimination between the wages and benefits of male and female workers for works of equal value.
- ❖ The BOQs shall include cost quotation for carrying out measures related to environment and social safeguards and payment be made to contractor after obtaining E&S clearance. Environment and social studies shall be part of PC-I and be conducted along with feasibility study of the projects. Environmental mitigation and compensation payments be made p art of PC-1 (No PC-1 is acknowledged in ECNEC without Environmental & social Impact studies).
- ❖ The land falling under transmission line is always devalued therefore proper trees/crops c compensation be paid to the affected person(s).
- ❖ The new transmission line routs shall avoid settlements, public places and environmentally sensitive areas (notified by the govt., national parks, game reserves etc).
- ❖ Preferably the transmission line construction shall be made in off season, or time be allowed for the harvesting of ripe crop. It is not practicable all the time as some Transmission Lines might be lengthy enough and would require more time.
- ❖ The entitlement matrix shall be prepared during the detailed profiling/ designing of the Transmission Line route stage.
- ❖ In all cases tower/pole erection, sites shall be restored as per landscape and the debris/waste shall be removed from the site.
- ❖ The damaged and disturbed water channels shall be restored / relocated to avoid water accumulation in & around the Towers/Poles.
- ❖ Damages to public utilities shall be restored to original/ relocated if necessary and all such Affected Persons shall be informed prior to damage/ relocation.
- ❖ No tree shall be chopped. In case of fruit trees, affected persons be compensation as per type, yield and age of fruit trees. The remains of fruit trees be handed over to affected person as free of cost. The trees shall only be cut/ uprooted in extreme cases and in such

cases Environment and Social Safeguard Section in coordination of relevant entities/ affected persons shall carry out 3 times plantation of indigenous trees. The remains of trees be handed over to affected person as free of cost.

- ❖ There shall be no discrimination between the resourceful and non-resourceful affected persons and all APs shall be treated in the same manner. There shall be uniformity in payments and compensation.
- ❖ Inclusion of standard clauses of environment and social safeguards on the bidding documents/contract agreements (work orders).
- ❖ Internal Monitoring, External Monitoring, Public Consultation, be carried out and Grievance Redress Mechanism be provided for timely completion of the projects.

Land under Towers/Poles

- ❖ Urban Areas: In urban areas, tubular poles should be erected instead of Transmission Line Towers. Preferably, erect tubular Poles on the road corridor for which no compensation is required. In case of Govt. land, the land could be used with proper permission of concerned department. In case of private premises, the requisite land for poles be purchased on negotiation basis.
- ❖ Rural Areas: In rural areas T/line Towers to be routed at least 100 meters away from settlements, schools, hospitals where space is available. If there is shortage of space / congested space, the tubular poles are preferred options.
- ❖ The temporary damages of crops under the transmission line will be compensated at 3 tiers at the current market rate assessed in the year of damage. First compensation for Foundation of Towers, 2nd compensation for erection of towers and 3rd at the time of stringing of lines. The landowner (where tower/pole is to be erected) has to produce the National Identity Card and proof of ownership. In case of Tenant, the sharecropper has to provide, copy of NIC and proof of Entitlement/agreement between the parties on Judicial Paper.

Land under T/Line

- ❖ The land falling under transmission line conductor shall not be purchased. However, as the land is disturbed for the construction work and that the land is devalued, compensation shall be paid to the affected persons as detailed below:
- ❖ The affected landowners shall be paid crop compensation of 02 seasons for area under T/line (15ft space on each side of conductor) in two phases (half of the amount before conductor stringing and the remaining amount after completion of stringing with proper documentation on judicial paper.
- ❖ Environment and Social safeguards and resettlement activities shall be part of mainstream business operations and all projects shall include cost of environmental mitigation measure, OHS and social safeguard (compensation) activities.

EVIDENCE / PHOTOGRAPHS



Community Consultation Meeting with Affected Persons (APs) of 132KV Grid Station Khanewal-II proposed under World Bank EDEIP Project.



Demarcation and site Possession of state land purchased for 132KV New Grid Station RYK-III



Demarcation and Site Possession of state land purchased for new 132KV G/S Layyah- II.



Deputy Director (Environment) Punjab visiting MEPCO Grid Stations for Environmental audit



Crops Compensation Cheques are being disbursed among the Affected Persons of Nishtar-II 132 KV Transmission Line.



Community Consultation with female of 132KV Grid Station Khanewal-II proposed under World Bank EDEIP Project.



Disbursement of Crops Compensation Cheque among the Affected Persons of Noorpur -Pakpattan 132 KV Transmission Line.



Demarcation and Site Possession of proposed 132 KV Grid Station Muhammad Pur Dewan .



World Bank Environment and Social Safeguard expert visiting sites Proposed under World Bank EDEIP.



Topographic survey/studies carried out by the consultant proposed under World Bak EDEIP Project.

MEPCO SPORTS ASSOCIATION

MEPCO is managing its sports activities through following body called as MEPCO Sports Association:

1.	Jam Gul Muhammad Zahid	Patron in Chief
2.	Ch. Khalid Mehmood	President
3.	Waqas Masood Amjad Chughtai	Vice President
4.	Haider Usman Athangal	Secretary

OBJECTIVE

MEPCO being aware of its Corporate Social Responsibility (CSR) is promoting healthy sports culture in the society and providing fair & equal opportunity to the talented sports men and women to flourish at National and International Level. The promotion of sports not only bring positive changes in the society but also helpful in building as well as improving image of the company, as the players act as ambassadors of MEPCO.

MEPCO has continuously been striving to enhance its reputation as a leading sports friendly organization of Pakistan. The sports persons are being continuously groomed and given various incentives to enhance their performance and skills. The induction of new sports talent in the organization is also being made on regular basis. The ultimate goal is to make MEPCO, the highest ranked organization in sports through such policies which facilitate the sports persons.

PERFORMANCE DURING YEAR-2024

Athletics

- Muhammad Irfan participated in 10-Km race held under Navy World Athlon, and secured **1st position** in all over Pakistan during 2024 at Karachi.
- Ghazala Ramzan won Gold Medal 100m (Hurdle) on 51st Athletics Championship at Attock 2023-24.
- Nasir Ali won Silver Medal in 51st Athletics Championship at Attock 2023-24.

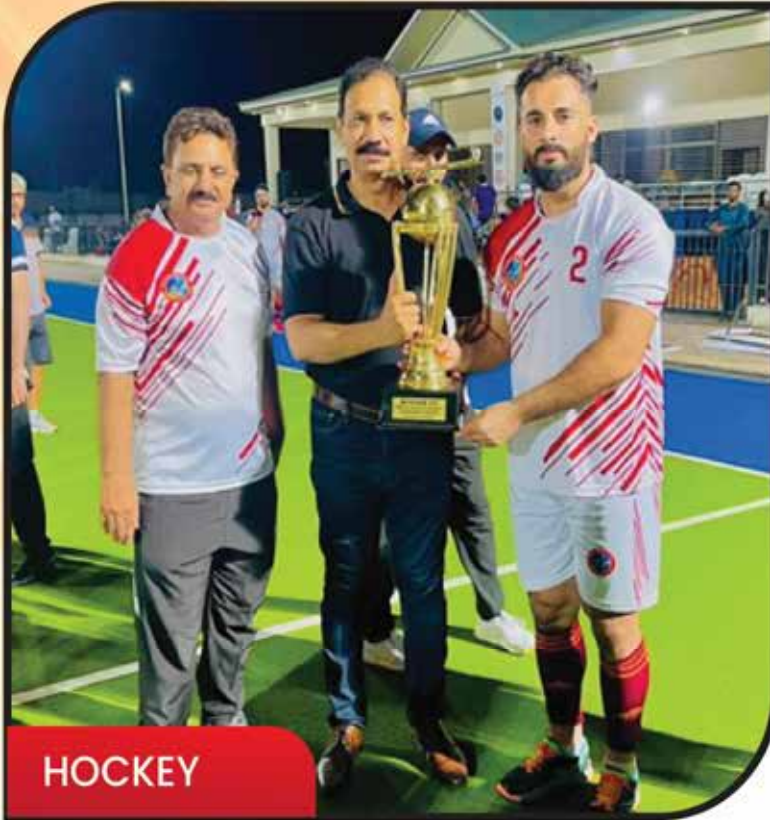




- Mehak Khokhar won Gold Medal in Khawaja Anwar Memorial Open Championship (Women Doubles) during 2024 at Sialkot.
- Ushna Suhail won Gold Medal in Khawar Hayat Memorial Open Tennis Championship during 2024 at Islamabad.
- Heera Ashiq won Gold Medal in Khawar Hayat Memorial Open Tennis Championship during 2024 at Islamabad.



05-No. MEPCO Baseball players won 02-Gold Medals & 03-Silver Medals in GSP Chief Minister Punjab Baseball League Lahore during April 2024 at Lahore.

**HOCKEY**

MEPCO Sports Association organized MEPCO Hockey Gold Cup 2024 and MEPCO Hockey team secured 2nd position.

**FOOTBALL**

03-No. MEPCO Football players participated and won Gold medal in National Challenge Cup Islamabad 2024.



Muzamil Ilyas, Mehlum, Sumaira Kousar and Wajiha Karim MEPCO Rugby/Athletics players participated in 4th Women National 7's Rugby Championship 2024 and won Gold Medals.

Waseem Abbas & Ayub Zafar won Gold Medal in Rugby 25th Men National 7's Rugby Championship 2024 at Lahore.



Umair Saleem, Sumaira Fayyaz & Farseen Hamdani won 02 x Silver medals respectively in 17th National Taekwondo Championship 2024 at Islamabad.



05-No. MEPCO Kabaddi players participated in National Kabaddi Championship 2024 and secured 1st position at Islamabad.

MEPCO Kabaddi Team won Silver Medal in 49th WAPDA Annual Inter Unit Kabaddi Competition during April 2024.

ACHIEVEMENTS BY ERP (SAP) FINANCIAL YEAR 2023-24

The modern corporate culture is deemed to be incomplete without automation of Business processes i.e. ERP. In order to meet with the requirements of modern corporate culture, Implementation of SAP ERP was initiated in MEPCO during 2014. At present ERP has been successfully implemented in MEPCO and all formations are GO-LIVE since July 2018. In March 2021 MEPCO discontinued legacy system of inventory and effective from July 2021, Manual/legacy Accounting System was discontinued and Books of Accounts was completely shifted on SAP-ERP. As a Land Mark achievement, annual audits for F.Y. 2021-22, 2022-23 & 2023-24 of MEPCO Accounts have been carried out and successfully completed based on SAP-ERP maintained Accounts. It tantamount that requisite parameters of integration of three modules i.e. Material Management (MM), Human Resource Management (HCM) and Finance & Controlling (FICO) are duly complied with.

MEPCO successfully completed Novation process to change SAP partner for payment of annual AMC. As a result of this change, MEPCO AMC cost has been reduced by \$ 26,545/annum. An integrated system of SAP FICO-HCM is designed and implemented successfully for online/centralized payments for all type of off-cycle claims of employees. For better cash management system of auto bank reconciliation has been configured in SAP-ERP. An RFP has been floated for Integration of SAP with Oracle based IBS and ENC.

NOTICE OF AGM



MULTAN ELECTRIC POWER COMPANY

Tel: 061-9210380 Ext: 2084
 061/9330244
 Fax: 061-9220204

Office of
 The Company Secretary

No. 4827-38 /Company Secy

Dated: 07-10-24

NOTICE OF 27th ANNUAL GENERAL MEETING .

Notice is hereby given that 27th Annual General Meeting of Multan Electric Power Company will be held on **28-10-2024 (Monday) at 11:00 AM** in Board's Meeting Room MEPCO Sports Complex, MEPCO H/Q Khanewal Road Multan to transact the following business:-

1. To consider and confirm the Minutes of 26th AGM.
2. To receive, approve and adopt the Audited Financial Statements of the Company for the year ended 30-06-2024, together with Auditors and Directors report thereon.
3. To appoint the Company Auditors for Financial Year ending 30-06-2025 and fix their remuneration.
4. Any other point with the permission of the Chair.

DA/as above

By order of the Board

(Sajid Yaqoob)
 Company Secretary, MEPCO

Notes:-

- A member entitled to attend, speak and vote at the Meeting shall be entitled to appoint another person as his/her proxy to attend, speak and vote instead of him/her, and a proxy so appointed shall have such rights with respect to attending, speaking and voting at the Meeting as are available to Member.
 - The instrument to appointing a proxy together with the power of attorney (if any) or other authority, under which it is signed or a naturally certified copy thereof should be deposited at MEPCO not less than 48 hours before the time of holding the meeting.
1. PSO to Secretary, Ministry of Energy (Power Division) Govt. of Pakistan, Islamabad.
 2. Mr. Amer Zia, House 342 Street 14, F-10/2 Islamabad.
 3. Ms. Shireen Malik Sher, Deputy Secretary (Policy), Ministry of Energy (Power Division), Islamabad.
 4. Mr. Tahir Basharat Cheema, House No. 181, Street No. 10, Cavalry Ground (Extension), Lahore Cantt.
 5. Mr. Gul Muhammad Zahid, Chief Executive Officer, MEPCO Multan.
 6. Mr. Javed Iqbal Khan, Joint Secretary (Budget), Govt of Pakistan Finance Division Islamabad.
 7. Mr. Naeem Rauf, Secretary, Energy Department, Government of Punjab, Lahore.
 8. Mr. Imran Zaffar, 79 Bridge Colony, Lahore Cantt.
 9. Ms. Zainab Janjua, House 45, Street 13, F-7/2, Islamabad..
 10. Khawaja Jalaluddin Roomi, Masood Roomi house 5 officers colony Multan.
 11. The Finance Director MEPCO Ltd Multan.
 12. M/s Yousaf Adil, Chartered Accountants, 4th Floor Mehr Fatima Town, Multan Cantt.

DIRECTOR'S REPORT

INTRODUCTION TO THE COMPANY

GEOGRAPHIC SERVICE TERRITORY

MULTAN ELECTRIC POWER COMPANY (MEPCO) is the largest Distribution Network Company serving 8.3 million consumers of the former Area Electricity Board Multan and spread over 13 districts of the Southern Punjab (Multan, Khanewal, Sahiwal, Pakpattan, Vehari, Bahawal Nagar, Bahawal Pur, Rahim Yar Khan, Lodhran, Muzaffar Garh, D.G Khan, Rajan Pur and Layyah).



INTRODUCTION

MEPCO inherited Assets and Liabilities of Area Electricity Board Multan, Under Business Transfer Agreement (BTA) signed between WAPDA and MEPCO for transfer of business which was subsequently made more elaborative by way of a Supplementary Business Transfer Agreement (SBTA). MEPCO has the License to Distribute & Supply in its service territory. This arrangement has given rights and means to MEPCO for catering electricity needs of the consumers of the 13 districts of the Southern Punjab.

MEPCO being a public limited company's governed through Government nominated Directors (BoD) and the management performs executive functions under the Board as per following Organization Structure.

Formations	Numbers
Operation Circles	09
Operation Divisions	41
Revenue Offices	41
Sub Divisional Offices	188
Project Construction	01
Construction Divisions	09
Construction Sub Divisions	18
Project Management Unit (PMU)	01
Grid Station Construction (GSC) Circle	01
GSC Divisions	04
GSC Warehouse	01
M&T Circles	02
GSO Circles	02
SS&T Divisions	06
Regional Stores	04
Field Stores	08
Computer Centers	06
Transformer Reclamation Workshops	04

The service territory of MEPCO covering more than 50% area of Punjab province is served by 14,221 employees.

REGULATORY STATUS

MEPCO is working under regulatory regime under NEPRA i.e. The Regulator, through “Regulation of Generation, Transmission and Distribution of Electric Power Act-1997” (NEPRA Act). NEPRA is responsible to regulate Generation, Transmission and Distribution of Electric Power in Pakistan under this Act. Govt. of Pakistan amended the NEPRA Act-1997 in May, 2018, which is named as “Regulation of Generation, Transmission and Transmission of Electric Power” (Amendment) Act, 2018. Under NEPRA (Amendment) Act 2018, MEPCO is responsible for Distribution of Power and Supply of Power in its area of jurisdiction.

The Regulator i.e. NEPRA granted Distribution license No. DL/06/2023 to MEPCO on 09th May, 2023 for a period of 20 years (9th May, 2023 to 8th May, 2043). Under NEPRA (Amendment) Act 2018, MEPCO is deemed to hold a license for supply of electric power under Section 23E (1) for a period of five years i.e. upto April 2023. Thereafter, MEPCO applied for Electric Power Supply License on 27th December, 2023 which was granted by the Regulator for the period of 20 years w.e.f 27th April 2023 to 26th April 2043.

1. ADDITION, UPGRADATION & REHABILITATION OF SYSTEM

132 KV SYSTEM

During F.Y 2023-24, MEPCO added the following in its system to reduce system constraints:

- Construction of new Grid Stations 02-No.
- Extension of 13 MVA Power Transformer 05-No.
- Extension of 26 MVA Power Transformer 01-No.
- Extension of 40 MVA Power Transformer 01-No.
- Extension of Line Bays 03-No.
- Augmentation of 13 MVA to 26 MVA Power Transformer 03-No.
- Augmentation of 26 MVA to 40 MVA Power Transformer 01-No.
- Single Bus Bar to Twin Bundled Bus Bar 01-No.
- Replacement work of defective Power Transformer (Rehabilitation work) 04 No.

- Construction of new 132KV Transmission Line 05-No.
- 2nd Circuit Stringing of Transmission Line 01-No.
- Less clearance work of Transmission Line 02-No.
- Rehabilitation of Transmission Line 01

With completion of all above mentioned works, the problem of low voltage has been addressed in respective areas resulting in better quality of electric supply to the inhabitants / consumers of these areas.

HT/LT LINES

For reliability of the Distribution network, following rehabilitation works were executed during the year 2023-24:

- New/Extension of lines:
 - HT 2,854 KM
 - LT 1,360 KM
- Addition of Distribution Transformers 6,604 Nos.

11 KV SYSTEM

Rs. In Million

BUDGET HEAD	OPENING 01-07-2023	ADDITION During F.Y 2023-2024	TOTAL	COMPLETED	ENDING BALANCE
ELR	6,609	5,045	11,654,	4,347	7,307
DOP	718	1,267	1,985	1,294	691
New Connection	36	5,832	5,868	5,832	36
Civil Works	145	215	360	198	162
Deposit Works	6,460	3,370	9,830	1,584	8,246
Village Electricity	4,709	3,261	7,970	1,883	6,087
STG	4,013	1,738	5,751	1,729	4,022
Sub-Total	22,690	20,728	43,418	16,867	26,551
Less: Impairment of (CWIP)	(284)	(1)	(285)	-	(285)
Total	22,406	20,727	43,133	16,867	26,267

The ELR consists of sub heads of replacement of defective meters and New/Extension of HT/LT Lines. MEPCO spent Rs. 1,839 (M) for replacement of 408,358 Nos. meters and Rs. 2,508 (M) for HT/LT New/ Extension of lines.

MEPCO has also augmented 969 Number Distribution Transformers and HT/LT Lines under DOP amounting to Rs. 1,294 (M).

CIVIL WORKS

MEPCO construct/renovate the residential/official buildings amounting to Rs.198 million during FY 2023-24. This will improve the working environment in the offices and provide better residential facilities to the officers/officials of MEPCO.

DEPOSIT WORKS

MEPCO execute deposit works amounting to Rs.1,584 million during FY 2023-24. These works are executed on the receipt of funds from Housing Societies, NHA and other Private/Govt. consumers.

VILLAGE ELECTRIFICATION (SDGs, MDGs etc)

MEPCO is the largest contributor in Village Electrification with funding from Govt. of Pakistan under MDGs/SDGs and Local bodies. Therefore, to cope with the load of additional consumers resulting from Village Electrification. As per directions / policy of the Government of Pakistan, village electrification in the rural areas of the Southern Punjab have been carried out at a fast track so that the population in the villages could benefit from the fruits of electricity and meet the needs of modern era. In F.Y 2023-24, 1,799 No. of villages have been electrified at a cost of Rs.1,883 million.

On the part of MEPCO, this is a remarkable achievement to uplift the quality of life of the masses living in the rural areas, of course with 100% funding by Govt. of Pakistan.

2. DEMAND PROFILE

Government of Pakistan is determined to eliminate load management of power. To achieve this objective of fundamental importance, MEPCO has been striving with two approaches:

1. Rationalization of T&D Losses and pilferage of electricity.

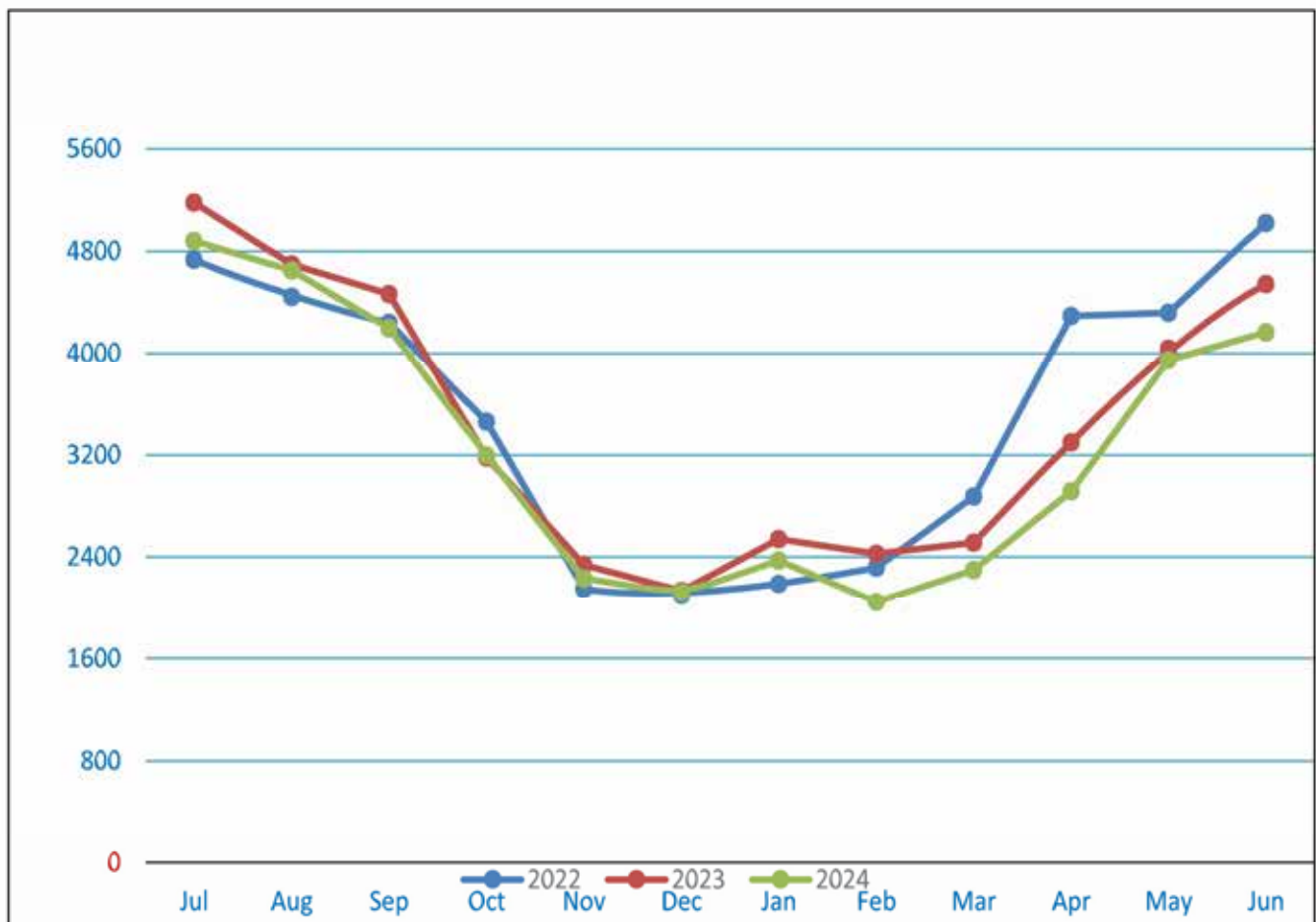
2. Increase in capacity of power evacuation.

The maximum demand of MEPCO increase during 2 years FY 2021-22 to FY 2022-23 as shown below:

Year	Maximum Demand (MW)
2021-22	5,022
2022-23	5,181

However, in F.Y 2023-24 MEPCO demand reduced to 4,880 but the sales increased from 16,732 MkwH in F.Y 2022-23 to 16,904 MkwH in F.Y 2023-24, showing better Power Drawl Management.

Monthly Maximum Demand of MEPCO



Solar Connection

During F.Y. 2023-24 MEPCO agriculture consumers increased by 1.5% whereas the units sold decreased by (4.3%) mainly due to solarization. 89% consumer base of MEPCO comprises on domestic category. Though, there is trend to shift on solar energy but growth was still recorded in current year.

The comparison on consumers with units received is given below:

Year	No. of Consumers	Units Received (Mkwh)
30.06.2023	9,671	36,521
30.06.2024	26,896	84,884

3. TIMELY REDRESSAL OF CONSUMERS' COMPLAINTS

As per directions of Ministry of Energy (Power Division), following mechanisms have been established for prompt redressal of consumer complaints:

(i) Federal Complaint Cell (FCC).

MEPCO is connected with FCC Like other DISCOs. All consumers' complaints including breakdown of power supply resulting from burning of transformers, other faults of the system, correction of electricity bills, delay in installation of new electricity connection etc. are reported/ redressed through FCC.

(ii) Consumer Complaints Management Service (CCMS)

Under this system, consumer can lodge complaints through toll free number i.e. 118.

(iii) Roshan Pakistan

Under this system, consumers can lodge their complaints, view Load Management Schedule etc.

(iv) Pakistan Citizen Portal

Prime Minister of Pakistan has introduced an application for citizens of Pakistan to lodge all of their complaints directly which have self-monitoring system for compliance and satisfaction of consumers.

All these four systems have brought about significant increase in consumers satisfaction /service.

4. SNAPS METER READING

In past over billing remained one of the major grievances / complaints of the consumers. In order to overcome it, an innovative idea of snaps taking of the electricity meters reading and printing the same on the consumers' bills was floated by the Ministry during the year 2015-16. MEPCO has successfully implemented snap Meter Reading throughout all Sub Divisions & 96% average accuracy is verified by 3rd party (PITC) which is satisfactory with further cushion for improvement and resulted insignificant reduction in complaints of over billing.

5. RISKS AND UNCERTAINTIES

Followings are major risks and uncertainties confronted by MEPCO:

- i. In-adequate Distribution Margin (DM) allowed by Regulator (NEPRA).
- ii. Company operated in service territory along with borders of QESCO, SEPCO and PESCO where poor law and order situation exist.
- iii. Company has sizeable No. of tube well consumers and Pakistan Kisan Ittehad is active in mobilizing farmers for non-payment of electricity bills that has created high level of receivables.
- iv. Introduction / opening of wholesale Market (CTBCM).
- v. Net Metering, licenses are being issued allowing the consumers to use MEPCO network for import/export of energy.

6. MITIGATION AGAINST RISK & UNCERTAINTIES

- i. MEPCO in line with the adjustment mechanism provided in MYT determination, filed the request for adjustment/ indexation for the FY 2024-25 on February 28th, 2024.
- ii. Accordingly, The Authority determined Adjustment/ Indexation in Tariff for the FY 2024-25 under MYT Regime on June 14th, 2024.
- iii. The Annual adjustment/ indexation for FY 2024-25 determined by the NEPRA was notified vide SRO# 1028(I)/ 2024 dated 12th July, 2024 by the Federal Government.
- iv. Aggrieved by the above Adjustment/ Indexation for FY 2024-25, MEPCO filed a request for Motion for Leave for Review (MLR) on 25th June, 2024 for which decision is still pending.

- v. MEPCO has been entrusted with full support of DSU, which has markedly reduced the risk of theft and allied risks in territorial border of MEPCO adjoining QESCO, SEPCO & PESCO.
- vi. The anti-theft drive and inclusion of DSU has diluted the risks of Kissan Ittehad.
- vii. In order to cope with potential interventions in the electricity market (CTBCM), Market Implementation and Regulatory Affairs Department (MIRAD) has been established. Proper staffing has been made and MIRAD is operational to respond expected challenges in electricity market.
- viii. Net Metering and Wheeling of Energy is being dealt with under respective Regulations ensuring MEPCO interest.

7. ENVIRONMENT PROTECTION

To ensure protection of environment likely to be affected as a result of carrying out development works including construction/augmentation/rehabilitation of Grid Stations, 132KV Transmission Lines and 11 KV Distribution Network/Feeders.

Environment and Social Safeguard Cell (ESC) has been working in PMU MEPCO and performing towards achievements of its primary objectives as per best practices and policies of World Bank, Asian Development Bank (ADB) and the regulator /NEPRA. In addition, ESC has been also engaged in acquiring land for 132 KV new Grid Stations proposed under World Bank and own resource STGs Projects.

During the F.Y 2022-2023 MEPCO land for Khanewal-II and Shah Jamal 132 KV Grid Stations proposed under World Bank Energy Distribution Efficiency and Improvement Project (EDEIP) were get transferred in the name of MEPCO.

Land for 132KV Grid Station Pakpattan -II was also acquired for own resource STG.

Preliminary Environment & Social Safeguards documents for EDEIP were prepared and submitted to World Bank. It includes:

Preparation of check lists of all six grid stations proposed under WB.

Environmental and Social Management Plan (ESMP) for 70 HT feeders was prepared and submitted to World Bank, it was made a part of bidding documents after getting approval from WB.

8. WORK FORCE HARASSMENT COMMITTEE

In compliance of Workplace Harassment Act-2010, A Complaint Cell has been established comprising of following officers at MEPCO Head Quarter to create safe & facilitating environment which is free of harassment:

1-	Chief Executive Officer	Head
2-	Ms. Iram Saba, Dy. Manager (D&I)	Member
3-	Ms. Shaheen Akram, Jr. Engineer, O/o Chief Engineer Strategic	Member
4-	Ms. Tasneem Kausar, Addl. Asstt: Manager (Computer)	Member
5-	Syeda Qurat-ul-Ain, A.M(CSC) Bahawal Pur	Member
6-	Ms. Naila Afzal, Office Superintendent, Circle Sahiwal	Member
7-	Ms. Saima Muzaffar, Revenue Officer, Moosa Pak	Member / Secretary

The complaint Cell has to perform the following functions: -

- Make liaison with all MEPCO female employees to familiar them about Harassment Act-2010.
- Receive complains from the aggrieved employee, which come under the definition of harassment.
- Scrutinize/examine the complaint by calling the complainant as well as accused and recommend to proceed through Harassment Committee or not.
- In case the matter is required to be probed through Harassment Committee than the employee against whom complaint lodged will be placed under suspension and also shifted from the existing post.
- Harassment Committee will investigate the matter and shall submit clear cut recommendations, whether charge/allegations provided or not within 97x days positivity.
- Harassment Committee will hear the case on day to day basis without any adjournment. In case the enquiry is not completed in stipulated period then Harassment Committee will requested for extension in time to the head of Complaint Cell.
- Chief Executive Officer MEPCO will be the competent authority to accept or rejected the recommendation of Harassment Committee and disciplinary action will be initiated by relevant competent authority.

9. ENTERPRISE RESOURCE PLANNING (ERP)

The modern corporate culture is deemed to be incomplete without automation of Business processes i.e. ERP. In order to meet with the requirements of modern corporate culture, Implementation of SAP ERP was initiated in MEPCO during 2014. At present ERP has been successfully implemented in MEPCO and all formations are GO-LIVE since July 2018. In March 2021 MEPCO discontinued legacy system of inventory and effective from July 2021, Manual/legacy Accounting System was discontinued and Books of Accounts was completely shifted on SAP-ERP. As a Land Mark achievement, annual audits for F.Y. 2021-22, 2022-23 & 2023-24 of MEPCO Accounts have been carried out and successfully completed based on SAP-ERP maintained Accounts. It tantamount that requisite parameters of integration of three modules i.e. Material Management (MM), Human Resource Management (HCM) and Finance & Controlling (FICO) are duly complied with.

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OPERATING RESULTS

MEPCO's audited operating results of the preceding six years are narrated as under:

PROFIT & LOSS ACCOUNT OF THE PRECEDING SIX YEARS

Rs. In Million

Description	2018	2019 (Restated)	2020 (Restated)	2021	2022	2023
Sale of Electricity	180,237	235,312	292,474	289,163	416,128	450,775
Cost of Electricity	192,694	225,725	248,407	248,523	406,935	438,574
Gross Profit / (Loss)	(12,457)	9,587	44,067	40,640	9,193	12,201
Amortization of Deferred Credit	2,490	2,759	2,952	3,147	3,366	3,660
	(9,967)	12,345	47,019	43,787	12,559	15,861
Operating Expense Excl. Dep.	21,875	31,940	29,300	28,707	30,218	48,034
Depreciation	4,276	4,710	5,131	5,457	5,702	6,182
Operating Expenses	(26,151)	(36,650)	(34,431)	(34,164)	(35,920)	(54,216)
Operating Profit/(Loss)	(36,118)	(24,305)	12,588	9,623	(23,361)	(38,355)
Other Income	3,426	3,813	4,142	5,282	6,872	16,983
Earnings/(Loss) Before Interest and Taxes	(32,692)	(20,492)	16,730	14,905	(16,489)	(21,372)
Financial Charges	(1,133)	(2,310)	(2,212)	(1,601)	(1,998)	(1,064)
Profit/(Loss) Before Tax	(33,825)	(22,802)	14,518	13,304	(18,487)	(22,436)
Provision for Tax	-	-	(1,276)	(3,256)	(4,328)	(937)
Net Profit/(Loss) after Tax	(33,825)	(22,802)	13,242	10,048	(22,814)	(23,373)

EARNING PER SHARE

The Earning per Share (EPS) of the Company for the last two financial years is as under:

	FY 2023-24	FY 2022-23
Profit / (Loss) per Share in Rs. (Basic)	29.45	(21.59)
Profit / (Loss) per Share in Rs. (Diluted)	4.06	(3.23)

OPERATING RESULTS OF FY 2023-24

The Operating results (Profit & Loss) of the company (Audited) for the year ended 30th June, 2024 are shown in the following table:

Rs in Millions

Description	F.Y 2023-24
Sale of Electricity	597,609
Cost of Electricity	526,488
Gross Profit / (Loss)	71,121
Amortization of Deferred Credit	3,915
	75,036
Operating Expense Excluding Depreciation	55,825
Depreciation	6,609
Total Operating Expenses	62,435
Operating Profit/(Loss)	12,602
Other Income	21,514
Earnings/(Loss)Before Interest and Taxes	34,116
Finance Cost	925
Profit/(Loss) Before Tax	33,191
Provision for Taxes	1,312
Net Profit/(Loss)	31,879

As regards Transmission & Distribution (T&D) Losses, MEPCO has incurred actual T&D Losses @ 15.18% against NEPRA target of 11.83%. Thus the MEPCO has extra loss of 667 MKWH which translates in a Financial Loss of Rs.23,583 million.

PAYMENT OF TAXES & DUTIES

MEPCO is a responsible corporate entity, complying with all Tax Laws and collect different taxes on behalf of FBR without any financial remuneration. MEPCO collected different Taxes from Electricity Consumers on account of Extra Tax, Further Tax, Retailers Tax, Income Tax U/S 235 etc. amounting to Rs. 27,804 million and paid to FBR during F.Y.2023-24. In addition, MEPCO also paid General Sales Tax amounting to Rs. 52,796 million during F.Y. 2023-24. MEPCO has also paid liability of Minimum Turnover Tax U/S 147 of Income Tax Ordinance.

TARIFF ADJUSTMENTS

MEPCO has timely applied for Quarterly Tariff Adjustment in F.Y. 2023-24 which resulted in Tariff Adjustment of Rs. (538) Million for 1st Quarter, Rs. 15,233 Million for 2nd Quarter, Rs. 3,337 Million for 3rd Quarter and Rs. 7,967 Million for 4th Quarter. Furthermore, MEPCO was allowed monthly Fuel Price Adjustment as given below:

Rs in Millions

Month	F.P.A
Jul 2023	2,976
Aug 2023	3,648
Sep 2023	825
Oct 2023	4,430
Nov 2023	4,192
Dec 2023	3,763
Jan 2024	6,098
Feb 2024	4,012
Mar 2024	2,622
Apr 2024	3,858
May 2024	5,272
Jun 2024	4,335
TOTAL	46,031

EMPLOYEES PROVIDENT FUND & MEPCO EMPLOYEES PENSION FUND TRUST

Employees Provident Fund is maintained centrally by WAPDA, contribution from employees are remitted to WAPDA where EP Fund section maintain all record and Payment made at the time of retirement of in shape of EPF advance as the case may be.

MEPCO Employees Pension Fund Trust was established on June 30, 2013. All regular employees of MEPCO are members of the Fund and eligible pensioners under the scheme are entitled to the benefits as prescribed in Pension Fund Rules. MEPCO has contributed Rs. 13,537 Million towards Pension Fund as on June 30, 2024.

SIGNIFICANT CHANGES IN ACCOUNTING POLICIES

MEPCO has presented its Final Accounts for FY 2023-24 according to provision of IAS-1 and appropriate Accounting Policies have been consistently applied in preparation of Financial Statements. There is no significant change in accounting policies during this year.

WORKER'S PROFIT PARTICIPATION FUND

Company has earned profit in FY 2012-13, 2013-14, 2014-15, 2019-20, 2020-21 & 2023-24 recording net profit of Rs. 11,239 million, Rs. 9,937 million, Rs.9,797 million, Rs.13,242 million, Rs. 10,048 & Rs.31,879 million respectively. As MEPCO is registered under Companies Act 2017, the Statutory Auditors considers that Workers Profit Participation Act 1968 is applicable, accordingly provision of Rs.4,903 million has been created in this regard.

MEPCO Management sent a draft summary to Chief Financial Officer, PPMC for decision of Economic Coordination Committee to exempt the corporatized entities of Power Sector from the requirement of said Act. Hence payment has been deferred till the decision of ECC.

SUPPLEMENTAL CHARGES

CPPA-G Ltd. started raising debits to MEPCO for Supplemental Charges (charges paid to IPPs for delay in payment). The Regulator (NEPRA) had not allowed Supplemental Charges upto FY 2014-15, accordingly MEPCO did not incorporate the Supplemental Charges in its books of accounts under the regulatory framework. Thereafter, the Regulator allowed Supplemental charges equivalent to the amount of Late Payment Surcharge (LPS) charged to the consumers. In compliance, MEPCO has accounted for the Supplemental Charges to knock-off the LPS every year accordingly.

SALES PATTERN

During FY 2023-24, MEPCO sold 16,904 Mkwh to its 8,356,422 consumers with the increase of 172 Mkwh as compared to 16,732 Mkwh sold in FY 2022-23 to 7,917,808 consumers. Increase in consumers indicate near about similar pattern during the two years: 2022-23 and 2023-24. In the FY 2023-24, the units sold has also increased, whereas in the previous FY 2022-23 unit sold were decreased. Consumer category wise Sales Profile is as under:

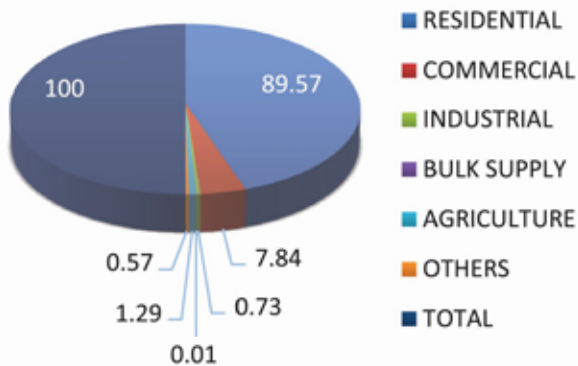
Category	2023-24		2022-23	
	Consumers	Unit Sold Mkwh	Consumers	Unit Sold Mkwh
Residential	7,484,491	9,601	7,068,151	9,100
Commercial	654,755	1,147	635,962	1,082
Industrial	61,280	2,684	60,768	2,999
Bulk supply	474	279	472	262
Agriculture	107,939	2,780	106,349	2,906
Others	47,483	413	46,106	383
Total	8,356,422	16,904	7,917,808	16,732

The above table shows increase in number of consumers @ 5.54% as well as increase in quantity of sales @ 1.03%.

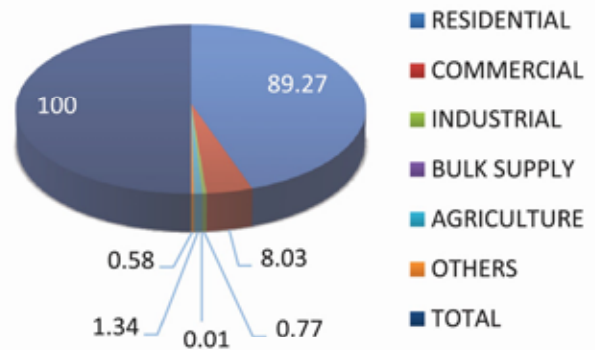
The numerical consumer and sales mix during FY 2022-23 & FY 2023-24 is graphically presented below:

Category wise analysis of consumers & Sales (Mkwh) is given hereunder:

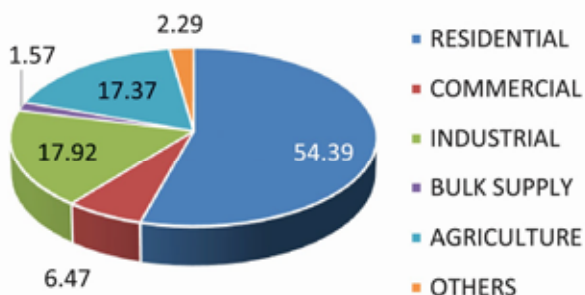
PERCENTAGE CONSUMER CATEGORY 2024



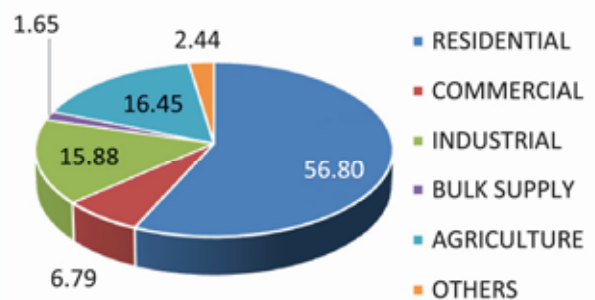
PERCENTAGE CONSUMER CATEGORY 2023



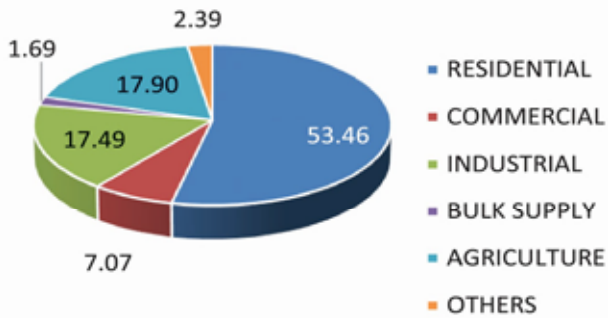
PERCENTAGE SALES MIX IN KWH 2023



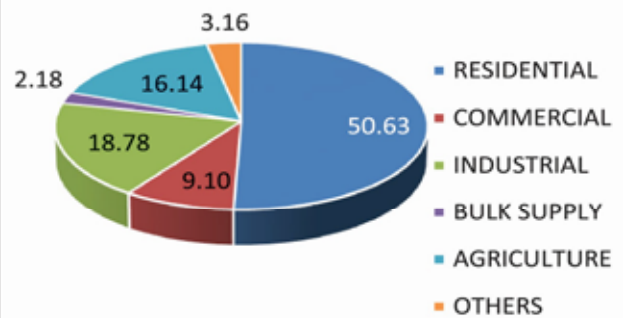
PERCENTAGE SALES MIX IN KWH 2024



PERCENTAGE SALES MIX REVENUE 2023



PERCENTAGE SALES MIX REVENUE 2024



RESIDENTIAL

Slab	FY 2023-24		FY 2022-23	
	No. of Consumers	Unit Consumed Mkwh	No. of Consumers	Unit Consumed Mkwh
A-1 (0-50) (Life)	220,857	59	276,664	66
A-1(51-100) (Life)	132,861	77	165,298	76
A-1(0-100) (Prot.)	1,704,534	1,330	1,798,273	1,336
A-1(101-200) (Prot.)	2,510,888	2,066	2,215,645	1,858
A-1(0-100)	629,792	646	565,651	547
A-1(101-200)	262,481	1,317	321,833	1,407
A-1(201-300)	1,294,204	2,012	1,127,604	1,952
A-1(301-400)	391,465	859	335,964	798
A-1(401-500)	143,776	402	119,561	369
A-1(501-600)	65,364	217	51,132	195
A-1(601-700)	33,095	129	25,263	114
A-1 above 700	49,267	281	34,808	230
Temporary	1,094	1	1,075	0.5
A-1 TOD	44,813	205	29,380	151
TOTAL	7,484,491	9,602	7,068,151	9,100

The total number of Residential Consumers as on June 30, 2024 increased by 416,340 (5.89%) as compared to previous year June 2023 and increase in units consumption by 502 million units i.e. (5.52%).

COMMERCIAL

Slab	2023-24		2022-23	
	No. of Consumers	Unit Consumed Mkwh	No. of Consumers	Unit Consumed Mkwh
A-2	625,283	491	608,789	483
A-2 above 5kw	23	.082	25	0.20
A-2 TOD	26,796	641	24,661	583
Temporary	2,653	15	2,487	16
TOTAL	654,755	1,147	635,962	1,082

During FY 2023-24, Commercial consumers increased by 2.96% and the consumption increased by 6% (65 million kWh) as compared to FY 2022-23.

INDUSTRIAL

Slab	FY 2023-24		FY 2022-23	
	No. of Consumers	Unit Consumed Mkwh	No. of Consumers	Unit Consumed Mkwh
B-1	14,615	23	14,673	26
B-1 TOD	35,674	325	35,216	305
B-2	1,633	0.001	1,632	0.005
B-2 TOD	8,956	988	8,863	918
B-3 TOD	388	821	374	1,203
B-4 TOD	14	527	10	547
TOTAL	61,280	2,684	60,768	2,999

In Financial Year 2023-24 Industrial consumption decreased by 315 Mkwh compared to Financial Year 2022-23.

AGRICULTURE (TUBEWELL)

Slab	FY 2023-24		FY 2022-23	
	No. of Consumers	Unit Consumed Mkwh	No. of Consumers	Unit Consumed Mkwh
D-1 SCARP	2,684	0.02	2,684	0.02
D-1 b TOD	909	20	916	11
D-2 TOD	58	0.03	59	0.04
D-2	9,147	0.42	9,142	0.40
D-1 b TOD (50,51)	94,987	2,759	93,393	2,895
D-1 b TOD (53,54)	154	0.12	155	0.12
TOTAL	107,939	2,780	106,349	2,906

The number of Tube well consumers increased by 1,590 (1.50%) during FY 2023-24 whereas the sales quantum decreased by 126 Mkwh (4.34%).

BULK SUPPLY

The number of bulk supply consumers increased from 472 to 474 during FY 2023-24 whereas consumption increased from 262 Mkwh to 278 Mkwh.

OTHERS

The other categories mainly comprise of Street Lighting, Pakistan Railways and General Service Connections. The number of consumers in this category increased from 46,106 to 47,483 during the year with an increase of 30 Mkwh in consumption.

COST OF POWER

MEPCO purchased 19,929 Mkwh during FY 2023-24 at a total cost of Rs. 526,488 million (Rs.26.42 per kwh) against 19,506 Mkwh at cost of Rs.438,574 million (Rs.22.48 per Kwh) during FY 2022-23. This depicts Increase in per unit cost @ Rs.3.94 mainly due to increase per unit capacity & Energy charges during F.Y.2023-24. The cost breakup for the FY 2023-24 in comparison with FY 2022-23 is as given below:

Cost Components	FY 2023-24				FY 2022-23			
	Amount (Rs in Million)	Units (Mkwh)	%age	Per unit Rate	Amount (Rs in Million)	Units (Mkwh)	%age	Per unit Rate
UoSC	28,025	19,929	5.32	1.41	27,608	19,506	6.29	1.42
CTC	286,496	19,929	54.42	14.38	217,899	19,506	49.68	11.17
Total Fixed Cost	314,521	19,929	59.74	15.78	245,507	19,506	55.98	12.59
Variable Component	211,967	19,929	40.26	10.64	193,067	19,506	44.02	9.90
Grand Total	526,488	19,929	100.00	26.42	438,574	19,506	100.00	22.48

There was increase of Rs.0.74 in per unit rate of Energy Purchase Price and increase in Rs. 18,900 Million of Energy Charges, Capacity Charges enhance Rs. 3.21 in per unit and Capacity Purchase Price enhanced Rs.68,597 Million from the last year and the decrease of Rs. 0.01 per unit rate of Use of System Charges (UoSC) billed by NTDCL through CPPA-G during the year that impact Rs.417 million and increase in Quantity Purchase by 423 Mkwh increased the power cost to the tune of Rs. 87,914 Million.

TRANSMISSION AND DISTRIBUTION (T&D) LOSSES

Description	FY 2023-24	FY 2022-23
	Units in Mkwh	Units in Mkwh
Units Purchased (Invoiced)	19,699	19,506
SPPs (Received at 11KV)	10	-
Units Received at 11KV (Net Metering)	220	94
Total Units Purchased	19,929	19,600
Units Sold (Billed)	16,904	16,732
Total T&D Losses	3,025	2,868
T&D Loss (%)	15.18%	14.63%

OPERATING AND MAINTENANCE EXPENSES

MEPCO is the largest electricity distribution company with employee base of 14,221 personnel serving 8,356,422 consumers which calculates a ratio of 588 consumers per employee

reflecting higher consumer per employee ratio. It indicates dedication of employees to serve consumers in vast and developing area of Southern Punjab with least possible cost.

O&M cost for F.Y 2023-24 @ Rs3.53/kWh (sold) inclusive of depreciation on Assets, Provision for Retirement Benefits as figured out by the professional actuarial valuers and Provision for doubtful debts. However, if the provision for retirement benefits assessed by valuers and provision for doubtful debts is not considered and only actual payments made in this behalf are accounted for, per kWh O&M cost increased to Rs.0.64/KWh.

LOANS

The overall position of foreign re-lent loans, Cash Development Loans and Other (Soft Loans) is as under:

Rs. In Million

Description	Opening Bal. 01-07-2023	During the year	Closing Bal. 30 th June, 2024
World Bank IBRD-7565	3,849		3,849
World Bank IBRD-9318 PAK	-	298	298
ADB Tranche-I PAK-2438	1,355		1,355
ADB Tranche-II PAK-2727	2,169		2,169
ADB Tranche-III PAK-2972	3,118		3,118
ADB Tranche-IV PAK-3096	2,773		2,773
PM Package (CDL)	797		797
Other (Soft Loans)	138	(34)	104
Total	14,199	(264)	14,463

The World Bank Loan # IBRD-7565 and ADB (Tranche-I) Loan # PAK-2438 carry interest rate of 17% which comprises of relending interest @11% and exchange risk cover @ 6% per annum payable on half yearly basis. Repayment of these loans is to be made in 15 years period with grace period of 2 years. However, ADB's other loans: Tranche-II, III & IV have been lent to MEPCO at 15% per annum inclusive of interest rate @ 8.2 % and exchange risk fee @ 6.8% payable on half yearly basis. Repayment of the Tranche-II loan is to be made within 20 years period with grace period of 3 years whereas the loans Tranche-III & IV in 25 years period with grace period of 5 years.

The Cash Development Loan under Prime Minister's South Punjab Package has been lent to MEPCO @ 12.64% per annum payable in 20 years with a grace period of 5 years, in line with previous similar experience.

Besides, MEPCO has borrowed soft loan (interest free) for providing connectivity to the Baggass based small Power Producers of sugar industry operating in private sector.

The re-payment of soft loans (interest free) is being paid by MEPCO as per schedule. As regard re-lent loans, which are overdue at this stage MEPCO has requested the GoP for non-cash adjustment of overdue amount of principal and interest against Tariff Differential Subsidy (TDS) Receivable from GoP/ Ministry of Finance.

ACTUAL VS BUDGET O&M EXPENSES 2023-24

The pace of O&M Expenses in contrast to approved budgetary provisions during FY 2023-24 has been recorded as under: -

Rs. In Million

Nomenclature	Budget	Actual	Inc/(Dec)	%age
Salaries & Employees Benefits	19,710	15,161	4,549	23
Staff Post Retirement Benefit	20,446	22,858	(2,412)	(12)
Repair & Maintenance	2,093	1,618	475	23
Rent Rates and Taxes	37	32	5	14
Communication	166	152	14	8
Power Light and Water	297	260	37	12
Office Supplies	427	419	8	2
Travelling Expenses	1,422	1,305	117	8
Computer/Outside Services	1,002	809	193	19
Vehicle Expenses	1,056	858	198	19
Collection charges	726	677	49	7
Management Fee (NEPRA)	178	177	1	1
Professional Fees	69	43	26	38
Advertising Expenses	75	29	46	61
Director's Meeting Fees	30	30	-	-
Insurance	61	61	-	-
Workers Profit Participation Fund	-	1,747	-	-
Provision For Doubtful Debts	-	2,770	-	-
Misc. / Other Charges	322	31	291	90
Supplemental Charges	5,638	7,852	(2,214)	(39)
Impairment of CWIP	-	2	-	-
Total	53,755	56,891	(3,136)	(6)

MEPCO has manage to remain its operating cost amounting to Rs. 30 billion against budget allocation of Rs. 33 billion except the provisions.

SIGNIFICANT PLANS, POLICIES AND DECISIONS

In order to pursue its plans for the expansion of operational base of the business, the Management shall under-take construction of new feeders to bifurcate overloaded ones. Like-wise, new sub divisions, divisions/revenue offices will be established as per operational and technical requirements. While going for the achievement of the above milestones, it is imperative to pay special attention on removal of System constraints. At present, as stated in previous pages also, MEPCO is fully committed for this task and significant size of CAPEX budget has been earmarked for works aimed at removal of system constraints. The Management discloses and affirms that:-

It has generally complied with the significant principles of corporate governance as required vide section 17(2) & stipulated hereunder except rules / principles not complied with as contained in the report (attached).

- i) The Financial Statements fairly present the state of affairs of the Company, the results of its operations, cash flows and changes in equity.
- ii) Proper books of Accounts have been maintained in conformity with the requirements of International Accounting Standards (IAS).
- iii) Appropriate Accounting policies have been consistently applied in preparation of financial Statements and Accounting estimates are based on reasonable and professional judgment.
- iv) Effective System of internal controls has been strived to be maintained to safe guard the interest of the Company and all other stake holders.
- v) The appointment of Chairman BoD and its members as well as their TORs including remuneration policy are in the best interest of the public sector. During the year, Chief Executive Officer received Pay and Allowances amounting to Rs.9.008 million, Executives received Rs.261.195 million and Directors of BoD received Rs.29.791 million.
- vi) Audit report without qualification.
- vii) During the financial year 2023-24, 15 meetings of the Board were held. The detail of attendance of Members of Board of Directors is given below:

ATTENDANCE IN BOARD MEETINGS

Sr.No	Name of Director	No. of Meetings Held	Meetings Attended
1	Sardar Muhammad Jamal Khan Leghari	15	14
2	Mr. Allahyar Khan	15	12
3	Muhammad Ayub Khan	15	2
4	Muhammad Nawazish Ali Pirzada	15	14
5	Rana Yasir Rauf	15	15
6	Mr. Khurram Mushtaq	15	15
7	Mian Shahid Iqbal	15	11
8	Mr. Fazalullah Durrani	15	15
9	Mian Muhammad Ali	15	14
10	Mr. Asghar Leghari	15	7
11	Muhammad Jabir	15	15
12	Mr. Amad ud Din	15	11
13	Mr. Javed Iqbal Khan	15	15
14	Mr. Zafar Abbas	15	13
15	Mr. Naeem Rauf	15	12
16	Mr. Athar Ali Mazari	15	15
17	Mr. Hussain Ahmad Fazal	15	14

ATTENDANCE IN HR, LEGAL, OTHER OPERATIONS AND MARKETING COMMITTEE MEETING

Sr. No.	Name of Director	No. of Meeting Held	Meetings Attended
1	Sardar Muhammad Jamal Khan Leghari	8	7
2	Mr. Allahyar Khan	8	4
3	Muhammad Ayub Khan	8	3
4	Rana Yasir Rauf	8	8
5	Mr. Khurram Mushtaq	8	3
6	Mr. Fazalullah Durrani	8	8
7	Muhammad Nawazish Ali Pirzada	8	1
8	Mr. Asghar Leghari	8	2
9	Muhammad Jabir	8	8
10	Mr. Zafar Abbas	8	7
11	Mr. Athar Ali Mazari	8	5
12	Mr. Hussain Ahmad Fazal	8	3

ATTENDANCE IN AUDIT, FINANCE, INVESTIGATION, FINANCIAL RISK MANAGEMENT AND INTERNAL CONTROL COMMITTEE MEETING

Sr. No.	Name of Director	No. of Meeting Held	Meetings Attended
1	Mian Shahid Iqbal	6	4
2	Mr. Zafar Abbas	6	5
3	Mr. Javed Iqbal Khan	6	6
4	Mr. Fazalullah Durrani	6	1
5	Mr. Asghar Leghari	6	1
6	Mr. Khurram Mushtaq	6	6
7	Mr. Amad ud Din	6	4
8	Dr. Naeem Rauf	6	4
9	Mr. Hussain Ahmad Fazal	6	4
10	Mian Muhammad Ali	6	2
11	Rana Yasir Rauf	6	5

ATTENDANCE IN TECHNICAL INITIATIVES, DEVELOPMENT, OPERATIONAL RISK MANAGEMENT AND PROCUREMENT COMMITTEE MEETING

Sr. No.	Name of Director	No. of Meeting Held	Meetings Attended
1	Muhammad Nawazish Ali Pirzada	10	9
2	Sardar Muhammad Jamal Khan Leghari	10	8
3	Mr. Allahyar Khan	10	6
4	Muhammad Ayub Khan	10	4
5	Mr. Zafar Abbas	10	8
6	Mr. Fazalullah Durrani	10	10
7	Rana Yasir Rauf	10	10
8	Muhammad Jabir	10	1
9	Dr. Naeem Rauf	10	9
10	Mian Muhammad Ali	10	9
11	Mr. Khurram Mushtaq	10	9

**ATTENDANCE IN POLICY, STRATEGY, OTHER OPERATIONS AND MARKETING
COMMITTEE MEETING**

Sr. No.	Name of Director	No. of Meeting Held	Meetings Attended
1	Mr. Khurram Mushtaq	4	4
2	Mr. Allahyar Khan	4	2
3	Muhammad Ayub Khan	4	2
4	Mr. Zafar Abbas	4	4
5	Mr. Javed Iqbal Khan	4	4
6	Mr. Fazalullah Durrani	4	1
7	Mian Shahid Iqbal	4	2
8	Rana Yasir Rauf	4	1
9	Mr. Amad ud Din	4	1
10	Mr. Hussain Ahmad Fazal	4	3
11	Muhammad Jabir	4	3
12	Mr. Athar Ali Mazari	4	3

**ATTENDANCE IN RECOVERY, THEFT CONTROL AND CONSUMER GRIEVANCES
COMMITTEE MEETING**

Sr. No.	Name of Director	No. of Meeting Held	Meetings Attended
1	Mr. Fazalullah Durrani	4	4
2	Sardar Muhammad Jamal Khan Leghari	4	2
3	Mr. Allahyar Khan	4	3
4	Muhammad Ayub Khan	4	1
5	Mr. Zafar Abbas	4	3
6	Mr. Javed Iqbal Khan	4	3
7	Mr. Asghar Leghari	4	3
8	Muhammad Nawazish Ali Pirzada	4	4
9	Mian Shahid Iqbal	4	1
10	Muhammad Jabir	4	4
11	Mr. Amad ud Din	4	2
12	Mian Muhammad Ali	4	2
13	Mr. Athar Ali Mazari	4	3

PATTERN OF SHARE HOLDING

Name of Share Holder	No. of Share Held	%age of Shares
Ministry of Energy (Power Division)	998	0.000097144
Ministry of Energy (Power Division)	135,295,450	12.49999995
Ministry of Energy (Power Division)	947,067,154	87.49990765
Muhammad Ayub Khan	1	0.000000092
Sardar Muhammad Jamal Khan Leghari	1	0.000000092
Total	1,082,363,604	100%

REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS & EXECUTIVES

During the F.Y 2023-24, below mentioned amounts were paid to Chief Executive Officer and Executives: **(Amount in Rupees)**

	2024	2023	2024	2023
	Chief Executive Officer		Executives	
Basic Pay	3,083,557	3,509,860	138,207,737	112,620,781
Allowance	3,644,175	3,934,700	122,987,494	110,756,899
Meeting Fee	2,280,000	3,060,000	-	-
Total	9,007,732	10,504,560	261,195,231	223,377,680
Number of Persons	1	1	67	67

- During F.Y 2023-24, Rs. 29.791 million was paid to Board of Directors as meeting Fee (F.Y 2022-23 Rs. 28.947 million).
- No remuneration other than meeting fee, was paid to any Director of the Company.

SUBSIDIES

The Government of Pakistan maintains uniform tariff regime for all consumers across the country, excluding K-Electric. This means that all consumers are billed uniformly, and any differences arises would be covered by the Government of Pakistan in the form of Subsidies.

Tariff Differential Subsidy (TDS)

During FY 2023-24, MEPCO has claimed Tariff Differential Subsidy (TDS) of Rs. 74,491 Million and CPPA-G has issued Credit Notes against TDS of Rs 70,215 Million.

FUTURE OUTLOOK

During F.Y.2023-24 MEPCO sustained Operating Loss of Rs.33,191 Million before taxation and Loss of Rs. 31,879 Million after taxation.

For future, the Management is optimistic and looking forward to achieve the 100% recovery target and reduction in T&D Losses. The Management is therefore geared up to face the challenges of the sector having due regard to socio-political environment of the region with support from GoP and the Regulator.

ACKNOWLEDGEMENT

The Board of Directors is pleased to put on record its acknowledgement and appreciation to the workers and management of the company who have worked with dedication and commitment for the betterment of MEPCO.



Director



Chief Executive Officer

**Multan Electric Power Company
Limited (MEPCO)
Audited financial statement
for the year ended june 30, 2024**

AUDITOR'S REPORT



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INDEPENDENT AUDITOR'S REPORT

To the members of Multan Electric Power Company Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **Multan Electric Power 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 we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, 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 profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matters

We draw attention to the following matters:

- a) Note 12.1.1 to the financial statements, which states that the Company has not recognized the impact of debit notes issued by Central Power Purchasing Agency (Guarantee) Limited (CPPA-G) for supplementary charges, being the mark-up charged on CPPA-G by Independent Power Producers (IPPs) on account of delayed payments, aggregating to Rupees 30,275.95 million.
- b) Note 14.1 to the financial statements describes various tax contingencies, the ultimate outcome of which cannot be presently determined hence, no provision for the same has been made in accompanying financial statements.
- c) Note 22.1 to the financial statements which states that current account balance with WAPDA of Rs. 3,634 million on account pension benefits being paid by the Company to employees transferred from WAPDA out of which Rs. 3,208 is long overdue and no amount have been received since last three years.
- d) Note 22.4 to the financial statements which states that an amount of Rs. 31,697 million is receivable from Government of the Punjab on account of general sales tax (GST) subsidy which is long overdue and no amount have been received during past couple of years.

An Independent Correspondent Firm to
Deloitte Touche Tohmatsu Limited



Yousuf Adil
Chartered Accountants

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 Directors' report as required under Companies Act, 2017, 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.

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.

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Yousuf Adil
Chartered Accountants

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

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

Report on Other Legal and Regulatory Requirements

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and the SOE Act, 2023 and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

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


Chartered Accountants

Place: Multan
Date: October 24, 2024

UDIN: AR202410180PwKSW2Xpl

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Deloitte Touche Tohmatsu Limited

STATEMENT OF FINANCIAL POSITION

MULTAN ELECTRIC POWER COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	5	10,823,636,048.00	10,823,636,04
Deposit for shares	6	67,728,621,839.00	61,508,552,55
Accumulated loss		(173,710,979,275)	(190,836,566,41
TOTAL EQUITY		(95,158,721,388)	(118,504,377,80
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	7	5,181,109,625	5,751,926,80
Staff retirement benefits	8	163,919,560,657	137,742,128,57
Long term security deposits	9	14,604,383,158	13,593,750,78
Contract liabilities	10	33,002,564,555	38,552,737,05
Deferred credit	11	74,959,608,474	69,557,824,16
		291,667,226,469	265,198,367,38
CURRENT LIABILITIES			
Trade and other payables	12	172,766,037,908	168,917,291,95
Accrued mark-up	13	11,207,582,622	10,286,735,91
Current portion of long term financing	7	9,281,758,414	8,447,137,70
Provision for taxation		11,108,557,729	9,796,494,45
		204,363,936,673	197,447,660,06
TOTAL LIABILITIES		496,031,163,142	462,646,027,44
CONTINGENCIES AND COMMITMENTS	14		
TOTAL EQUITY AND LIABILITIES		400,872,441,754	344,141,649,63
NON-CURRENT ASSETS			
Property, plant and equipment	15	154,508,449,067	139,984,141,28
Intangible assets	16	-	-
Long term loans to employees	17	359,752,054	203,673,36
Long term deposits	18	49,185	49,18
		154,868,250,306	140,187,863,83
CURRENT ASSETS			
Stores and spare parts	19	14,014,535,977	8,463,443,06
Trade debts	20	90,595,322,059	65,069,311,45
Loans and advances	21	469,208,741	318,842,39
Other receivables	22	83,810,576,321	78,334,213,86
Advance income tax		13,680,508,804	7,757,132,82
Sales tax receivable	23	6,302,528,110	5,858,872,82
Accrued interest		1,926,004,515	295,721,20
Short term investments	24	14,060,000,000	13,100,000,00
Bank balances	25	21,145,506,921	24,756,248,18
		246,004,191,448	203,953,785,80
TOTAL ASSETS		400,872,441,754	344,141,649,63

The annexed notes from 1 to 43 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

PROFIT & LOSS STATEMENT

MULTAN ELECTRIC POWER COMPANY LIMITED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED JUNE 30, 2024

STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees
Sale of electricity - net	26	522,892,543,049	372,963,168,220
Tariff differential subsidies	27	74,716,948,775	77,811,456,859
		<u>597,609,491,824</u>	<u>450,774,625,079</u>
Cost of electricity	28	(526,488,194,471)	(438,573,956,481)
Gross profit		<u>71,121,297,353</u>	<u>12,200,668,598</u>
Amortization of deferred credit	11	3,915,150,917	3,660,012,645
		<u>75,036,448,270</u>	<u>15,860,681,243</u>
Distribution cost excluding depreciation	29	(47,038,407,123)	(37,109,250,997)
Customer service cost	30	(6,016,528,378)	(5,020,542,839)
Depreciation on operating fixed assets	15	(6,609,793,844)	(6,182,414,130)
Allowance for expected credit losses	20.1	(2,770,015,384)	(5,903,781,369)
		<u>(62,434,744,729)</u>	<u>(54,215,989,335)</u>
Profit / (loss) from operations		<u>12,601,703,541</u>	<u>(38,355,308,091)</u>
Other income	31	21,514,284,976	16,983,603,455
Finance cost	32	(924,856,018)	(1,064,361,559)
Profit / (loss) before levies and income tax		<u>33,191,132,499</u>	<u>(22,436,066,195)</u>
Minimum tax differential	33	(1,312,063,237)	(937,059,499)
Profit / (loss) before income tax		<u>31,879,069,262</u>	<u>(23,373,125,694)</u>
Income tax	33	-	-
Profit / (loss) for the year		<u>31,879,069,262</u>	<u>(23,373,125,694)</u>

The annexed notes from 1 to 43 form an integral part of these financial statements.

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CHIEF EXECUTIVE OFFICER

DIRECTOR

COMPREHENSIVE INCOME

MULTAN ELECTRIC POWER COMPANY LIMITED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees Restated
Profit / (loss) for the year		31,879,069,262	(23,373,125,694)
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss:			
- Remeasurement of defined benefit obligations	8.3	(14,753,482,123)	(20,283,305,619)
Items that may be reclassified subsequently to profit or loss		-	-
		(14,753,482,123)	(20,283,305,619)
Total comprehensive income for the year		17,125,587,139	(43,656,431,313)

The annexed notes from 1 to 43 form an integral part of these financial statements.



CHIEF EXECUTIVE OFFICER

DIRECTOR

STATEMENT OF CHANGES IN EQUITY

MULTAN ELECTRIC POWER COMPANY LIMITED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2024

Note	SHARE CAPITAL	DEPOSIT FOR SHARES	ACCUMULATED LOSS	TOTAL EQUITY
-----Rupees-----				
Balance as at June 30, 2022	10,823,636,048	49,639,659,930	(147,180,135,100)	(86,716,839,122)
Non-cash settlement against deposit for shares	-	11,868,892,626	-	11,868,892,626
Loss for the year - restated	-	-	(23,373,125,694)	(23,373,125,694)
Other comprehensive income for the year	-	-	(20,283,305,619)	(20,283,305,619)
Total comprehensive income for the year - restated	-	-	(43,656,431,313)	(43,656,431,313)
Balance as at June 30, 2023 - restated	10,823,636,048	61,508,552,556	(190,836,566,413)	(118,504,377,809)
Non-cash settlement against deposit for shares	6	6,220,069,283	-	6,220,069,283
Profit for the year	-	-	31,879,069,262	31,879,069,262
Other comprehensive income for the year	-	-	(14,753,482,123)	(14,753,482,123)
Total comprehensive income for the year	-	-	17,125,587,139	17,125,587,139
Balance as at June 30, 2024	<u>10,823,636,048</u>	<u>67,728,621,839</u>	<u>(173,710,979,275)</u>	<u>(95,158,721,388)</u>

The annexed notes from 1 to 43 form an integral part of these financial statements.

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CHIEF EXECUTIVE OFFICER



DIRECTOR

STATEMENT OF CASH FLOW

MULTAN ELECTRIC POWER COMPANY LIMITED
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED JUNE 30, 2024

		2024 Rupees	2023 Rupees
A. CASH FLOWS FROM OPERATING ACTIVITIES			
Profit / (loss) before levies and income tax	Note	33,191,132,499	(22,436,066,195)
Adjustments for:			
Depreciation	15.3	6,609,793,844	6,182,414,130
Provision for staff retirement benefits	8.1	22,858,472,475	18,328,345,451
Amortization of deferred credit	11	(3,915,150,917)	(3,660,012,645)
Allowance for expected credit losses	29	2,770,015,384	5,903,781,369
Provision/(Reversal) for stores and spare parts	29	(245,652,245)	310,590,776
Provision for workers' profit participation fund	29	1,746,901,710	-
Impairment of capital work-in-progress	29	1,869,598	20,526,572
Profit on bank deposits and term deposit receipts	31	(7,727,225,856)	(5,567,288,749)
Contract liabilities transferred to other income	31	(4,294,490,404)	(3,222,366,000)
Finance cost	32	924,856,018	1,064,361,559
		51,920,522,106	(3,075,713,731)
Effect on cash flows due to working capital changes:			
(Increase) / decrease in current assets:			
Stores and spare parts		(5,305,440,672)	4,269,456
Trade debts		(28,296,025,989)	23,444,445,904
Loans and advances		(150,366,342)	(28,281,231)
Other receivables		(5,476,362,460)	(1,566,904,217)
Sales tax receivable		(443,655,287)	1,468,208,801
Increase /(decrease) in trade and other payables		8,321,913,526	(11,526,468,430)
		(31,349,937,223)	11,795,270,285
Finance cost paid		(4,009,309)	(2,744,365)
Taxes paid		(5,923,375,984)	(4,614,076,982)
Staff retirement benefits paid		(11,434,522,513)	(9,566,266,792)
		(17,361,907,806)	(14,183,088,139)
Net cash (used in) / generated from operating activities		3,208,677,076	(5,463,531,586)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(21,135,971,224)	(16,774,123,355)
Net increase in short term investments - amortized cost		(960,000,000)	(13,100,000,000)
Net increase in long term loans to employees		(156,078,687)	(83,242,835)
Profit on bank deposits and term deposit receipts		6,096,942,541	5,379,119,890
Net cash (used in) / generated from investing activities		(16,155,107,370)	(24,578,246,300)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		298,021,843	-
Repayment of long term financing		(34,218,310)	(18,333,325)
Consumers' security deposits received		1,222,230,996	1,230,735,325
Consumers' security deposits repaid		(211,598,625)	(90,346,782)
Receipt against deposit works and connections		8,061,253,127	15,456,287,725
Net cash generated from financing activities		9,335,689,031	16,578,342,943
Net increase in cash and cash equivalents (A+B+C)		(3,610,741,263)	(13,463,434,942)
Cash and cash equivalents at beginning of the year		24,756,248,184	38,219,683,127
Cash and cash equivalents at end of the year		21,145,506,921	24,756,248,184

The annexed notes from 1 to 43 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

NOTES

MULTAN ELECTRIC POWER COMPANY LIMITED NOTES FOR THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

1 THE COMPANY AND ITS ACTIVITIES

- 1.1** Multan Electric Power Company Limited (the Company) is a public limited company incorporated in Pakistan under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The Company was established to takeover all the properties, rights, assets, obligations and liabilities of Multan Area Electricity Board (MAEB) owned by Pakistan Water and Power Development Authority (WAPDA) and such other assets and liabilities as agreed. The Company was incorporated on May 14, 1998 and commenced operations on June 09, 1998. Its registered office is situated at Shahrah-e-Quaid-e-Azam, WAPDA House, Lahore. The principal place of business of the Company is located at Khanewal Road, Multan. The principal activity of the Company is distribution and supply of electricity to public within defined geographical boundaries. The Company obtained distribution license No. DL/06/2023 dated May 09, 2023 and supply license No. SOLR/06/2023 dated December 27, 2023 from NEPRA. The addresses of circle offices of the Company are as follow:

Circles	Addresses
Multan	Finance Director MEPCO Complex KWL Road Multan
Sahiwal	Executive Engineer (OP) Sahiwal-2nd MEPCO Complex Multan Road Sahiwal.
Khanewal	Revenue Officer (P) Khanewal MEPCO Complex Railway Road Khanewal.
Bahawalnagar	Executive Engineer (OP) B/Nagar MEPCO Complex Bahawalnagar
Bahawalpur	Executive Engineer (OP) Model Town/B/Pur Near Railway Station Bahawal Pur.
Rahim Yar Khan	Executive Engineer (OP) R.Y.Khan MEPCO Complex R Y Khan
Dera Gazi Khan	Executive Engineer (OP) Kot Chutta, DG Khan Road.
Muzafar Garh	Executive Engineer (OP) M/Garh, MEPCO Complex Muzaffargarh.
Vehari	Revenue Officer (P) Vehari MEPCO Complex Multan Road Vehari.

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) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by Institute of Chartered Accountants of Pakistan (ICAP) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017; and

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

2.2 New amendments that are effective for the year ended June 30, 2024

The following amendments are effective for the year ended June 30, 2024. These amendments are either not relevant to the Company's / Bank's operations or are not expected to have significant impact on the Company's / Bank's financial statements other than certain additional disclosures.

Amendments to IAS 1 'Presentation of Financial Statements' and IFRS practice statement 2 - Disclosure of accounting policies.

Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates.

Amendments to 'IAS 12 Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction.

Amendments to IAS 12 'Income taxes' - International Tax Reform — Pillar Two Model Rules.

2.3 Standard and amendments to IFRS that are not yet effective

The following standard and amendments are effective for accounting periods, beginning on or after the date mentioned against each of them. These amendments are either not relevant to the Company's / Bank's operations or are not expected to have significant impact on the Company's / Bank's financial statements other than certain additional disclosures.

Amendments to IFRS 16 'Leases' -Clarification on how seller-lessee subsequently measures sale and leaseback transactions

Effective from Accounting period
beginning on or after

January 01, 2024

	Effective from Accounting period beginning on or after
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current along with Non-current liabilities with Convenants	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' and 'IFRS 7 'Financial instruments disclosures' - Supplier Finance Arrangements	January 01, 2024
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Clarification on how entity accounts when there is long term lack of Exchangeability	January 01, 2025
IFRS 17 – Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17)	January 01, 2026
Amendments IFRS 9 'Financial Instruments' and IFRS 7 'Financial instruments disclosures' - Classification and measurement of financial instruments	January 01, 2026
'Other than the aforesaid amendments, IASB has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of 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	

2.4 ADOPTION OF NEW ACCOUNTING POLICY

2.4.1 Accounting for minimum taxes and final taxes

During the year, the Institute of Chartered Accountants of Pakistan (ICAP) has withdrawn Technical Release 27 'IAS 12, Income Taxes (Revised 2012)' and issued the 'IAS 12 Application Guidance on Accounting for Minimum

choice of accounting policy of which the Company has chosen the following:

Designate the amount calculated on gross amount of revenue or other basis (such as receipts or other values etc. as provided in law) as a levy within the scope of IFRIC 21/IAS 37 and recognise it as an operating expense. Any excess over the amount designated as a levy is then recognised as current income tax expense falling under the scope of IAS 12.

Therefore, the deferred tax would be measured using the average effective rate of tax rather than the enacted/notified tax rate. The effective income tax rate varies, requiring the company to reassess its estimate for measuring deferred taxes in the future even when the enacted rate of income tax is unchanged.

The Company has accounted for the effects of these changes in accounting policy retrospectively under IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" and the corresponding figures have been restated in these financial statements. The effects of restatements are as follows:

	Balances already reported	Impact of restatement	Balances after restatement
Effect on statement of profit or loss:			
For the year ended June 30, 2023			
Taxation:			
- Current year	937,059,499	(937,059,499)	-
Revenue taxes:			
- Minimum taxes	-	937,059,499	937,059,499
	<u>937,059,499</u>	<u>-</u>	<u>937,059,499</u>

2.4.2 Significant Accounting Policy to Material Accounting Policies Information

During the year, the Company adopted the Disclosure of Accounting Policies (Amendments to IAS 1). The amendments require the disclosure of 'material', rather than 'significant', accounting policies. Although the amendments did not result in any changes to the accounting policies themselves.

3 BASIS OF MEASUREMENT

These financial statements have been prepared under the historical cost convention except as otherwise stated in the respective policies and notes given herein:

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

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

3.2 Critical accounting estimates and judgments

The Company's critical accounting policies are stated in note 4. Not all of these critical policies require the management to make difficult, subjective or complex judgments or estimates. The following is intended to provide an understanding of the policies which the management considers critical because of their complexity, judgment of estimation involved in their application and their impact on these financial statements. Estimates and judgments are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. These judgments involve assumptions or estimates in respect of future events and the actual results may differ from these estimates. The areas involving a higher degree of judgments or complexity or areas where assumptions and estimates are significant to the financial statements are as follows:

(a) Useful lives, patterns of economic benefits and impairments

The Company reviews the useful lives of property, plant and equipment on regular basis. Any change in estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding effect on the depreciation charge and impairment.

(b) Provision for obsolescence of stores and spare parts

The Company regularly reviews the provision for slow-moving stores and spare parts. Provision for obsolete and slow-moving stores and spare parts is based on management estimate.

(c) Taxation

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

(d) Impairment of financial assets

The amount of expected credit losses (ECL) is updated at each reporting date to reflect changes in credit risk since initial recognition of respective financial assets.

(e) Contingencies

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

(f) Staff retirement benefits

The Company operates funded pension scheme, an unfunded free electricity scheme and an unfunded free medical facility scheme for all its employees along with entitlement for accumulated compensated absences which are encashed at the time of retirement up to maximum limit of 365 days.

The calculation of the benefits requires assumptions to be made of future outcomes, the principal ones being in respect of increase in salary and the discount rates used to convert future cash flows to current values. The assumptions used for the plans are determined by independent actuary on annual basis. The amount of the expected return on plan assets is calculated using the expected rate of return for the year. Calculations are sensitive to changes in the underlying assumptions. The figure of staff retirement benefit liabilities primarily represents the increase in actuarial present value of the obligations for benefits earned on employee service during the year and the interest on the obligations in respect of employee service in previous years, net of the expected return on plan assets.

4 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of these financial statements are set out below. These have been consistently applied to all the years presented, unless otherwise stated.

4.1 Staff retirement benefits

4.1.1 Defined benefit plans

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

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

4.1.2 General / Employees' Provident Fund

For General / Employees' Provident Fund and WAPDA Welfare Fund, the Company makes deduction from salaries of the employees and remits these amounts to the funds established by WAPDA.

The provident fund related disclosure required by the Companies Act, 2017 is not shown in these financial statements as General / Employees' Provident Fund established by WAPDA includes the employees of other power distribution and generation companies and the Company's share cannot be segregated from the whole General / Employees' Provident Fund.

4.2 Levy

A levy is an outflow of resources embodying economic benefits that is imposed by governments on entities in accordance with legislation (i.e. laws and/or regulations), other than:

- those outflows of resources that are within the scope of other standards.
- fines or other penalties that are imposed for breaches of the legislation.

In these financial statements, levy includes revenue taxes, if any, final taxes and super taxes which are based on other than taxable profits. The corresponding advance tax paid has been netted off and the net position is shown in the statement of financial position.

a) Revenue taxes

Revenue taxes includes amount representing:

- minimum tax paid under section 113 over income tax determined on income streams taxable at general rate of taxation; and
- minimum tax withheld / collected / paid or computed over tax liability computed on (related income tax streams taxable at general rate of tax), is not adjustable against tax liability of subsequent tax years.

Amount over revenue taxes shall be treated as current income tax expense falling under the scope of IAS 12.

The company determines, based on expected future taxable profits, that excess paid under section 113 by the entity over and above its tax liability (on income stream(s) taxable at general rate of taxation) is expected to be realized in subsequent tax years, then, such excess shall be recorded as deferred tax asset adjustable against tax liability for subsequent tax years. This shall be recognized as 'deferred tax asset' for the reason that it represents unused tax credit as it can be adjusted only against tax liability (of subsequent tax years) arising on taxable income subject to general rate of taxation. Such an asset shall be subject to requirements contained in IAS 12 'Income Tax'.

b) Final Taxes

Final taxes includes tax charged / withheld / paid on certain income streams under various provisions of Income

Tax Ordinance, 2001 (Ordinance). Final tax is charged / computed under the Ordinance, without reference to income chargeable to tax at the general rate of tax and final tax computed / withheld or paid for a tax year is construed as final tax liability for the related stream of Income under the Ordinance.

Final tax paid is considered to be full and final discharge of the tax liability for the Company for a tax year related to that income stream.

4.3 Taxation

Current

Provision for current taxation is based on taxable income at the enacted / corporate tax rate after taking into account tax credits and rebates available, if any, as per the Income Tax Ordinance, 2001.

Deferred

Deferred tax is provided using the liability method for all temporary differences at the reporting date between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes after considering, the average effective rate of tax.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax asset is recognised for all deductible temporary differences and carried forward unused tax losses, if any, to the extent that it is probable that taxable profit will be available against which such temporary differences and tax losses can be utilised.

Deferred tax assets and liabilities are measured at average tax rate that are expected to apply to the period when the asset is realised or the liability is settled.

4.4 Property, plant and equipment

a) Cost

Operating fixed assets are stated at cost less accumulated depreciation and any identified impairment loss, except freehold land which is stated at cost less any identified impairment loss and leasehold land which is stated at cost less accumulated depreciation and any identified impairment loss. Capital work-in-progress is stated at cost less any recognized impairment loss. This includes all costs connected with specific assets (including borrowing cost) incurred during installation and construction period. These are transferred to specific assets as and when these assets are available for intended use. Cost of operating fixed assets consists of historical cost, borrowing cost pertaining to the erection / construction period of qualifying assets and directly attributable costs of bringing the assets to working condition for their intended use.

Major renewals and improvements to an item of property, plant and equipment are recognized in the carrying amount of the item if it is probable that the embodied future economic benefits will flow to the Company and the cost of renewals or improvements can be measured reliably. The cost of day-to-day servicing of property, plant and equipment is recognized in statement of profit or loss as incurred.

b) Depreciation

Depreciation on operating fixed assets is calculated applying the straight line method so as to write off the cost / depreciable amount of the assets over their estimated useful lives at the rates given in Note 15.2. The Company charges the depreciation on additions from the month when the asset is available for use and on deletions up to the month when the asset is de-recognized. Depreciation on operating fixed assets is charged to the statement of profit or loss except for depreciation provided on construction equipment and vehicles during the period of construction of operating fixed assets that is capitalized as part of the cost of operating fixed assets. The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each reporting date.

c) Derecognition

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

4.5 Intangible assets

Intangible assets represent the cost of computer softwares and is stated at cost less accumulated amortization and any identified impairment loss. Intangible asset is amortized from the month, when the assets becomes available for use, using the straight line method, and up to the last month prior to the month of disposal, whereby the cost of the intangible asset is amortized over its estimated useful life over which economic benefits are expected to flow to the Company. The useful life and amortization method is reviewed and adjusted, if appropriate, at each reporting date.

4.6 Stores and spare parts

Stores and spare parts are valued at lower of cost and net realizable value. Usable stores and spare parts are

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

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

4.7 Cash and cash equivalents

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

4.8 Revenue from contracts with customers

(a) Revenue recognition

Sale of electricity

Revenue from the sale of electricity is recognized on supply of electricity to consumers at the rates determined by NEPRA and notified by the Government of Pakistan in official gazette from time to time. Late payment surcharges are recognized on accrual basis.

Net Metering Billing

In accordance with NEPRA Regulations, at the end of each billing cycle following the date of final interconnection of Distributed Generation facility (Net metering) to the distribution system of the Company, the Company shall net off the kWh supplied by the Distributed Generator against the kWh supplied by it.

In case the kWh supplied by the Company exceed the kWh supplied by Distributed Generator, the Distributed Generator shall be billed for the net kWh in accordance with the Applicable Tariff. In case the kWh supplied by Distributed Generator exceed kWh supplied by the Company, the Net kWh shall be credited against distributors next billing cycle for future consumption, or can be paid by the Company to the Distributed Generator upon demand at the end of quarter.

Tariff differential subsidies

Subsidies from Government are announced by the Government of Pakistan for consumers and is recognized under revenue on accrual basis.

Rental and service income

Meter rentals are recognized on time proportion basis.

Rendering of services

Revenue from a contract to provide services is recognized over time as the services are rendered based on either a fixed price or an hourly rate.

Interest income

Interest income is recognized on a time proportion basis on the principal amount outstanding at the applicable rates.

Other revenue

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

(b) Contract assets

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

(c) Contract liabilities

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

4.9 Financial instruments

Financial assets and financial liabilities are recognized in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit

or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

4.9.1 Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

Classification of financial assets:

a) Debt instruments that meet following conditions are measured subsequently at amortized cost:

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

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

b) Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and

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

As at reporting date, the Company does not possess any assets classified as at fair value through other comprehensive income (FVTOCI).

c) Equity instruments designated as at FVTOCI

On initial recognition, the Company may make an irrevocable election (on an instrument by instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

As at reporting date, the Company does not possess any equity instruments designated as at FVTOCI.

d) Financial assets at fair value through profit or loss

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

As at reporting date, the Company does not possess any financial assets classified as FVTPL.

Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognizes lifetime ECL for trade debts using simplified approach. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the trade debts, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Write-off policy

The Company writes off a financial asset when there is information indicating that the amount is not recoverable due to the conflict in invoices with customer. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in statement of profit or loss.

Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received is recognized in the statement of profit or loss.

4.9.2 Financial liabilities

All financial liabilities are measured subsequently at amortized cost using the effective interest method.

Financial liabilities that are not:

- Contingent consideration of an acquirer in a business combination,
- Held-for-trading, or
- Designated as at FVTPL, are measured subsequently at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant year. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability.

Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid is recognized in profit or loss.

Offsetting of financial assets and liabilities

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

Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed at each reporting date to ascertain whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognized, as an expense in the profit or loss account, for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Value in use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects the current market assessments of the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

An impairment loss is reversed if there has been change in estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment had been recognized.

4.10 Trade debts and other receivables

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

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

4.11 Deferred credit

Amounts received from consumers and Government as contributions towards the cost of extension of electricity distribution network and of providing service connections are deferred and amortized over the estimated useful lives of related assets except for separately identifiable services in which case revenue is recognized upfront upon

establishing a connection network. Amortization of deferred credit for the year is recognized as income in the statement of profit or loss.

4.12 Borrowings

Financing and borrowings are initially recognized at fair value of the consideration received, net of transaction costs. These are subsequently measured at amortized cost using the effective interest method.

4.13 Borrowing cost

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

4.14 Share capital

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

4.15 Trade and other payables

Trade and other payables are initially recognized at fair value plus directly attributable costs. These are subsequently measured at amortized cost.

4.16 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to depreciation and are tested annually for impairment. The carrying amount of the Company's other non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment.

If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset is the greater of its value in use and fair value less cost to sell. Impairment losses recognized in prior periods are assessed at each reporting date for any indication that the loss has decreased or no longer exists. 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 that extent that the asset's carrying amount after the reversal does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment losses had been recognized. An impairment loss is recognized if the carrying amount of the asset exceeds its recoverable amount.

4.17 Provisions

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

4.18 Contingent assets

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

4.19 Contingent liabilities

A contingent liability is disclosed when:

- There is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or;
- There is present obligation that arises from past events but it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

			2024 Rupees	2023 Rupees
5 SHARE CAPITAL				
Authorized share capital				
5,000,000,000 (2023: 5,000,000,000) ordinary shares of Rs. 10 each			50,000,000,000	50,000,000,000
Issued, subscribed and paid up share capital				
NUMBER OF SHARES				
1,000	1,000	Ordinary shares of Rs. 10 each fully paid in cash to the Government of Pakistan (GoP) and its nominee directors	10,000	10,000
1,082,362,604	1,082,362,604	Ordinary shares of Rs. 10 each fully paid issued for consideration other than in cash to WAPDA	10,823,626,048	10,823,626,048
1,082,363,604	1,082,363,604		10,823,636,048	10,823,636,048

6 DEPOSIT FOR SHARES

Balance as at beginning of the year	6.1	61,508,552,556	49,639,659,930
Debit notes received against deposit for shares	-	-	-
Credit notes received against deposit for shares	6.2	6,220,069,283	11,868,892,626
Balance as at end of the year		67,728,621,839	61,508,552,556

6.1 This represents credit notes received by the Company from Central Power Purchase Agency (Guarantee) Limited (CPPA) in pursuance of letter No. F.1(5)-CF-1/2012-13/1017 dated July 02, 2013 from Ministry of Finance as GoP investment against circular debt of Rs. 341 billion. Hence this was treated as GoP equity investment in the Company.

6.2 This represents credit notes of Rs. 6,220.07 million received by the Company in financial year 2024 from Central Power Purchase Agency (Guarantee) Limited (CPPA) in pursuance of letters: PF-No.05(02)/2021-24 dated July 12, 2024 against amount of Rs. 229.99 million, PF-No.05(02)/2021-24 dated July 12, 2024 against amount of Rs. 4,714 million, PF-No.05(02)/2021-24 dated June 13, 2024 against amount of Rs. 212.68 million, PF-No.05(02)/2021-24 dated June 13, 2024 against amount of Rs. 202.8 million, PF-No.05(02)/2021-24 dated April 18, 2024 against amount of Rs. 192 million, PF-No.05(02)/2021-24 dated April 09, 2024 against amount of Rs. 384.47 million, PF-No.05(02)/2021-24 dated January 24, 2024 against amount of Rs. 283 million from Ministry of Energy as GoP investment against circular debt and to stabilize equity. Hence this was treated as GoP equity investment in the Company.

	Note	2024 Rupees	2023 Rupees
7 LONG TERM FINANCING			
Loans from related party - Secured			
From GoP - (foreign re-lent):			
International Bank for Reconstruction and Development - Tranche I	7.1	3,849,036,226	3,849,036,226
International Bank for Reconstruction and Development - Tranche II	7.2	298,021,843	-
Asian Development Bank - Tranche I	7.3	1,354,866,393	1,354,866,393
Asian Development Bank - Tranche II	7.4	2,168,842,944	2,168,842,944
Asian Development Bank - Tranche III	7.5	3,118,563,244	3,118,563,244
Asian Development Bank - Tranche IV	7.6	2,772,764,983	2,772,764,983
		13,562,095,633	13,264,073,790
Cash Development Loan from GoP - Unsecured	7.7	797,050,000	797,050,000
		14,359,145,633	14,061,123,790

	Note	2024 Rupees	2023 Rupees
Other loans			
The Thal Industries Corporation Limited (Layyah Sugar Mill)	7.8	-	4,583,716
Atlas Solar Limited (Formerly: Zhenfa Pakistan New Energy Company Limited)	7.9	103,722,406	133,357,000
		103,722,406	137,940,716
		14,462,868,039	14,199,064,506
Less:			
Current portion shown under current liabilities		834,620,714	863,506,659
Overdue portion shown under current liabilities		8,447,137,700	7,583,631,041
		9,281,758,414	8,447,137,700
		5,181,109,625	5,751,926,806

- 7.1** This represents re-lent portion of loan obtained by the GoP from International Bank for Reconstruction and Development (IBRD) for electricity distribution and transmission improvement project which is secured against the guarantee by GoP, pursuant to the re-lent agreement between GoP and the Company. This facility carries interest at the rate of 17% per annum which comprises of re-lending interest of 11% per annum and exchange risk cover of 6% per annum payable on half yearly basis. Repayment of principal has to be made on half yearly basis within maximum period of 15 years including grace period of 2 years starting from September 2011. The overdue amounts of principal and mark-up aggregate to Rupees 3,849.036 million (2023: Rupees 3,528.441 million) and Rupees 2,123.327 million (2023: Rupees 2,098.143 million) respectively.
- 7.2** This represents re-lent portion of loan obtained by GoP from International Bank for Reconstruction and Development (IBRD) for electricity Distribution Efficiency Improvement Project. which is secured against the guarantee by GoP, pursuant to the re-lent agreement between GoP and the Company. The facility carries interest at the rate SOFR + variable spread. Repayment of principal has to be made on half yearly basis within maximum period of 30 years including grace period of 5 years starting from 15 May 2027. The overdue amount of mark-up aggregate to Rupees 749,004 (2023: Rs. Nil).
- 7.3** This represents re-lent portion of loan obtained by GoP from Asian Development Bank (ADB) for Distribution Enhancement Investment Program which is secured against the guarantee by GoP, pursuant to the re-lent agreement between GoP and the Company. This facility carries interest at the rate of 17% inclusive of relending interest of 11% per annum plus exchange risk cover fee of 6% per annum which shall be charged both on principal amount and interest amount separately.
- Repayment of principal has to be made on half yearly basis within maximum period of 15 years including grace period of 2 years starting from February 2011. The overdue amounts of principal and mark-up aggregate to Rupees 1,354.866 million (2023: Rupees 1,290.713 million) and Rupees 599.828 million (2023: Rupees 598.36 million) respectively.
- 7.4** This represents re-lent portion of loan obtained by GoP from ADB for Distribution Enhancement Investment Program which is secured against the guarantee by GoP, pursuant to the re-lent agreement between GoP and the Company. This facility carries interest at the rate of 15% inclusive of relending interest of 8.2% per annum plus exchange risk cover fee of 6.8% per annum which shall be charged both on principal amount and interest amount separately. Repayment of principal has to be made on half yearly basis within maximum period of 17 years excluding grace period of 3 years starting from June 2014. The overdue amounts of principal and mark-up aggregate to Rupees 1,314.876 million (2023: Rupees 1,183.497 million) and Rupees 1,798.971 million (2023: Rupees 1,654.654 million) respectively.
- 7.5** This represents re-lent portion of loan obtained by GoP from ADB for Distribution Enhancement Investment Program which is secured against the guarantee by GoP, pursuant to the re-lent agreement between GoP and the Company. This facility carries interest at the rate of 15% inclusive of relending interest of 8.2% per annum plus exchange risk cover fee of 6.8% per annum which shall be charged both on principal amount and interest amount separately. Repayment of principal has to be made on half yearly basis within maximum period of 25 years including grace period of 5 years starting from June 2018. The overdue amounts of principal and mark-up aggregate to Rupees 1,008.925 million (2023: Rupees 852.656 million) and Rupees 2,851.467 million (2023: Rupees 2,512.217 million) respectively.
- 7.6** This represents re-lent portion of loan obtained by GoP from ADB for Distribution Enhancement Investment Program which is secured against the guarantee by GoP, pursuant to the re-lent agreement between GoP and the Company. This facility carries interest at the rate of 15% inclusive of relending interest of 8.2% per annum plus exchange risk cover fee of 6.8% per annum which shall be charged both on principal amount and interest amount separately. Repayment of principal will be started from June 2019 and will be repaid on half yearly basis within

maximum period of 25 years including grace period of 5 years. The overdue amounts of principal and mark-up aggregate to Rupees 762.510 million (2023: Rupees 623.875 million) and Rupees 2,530.553 million (2023: Rupees 2,208.338 million) respectively.

- 7.7** This represents a loan obtained from the GoP under "Prime Minister's Southern Punjab Development Package" for construction of new grid stations and laying transmission lines. The limit of the loan facility is Rupees 1,228 million. As per instructions of the Finance Division of GoP for loan disbursements, the interest shall be chargeable at a prevailing rate of interest for respective year, which has been assessed as 12.59% for the year 2009-10, 13.61% for 2010-11 and 12.64% per annum for the year 2011-12 by the Company. Repayment of principal has to be made on yearly basis within maximum period of 25 years including grace period of 5 years starting from June 2015. The overdue amounts of principal and mark-up aggregate to Rupees 122.704 million (2023: Rupees 99.867 million) and Rupees 1,305.550 million (2023: Rupees 1,215.207 million) respectively.
- 7.8** These include Rupees. Nil (2023: Rupees 4.583 million) interest free loan from The Thal Industries Corporation Limited under an agreement to meet expenses for grid interconnection. The loan is repayable in 36 equal monthly installments commencing after 18 months of commercial operation date of the project which is 01 December 2017. The overdue amount of principal aggregates to Rupees 1.528 million (2023: Rupees 4.58 million).
- 7.9** These include Rupees 103.722 million (2023: Rupees 133.357 million) interest free loan from Atlas Solar Limited (Formerly: Zhenfa Pakistan New Energy Company Limited) under an agreement to meet expenses for grid interconnection. The loan is repayable in 36 equal monthly installments commencing after 18 months of commercial operation date which has not yet been assessed.

8 STAFF RETIREMENT BENEFITS

	Note	2024 Rupees	2023 Rupees
Free medical benefits	8.1	18,875,488,549	17,168,570,942
Pension	8.1	127,054,530,047	105,027,800,069
Free electricity benefits	8.1	11,992,391,209	9,592,270,230
Compensated absences	8.1	5,997,150,854	5,953,487,332
		163,919,560,659	137,742,128,573

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

	Note	June 30, 2024			
		Free medical benefits	Pension	Free electricity benefits	Total
		Rupees			
Balance as at July 01, 2023		17,168,570,942	105,027,800,069	9,592,270,230	137,742,128,574
Charge for the year	8.2	3,128,222,429	17,648,608,958	1,727,007,650	22,858,472,475
Remeasurement recognized in other comprehensive	8.3	(1,391,563,910)	14,972,494,749	1,172,551,284	14,753,482,123
Benefits paid		(29,740,912)	(2,877,077,959)	(499,437,955)	(3,717,226,743)
Contribution made		-	(7,717,295,770)	-	(7,717,295,770)
Balance as at June 30, 2024		18,875,488,549	127,054,530,047	11,992,391,209	163,919,560,656

	Note	June 30, 2023			
		Free medical benefits	Pension	Free electricity benefits	Total
		Rupees			
Balance as at July 01, 2022		13,666,367,778	85,542,052,092	5,549,566,389	108,696,744,299
Charge for the year	8.2	2,205,753,533	12,818,555,719	936,155,118	18,328,345,451
Remeasurement recognized in other comprehensive	8.3	1,322,300,366	15,554,329,945	3,406,675,308	20,283,305,619
Benefits paid		(25,850,735)	(6,764,314,927)	(300,126,585)	(7,443,444,032)
Contribution made		-	(2,122,822,760)	-	(2,122,822,760)
Balance as at June 30, 2023		17,168,570,942	105,027,800,069	9,592,270,230	137,742,128,574

8.1.1 The amount of pension obligation recognized in the statement of financial position is as follows:

	Note	June 30, 2024			
		Free medical benefits	Pension	Free electricity benefits	Total
		Rupees			
Present value of defined benefit obligations		18,875,488,549	140,591,188,915	11,992,391,209	177,456,219,531
Fair value of plan assets	8.1.1.1	-	(13,536,658,869)	-	(13,536,658,869)
		18,875,488,549	127,054,530,047	11,992,391,209	163,919,560,662

June 30, 2024					
Free medical benefits	Pension	Free electricity benefits	Compensated absences	Total	
Rupees					
-	8,342,352,499	-	-	8,342,352,499	
-	1,540,490,408	-	-	1,540,490,408	
-	2,877,077,959	-	-	2,877,077,959	
-	7,717,295,770	-	-	7,717,295,770	
-	(7,717,295,770)	-	-	(7,717,295,770)	
-	776,738,003	-	-	776,738,003	
-	13,536,658,869	-	-	13,536,658,869	
June 30, 2023					
Free medical benefits	Pension	Free electricity benefits	Compensated absences	Total	
Rupees					
-	113,370,152,568	-	-	113,370,152,568	
-	(8,342,352,499)	-	-	(8,342,352,499)	
-	105,027,800,069	-	-	105,027,800,069	
8.1.1.2					
-	5,226,692,230	-	-	5,226,692,230	
-	848,893,987	-	-	848,893,987	
-	2,122,822,760	-	-	2,122,822,760	
-	6,764,314,927	-	-	6,764,314,927	
-	(6,764,314,927)	-	-	(6,764,314,927)	
-	143,943,522	-	-	143,943,522	
-	8,342,352,499	-	-	8,342,352,499	

8.1.1.1 Change in fair value of plan assets	
Balance as at beginning of the year	
Interest income	
Cash flows:	
- Total employer's contributions	
(i) Employer's contributions	
(ii) Employer's direct benefit payments	
- Benefit payments from Plan	
Return / (loss) on plan assets	
Balance as at end of the year	

8.1.1.2 Change in fair value of plan assets	
Balance as at beginning of the year	
Interest income	
Cash flows:	
- Total employer's contributions	
(i) Employer's contributions	
(ii) Employer's direct benefit payments	
- Benefit payments from Plan	
Return / (loss) on plan assets	
Balance as at end of the year	

8.1.1.1 Change in fair value of plan assets

Balance as at beginning of the year
Interest income
Cash flows:
- Total employer's contributions
(i) Employer's contributions
(ii) Employer's direct benefit payments
- Benefit payments from Plan
Return / (loss) on plan assets
Balance as at end of the year

Present value of defined benefit obligations
Fair value of plan assets

8.1.1.2 Change in fair value of plan assets

Balance as at beginning of the year
Interest income
Cash flows:
- Total employer's contributions
(i) Employer's contributions
(ii) Employer's direct benefit payments
- Benefit payments from Plan
Return / (loss) on plan assets
Balance as at end of the year

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

	June 30, 2024			
	Free medical benefits	Pension	Free electricity benefits	Compensated absences
	Rupees			
Current service cost	426,514,602	1,941,037,378	239,859,697	91,749,648
Interest cost	2,701,707,827	17,248,061,988	1,487,147,953	913,185,374
Actuarial gains	-	-	-	(650,301,583)
Net charge for the year	3,128,222,429	19,189,099,366	1,727,007,650	354,633,438
	24,398,962,883			
	Rupees			
	June 30, 2023			
Free medical benefits		Pension	Free electricity benefits	Compensated absences
	Rupees			
Current service cost	362,538,807	1,870,260,481	207,222,200	79,265,355
Interest cost	1,843,214,726	10,948,295,238	728,932,918	507,894,590
Actuarial gains	-	-	-	1,780,721,137
Net charge for the year	2,205,753,533	12,818,555,719	936,155,118	2,367,881,081
	18,328,345,451			

8.3 Remeasurement recognized in other comprehensive income:

	June 30, 2024			
	Free medical benefits	Pension	Free electricity benefits	Compensated absences
	Rupees			
Experience adjustments	(1,391,563,910)	15,749,232,752	1,172,551,284	(650,301,583)
Return on plan assets	-	(776,738,003)	-	-
Total	(1,391,563,910)	14,972,494,749	1,172,551,284	(650,301,583)
	14,103,180,540			
	Rupees			
	June 30, 2023			
Free medical benefits		Pension	Free electricity benefits	Compensated absences
	Rupees			
Experience adjustments	1,322,300,366	15,698,273,467	3,406,675,308	-
Return on plan assets	-	(143,943,522)	-	-
Total	1,322,300,366	15,554,329,945	3,406,675,308	-
	20,283,305,619			

8.4 Movement in present value of defined benefit obligations:

	June 30, 2024			
	Free medical benefits	Pension	Free electricity benefits	Compensated absences
	Rupees			
Balance as at July 01, 2023	17,168,570,942	113,370,152,568	9,592,270,230	5,953,487,336
Current service cost	426,514,602	1,941,037,378	239,859,697	91,749,648
Interest cost	2,701,707,827	17,248,061,988	1,487,147,953	913,185,374
Benefits paid	(29,740,912)	(7,717,295,770)	(499,437,955)	(310,969,917)
Remeasurements	(1,391,563,910)	15,749,232,752	1,172,551,284	(650,301,583)
Actuarial gains	-	-	-	-
Balance as at June 30, 2024	18,875,488,549	140,591,188,915	11,992,391,209	5,997,150,858
	177,456,219,532			
	June 30, 2023			
	Rupees			
Balance as at July 01, 2022	13,666,367,778	90,768,744,322	5,549,566,389	3,938,758,040
Current service cost	362,538,807	1,870,260,481	207,222,200	79,265,355
Interest cost	1,843,214,726	11,797,189,226	728,932,918	507,894,590
Benefits paid	(25,850,735)	(6,764,314,927)	(300,126,585)	(353,151,785)
Remeasurements	1,322,300,366	15,698,273,467	3,406,675,308	-
Actuarial gains	-	-	-	-
Balance as at June 30, 2023	17,168,570,942	113,370,152,568	9,592,270,230	1,780,721,137
	146,084,481,078			

All of the investment of plan assets is in deposit account of a commercial bank along with certain term deposit receipts of commercial banks.

8.5

Principal actuarial assumptions:

	June 30, 2024			
	Free medical benefits	Pension	Free electricity benefits	Compensated absences
	Rupees			
Discount rate (per annum)	14.00%	14.00%	14.00%	14.00%
Inflation rate (per annum)	-	-	14.00%	-
Annual medical claim - Rupees	33,029	-	-	-
Salary increase rate used for year end obligation (per year)	-	13.50%	-	13.50%
Medical / pension / electricity indexation rate	14.00%	8.00%	14.00%	-
Medical exposure rate (per annum)	15.75%	-	-	-
Mortality rates	SLIC 2001-2005 setback 1 year Low	SLIC 2001-2005 setback 1 year Low	SLIC 2001-2005 setback 1 year Low	SLIC 2001-2005 setback 1 year Low
Withdrawal rates	3,150,554,905	20,572,259,212	2,323,543,323	944,195,719
Expected charge to the statement of profit or loss for the next				

8.6

June 30, 2023			
	Free medical benefits	Pension	Free electricity benefits
	Rupees		
Discount rate (per annum)	15.75%	15.75%	15.75%
Inflation rate (per annum)	-	-	15.75%
Annual medical claim - Rupees	29,977	-	-
Salary increase rate used for year end obligation (per year)	-	15.25%	-
Medical / pension / electricity indexation rate	15.75%	9.25%	15.25%
Medical exposure rate (per annum)	13.25%	-	15.75%
Mortality rates	SLIC 2001-2005 setback 1 year Low	SLIC 2001-2005 setback 1 year Low	SLIC 2001-2005 setback 1 year Low
Withdrawal rates			
Expected charge to the statement of profit or loss for the next financial year (Rupees)	3,130,564,525	18,315,743,597	1,750,642,258
			1,029,423,903

8.7

Sensitivity analysis for actuarial assumptions:

The sensitivity of the staff retirement benefits to changes in the weighted principal assumption is:

June 30, 2024			
	Free medical benefits	Pension	Free electricity benefits
	Rupees		
Discount rate	1.00%	1.00%	1.00%
Increase in assumption (Rupees)	(126,514,436,814)	(10,762,614,103)	(5,370,378,691)
Decrease in assumption (Rupees)	165,053,785,192	13,459,798,615	(6,731,957,854)
Medical exposure rate	1.00%	-	-
Increase in assumption (Rupees)	(20,234,523,724)	-	-
Decrease in assumption (Rupees)	17,705,208,259	-	-
Medical inflation rate	1.00%	-	-
Increase in assumption (Rupees)	21,391,304,217	-	-
Decrease in assumption (Rupees)	(16,747,604,843)	-	-
Withdrawal rates	10.00%	10.00%	10.00%
Increase in assumption (Rupees)	(18,849,062,865)	(11,985,195,774)	(6,003,148,006)
Decrease in assumption (Rupees)	(18,907,576,879)	(11,999,586,643)	(5,991,153,704)
Future salary increase	-	1.00%	-
Increase in assumption (Rupees)	-	(147,829,714,414)	-
Decrease in assumption (Rupees)	-	(134,213,464,985)	-
Indexation rate	-	1.00%	1.00%
Increase in assumption (Rupees)	-	(13,255,139,665)	(1,875,259,174)
Decrease in assumption (Rupees)	-	(35,948,345,187)	(4,554,892,886)
Mortality setback	1 year	1 year	1 year
Increase in assumption (Rupees)	(2,460,889,425)	(22,685,876,558)	-
Decrease in assumption (Rupees)	(1,867,545,662)	(27,359,834,633)	-
			(147,829,714,414)
			(134,213,464,985)
			(13,316,850,731)
			(37,352,268,073)
			(23,940,595,276)
			(27,447,581,308)

	June 30, 2023			
	Rupees		Rupees	
	Free medical benefits	Pension	Free electricity benefits	Compensated absences
Discount rate				
Increase in assumption (Rupees)	1.00%	1.00%	1.00%	1.00%
Decrease in assumption (Rupees)	(1,817,612,177)	(11,068,199,800)	(982,536,416)	(618,191,712)
Medical exposure rate				
Increase in assumption (Rupees)	2,179,950,297	21,017,997,377	1,172,172,445	725,694,585
Decrease in assumption (Rupees)	1.00%	-	-	-
Medical inflation rate				
Increase in assumption (Rupees)	1,236,137,108	-	-	-
Decrease in assumption (Rupees)	(1,064,451,398)	-	-	-
Medical inflation rate				
Increase in assumption (Rupees)	1.00%	-	-	-
Decrease in assumption (Rupees)	2,282,622,205	-	-	-
	(1,931,387,412)	-	-	-

	June 30, 2023			
	Rupees		Rupees	
	Free medical benefits	Pension	Free electricity benefits	Compensated absences
Withdrawal rates				
Increase in assumption (Rupees)	10.00%	10.00%	10.00%	
Decrease in assumption (Rupees)	(24,035,999)	(56,685,076)	(5,755,362)	
Future salary increase				
Increase in assumption (Rupees)	29,186,571	56,685,077	5,755,362	
Decrease in assumption (Rupees)	-	1.00%	-	-
Indexation rate				
Increase in assumption (Rupees)	-	5,480,880,647	-	-
Decrease in assumption (Rupees)	-	(4,787,736,017)	-	-
Mortality setback				
Increase in assumption (Rupees)	-	1.00%	1.00%	
Decrease in assumption (Rupees)	-	15,076,907,694	1,227,398,901	
	-	(6,687,238,840)	(1,043,871,907)	
Mortality setback				
Increase in assumption (Rupees)	1 year	1 year	-	1
Decrease in assumption (Rupees)	(643,821,410)	5,631,180,088	-	
	648,971,982	831,400,664	-	

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

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

8.8 As at June 30, 2024 the average duration of these benefits was 12 years.

8.9 **Risks associated with staff retirement benefits**

Salary increase risk

The risk that the actual salary increase are 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

Withdrawal risk

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

Mortality risk

Actual mortality experience maybe different than that assumed in the calculation.

Pension increase risk

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

Discount rate risk

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

9 LONG TERM SECURITY DEPOSITS

*These represent security deposits received from consumers on account of electricity connections. These are refundable / adjustable on disconnection of electricity supply. Out of the total amount, an amount of Rupees 54.383 million (2023: Rupees 134.282 million) is kept in separate bank accounts while Rupees 14,550 million (2023: Rupees 13,459.3 million) is kept in Term Deposit Receipts (TDRs).

	Note	2024 Rupees	2023 Rupees
10 CONTRACT LIABILITIES			
Consumers demand notices awaiting connections	10.1	3,059,504,047	6,012,438,551
Funds received against deposit works	10.2	29,943,060,508	32,540,298,501
		33,002,564,555	38,552,737,052

10.1 These represent amounts received from consumers through demand notices against which the related works / jobs have not been completed. These contributions are received in accordance with GoP notified approved rates on

	2024 Rupees	2023 Rupees
10.1.1 Consumers demand notices awaiting connections		
Balance as at beginning of the year	6,012,438,551	6,931,195,779
Add: addition during the year	4,652,788,276	5,101,819,956
	10,665,226,827	12,033,015,735
Less: transferred to deferred credit against completed jobs	(5,832,942,376)	(5,322,254,831)
Less: transferred to other income	(1,772,780,404)	(698,322,353)
Balance as at end of the year	3,059,504,047	6,012,438,551

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

	2024 Rupees	2023 Rupees
10.2.1 Funds received against deposit works		
Balance as at beginning of the year	32,540,298,501	27,023,880,712
Add: addition during the year	3,408,464,851	10,354,467,769
	35,948,763,352	37,378,348,481
Less: transferred to deferred credit against completed jobs	(3,483,992,844)	(2,314,229,980)
Less: transferred to other income	(2,521,710,000)	(2,523,820,000)
Balance as at end of the year	29,943,060,508	32,540,298,501

11 DEFERRED CREDIT

Balance as at beginning of the year	107,432,781,151	99,796,519,987
Add: transferred from contract liabilities	9,316,935,222	7,636,261,164
	116,749,716,373	107,432,781,151
Less: Accumulated amortization		
Balance as at beginning of the year	37,874,956,982	34,214,944,337
Amortization for the year	3,915,150,917	3,660,012,645
	41,790,107,899	37,874,956,982
Balance as at end of the year	74,959,608,474	69,557,824,169

11.1 This represents the capital contributions received from consumers and grants from Government against which assets are constructed by the Company. These are being amortized over the useful life of the respective assets.

	Note	2024 Rupees	2023 Rupees
12 TRADE AND OTHER PAYABLES			
Creditors		4,385,177,877	1,752,236,130
Due to associated companies	12.1	140,401,867,817	150,769,893,074
Surcharges payable	12.2	7,860,473,595	5,929,632,751
Duties, charges and taxes	22.5	-	-
Accrued liabilities		7,879,004,349	1,878,388,086

12 TRADE AND OTHER PAYABLES - CONTINUED	Note	2024 Rupees	2023 Rupees
Contract liabilities		1,480,902,264	1,480,902,264
Retention money payable		567,995,481	490,238,967
Net metering payable		505,314,523	663,360,044
Workers' profit participation fund	12.3	4,903,334,435	3,156,432,725
Liquidity damages		1,235,966,052	1,008,522,840
Other liabilities		3,546,001,515	1,787,685,074
		172,766,037,908	168,917,291,956

12.1 Due to associated companies

Central Power Purchasing Agency (Guarantee) Limited (CPPA)	12.1.1	140,057,926,768	139,119,524,926
National Transmission and Despatch Company Limited (NTDC)		-	11,452,090,654
Hyderabad Electric Supply Company Limited (HESCO)		-	7,657,040
Gujranwala Electric Power Company Limited (GEPCO)		39,775,347	4,226,787
Faisalabad Electric Supply Company Limited (FESCO)		250,555,028	111,554,632
Power Information Technology Company (Private) Limited (PITC)		53,610,674	74,839,035
		140,401,867,817	150,769,893,074

12.1.1 The Company has received various invoices from CPPA representing late payment charges (supplementary charges) being the share of the Company in the mark-up charged to CPPA by Independent Power Producers (IPPs) on account of delayed payments aggregating to Rupees 59,514 million (2023: Rupees 46,408.33 million).

As mentioned in Para 18 of tariff determination by NEPRA communicated through letter no. NEPRA/TRF-283/MEPCO-2014/4264-4266 dated 27 March 2015 and Para 8.10 and 20 of tariff determination by NEPRA communicated through letter no. NEPRA/TRF-332/MEPCO-2015/2697-2699 dated 29 February 2016, it was mutually agreed by the representatives of CPPA and distribution companies that, as per clause 9.3(d) of electricity supply agreement dated 29 June 1998 between DISCOs and NTDC, the DISCOs are obliged to pay late payment charges (supplementary charges) to CPPA on account of delay payments of invoices.

NEPRA has decided that the late payment charges (supplementary charges) recovered from consumers on utility bills shall be offset against the late payment charges (supplementary charges) invoices raised by CPPA and CPPA cannot account for late payment charges (supplementary charges) over and above what is calculated as per agreement. Therefore, no provision for late payment charges (supplementary charges) of Rupees 33,294.84 million (2023: Rupees 28,041.303 million) have been recognized in these financial statements as the management is of the view that supplementary charges have not been allowed as expense by NEPRA in tariff determination.

Further, the Company received credit note no. PPA-392/MEPCO-48 dated September 14, 2023 from CPPA-G regarding reversal of differential supplemental charges of Rs. 3,018.93 million which were previously invoiced by CPPA-G but not recorded by the Company. As a result, after incorporating the effect of this credit note the unrecorded supplemental charges would amount to Rs. 30,275.95 million in the previous year.

	2024 Rupees	2023 Rupees
12.2 Surcharges payable		
Equalization surcharge payable	2,240,585,099	2,240,154,254
Electricity duty payable	-	-
Neelum Jhelum surcharge payable	387,818,373	347,274,011
T.V license fees payable	180,059,337	169,906,943
Finance cost surcharge	3,203,771,094	1,347,462,417
Tariff rationalization surcharge	1,848,239,692	1,824,835,127
	7,860,473,595	5,929,632,751
12.3 Workers' profit participation fund		
At the beginning of the year	3,156,432,725	3,156,432,725
Provision for the year	1,746,901,710	-
At the end of the year	4,903,334,435	3,156,432,725

12.3.1 The Company has not made payment of its contribution towards Workers' Profit Participation Fund (WPPF), being the Company's liability on account of provision of Companies Profit (Workers' Participation) Act, 1968 up till 30 June 2024. This matter is pending for decision with Economic Coordination Committee (ECC) upon recommendation submitted by PEPCO/PPMC to exempt the Ex-WDISCOs from compliance with the requirements of Companies Profit (Workers' Participation) Act, 1968. Due to pending decision with the ECC, no provision for mark-up on WPPF Contribution aggregating to Rupees 4,928 million (2023: Rupees 3,156 million) on unpaid amount has been recognized by the Company in these financial statements as required under Companies Profit (Workers' Participation) Act, 1968.

13 ACCRUED MARK-UP

	2024 Rupees	2023 Rupees
Foreign re-lent loans	831,253,001	968,825,226
Cash development loan	90,342,715	92,960,555
Overdue mark-up on foreign re-lent and cash development loans	10,285,986,906	9,224,950,132
	11,207,582,622	10,286,735,913

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 cannot be estimated reliably. However, the management is of the view that in the overall context of these financial statements, there would be no significant liability of the Company against such cases.

14.1.2 Income Tax

(i) 1. Minimum Tax – Tax year 2007 and 2008

Additional Commissioner Inland Revenue (ACIR), RTO, Multan initiated proceedings u/s 122 on January 29, 2009 for tax year 2007 and 2008. Subsequently the learned ACIR issued an order against MEPCO vide order no 92/10/ dated February 26, 2009 and has charged income tax u/s 113 of the Income Tax Ordinance, 2001 (the "Ordinance") on turnover for tax year 2007 amounting to Rs. 153 million and for tax year 2008 amounting to Rs. 72 million along with default surcharge amounting to Rs. 9.9 million and Rs. 2 million for tax year 2007 and 2008 respectively.

Being aggrieved by the order of ACIR, an appeal was filed before CIR (A) on March 21, 2009. The learned CIR (A) issued an order against MEPCO vide order dated April 30, 2009 and upheld the order of learned ACIR.

Second appeal was filed before Appellate Tribunal Inland Revenue on May 14, 2009. ATIR upheld the order of learned CIR (A) order dated July 27, 2009.

Being aggrieved by the above mentioned orders, a writ petition was filed before Hon'ble High court vide petition no PTR 44/2011 and PTR 43/2011. The Hon'ble High Court remanded back the case to the full bench of ATIR to decide the case which is still pending for adjudication.

(ii) Minimum Tax – Tax year 2010 and 2013

Additional Commissioner Inland Revenue (ACIR), RTO, Multan amended deemed assessment u/s 120 of the Income Tax Ordinance, 2001 (the "Ordinance") for tax year 2010 and 2013 by passing an order no. 10/07 u/s 122 (5) (A) of the Ordinance dated February 02, 2015 and no. 19/18 dated April 14, 2015 respectively on the grounds that MEPCO had not discharged its liability of minimum tax u/s 113 and 113 C of the Ordinance and created a demand of Rs. 5.63 million for Tax year 2010 and Rs. 109.82 million for Tax year 2013

Being aggrieved from the impugned orders, MEPCO filed appeals before Commissioner Inland Revenue (Appeals) (CIR (A)) on May 05, 2015. The learned CIR (A) issued an order dated September 23, 2015 and upheld the order of learned ACIR.

MEPCO, being aggrieved, filed second appeal against the order of CIR (A) before honorable Appellate Tribunal Inland Revenue (ATIR) on October 19, 2015, which is still pending for adjudication.

(iii) Minimum Tax-Tax Year 2014

Additional Commissioner Inland Revenue (ACIR), RTO, Multan amended the deemed assessment for the tax year 2014 vide order bearing bar code no. 100000008089093 dated November 12, 2015 u/s 122 (5A) of the Ordinance on the ground that the minimum tax liability under section 113 of the Ordinance has not been discharged and thereby created a demand of Rs. 1.736 million.

Being aggrieved by the order of ACIR, an appeal was filed with learned CIR (A) dated December 03, 2015 decided the case vide appellate order dated March 29, 2016 and upheld the order of ACIR. A second appeal filed before

ATIR on April 05, 2016 on the basis of the same grounds as used in the case mentioned in sr. 1 for tax year 2010 and tax year 2013 which is pending for adjudication.

(iv) Proceedings u/s 122 (5A) read with section 113C- Tax Year 2015

The learned Assistant Commissioner Inland Revenue (ACIR), RTO Multan, initiated proceedings for the amendment of assessment under Section 122(5A) of the Ordinance for the Tax Year 2015, vide show cause notice bearing barcode number 100000163741619, dated October 12, 2013. Despite the submissions made by MEPCO, the ACIR issued an order under Section 122(5A) of the Ordinance, bearing barcode number 1000001827332297, dated December 28, 2023, resulting in a demand of Rs.599,760,397 against MEPCO.

Being aggrieved by the order of learned ACIR, MEPCO has filed appeal before CIR (A) on January 24, 2024, which is still pending for adjudication.

(v) Minimum Tax-Tax Year 2017

Additional Commissioner Inland Revenue (ACIR), RTO Multan passed the order for tax year 2017 that the Company was liable to pay Rs. 1,303 million being higher of minimum tax under section 113 and 113 (C) of the Ordinance. The assessment already finalized under section 120(1) of the Ordinance, therefore, being erroneous in so far as prejudicial to the interest of revenue, is amended under section 122 of the Ordinance.

Being aggrieved by the impugned order, MEPCO filed appeal before the CIR (A) and the same was upheld by the learned CIR (A).

Second appeal against the order of CIR (A) have been filed before ATIR on May 25, 2021 which is pending for adjudication.

(vi) Minimum Tax-Tax Year 2018

Additional Commissioner Inland Revenue (ACIR), RTO Multan passed the order for tax year 2018 that the Company was liable to pay Rs. 2,269 million being higher of minimum tax under section 113 and 113 (C) of the Ordinance. The assessment already finalized under section 120(1) of the Ordinance, therefore, being erroneous in so far as prejudicial to the interest of revenue, is amended under section 122 of the Ordinance.

Dissatisfied with the impugned order, MEPCO filed an appeal with the Commissioner Inland Revenue (Appeals) (CIR(A)), who upheld the original decision. MEPCO then filed a second appeal with the Appellate Tribunal Inland Revenue (ATIR) on March 10, 2022. The ATIR remanded the case to the Large Taxpayer Office (LTO) for a second round of proceedings. The learned Assistant Commissioner Inland Revenue (ACIR) again ruled against MEPCO, not taking into account the presented facts. MEPCO appealed this decision to the CIR(A), who upheld the ACIR's order. Due to the implications of the Income Tax Amendment Act, 2024, MEPCO subsequently filed an appeal with the Alternate Dispute Resolution Committee (ADRC), where the matter remains pending adjudication.

(vii) Minimum Tax-Tax Year 2019

Additional Commissioner Inland Revenue (ACIR), RTO Multan passed the order for tax year 2019 that the Company was liable to pay Rs. 2,915 million being higher of minimum tax under section 113 and 113 (C) of the Ordinance. The assessment already finalized under section 120(1) of the Ordinance, therefore, being erroneous in so far as prejudicial to the interest of revenue, is amended under section 122 of the Ordinance.

MEPCO, dissatisfied with the impugned order, filed an appeal with the Commissioner Inland Revenue (Appeals) on April 25, 2022. The learned CIR (A) upheld the original order in a decision dated April 30, 2024.

Subsequently, MEPCO has filed an appeal with the Alternate Dispute Resolution Committee (ADRC) to resolve the dispute, which remains pending adjudication.

(viii) Minimum Tax-Tax Year 2020

Additional Commissioner Inland Revenue (ACIR), RTO Multan passed the order for tax year 2020 that the Company was liable to pay Rs.3,002 million being higher of minimum tax under section 113 and 113 (C) of the Ordinance. The assessment already finalized under section 120(1) of the Ordinance, therefore, being erroneous in so far as prejudicial to the interest of revenue, is amended under section 122 of the Ordinance.

MEPCO, dissatisfied with the impugned order, filed an appeal with the Commissioner Inland Revenue (Appeals). The learned CIR (A) upheld the original order in a decision dated April 30, 2024.

Subsequently, MEPCO has filed an appeal with the Alternate Dispute Resolution Committee (ADRC) to resolve the dispute, which remains pending adjudication.

(ix) Minimum Tax on Tariff Differential Subsidy -Tax Year 2020

The learned ACIR, RTO Multan started proceedings for amendment of assessment u/s 122 of the Ordinance for Tax Year 2020 vide Show cause notice bearing bar code no. 100000185361411 dated January 18, 2024. By ignoring all the submissions, the learned ACIR issued an order u/s 122 (5A) of the Ordinance vide bar code no. 100000191139411 dated March 27, 2024 against MEPCO by raising the demand amounting to Rs. 4,195,353,143.

MEPCO, dissatisfied with the impugned order, filed an appeal with the Commissioner Inland Revenue (Appeals). The learned CIR (A) upheld the original order in a decision dated April 30, 2024. Subsequently, MEPCO has filed an appeal with the Alternate Dispute Resolution Committee (ADRC) to resolve the dispute, which remains pending adjudication.

(x) Minimum Tax-Tax Year 2021

The learned ACIR, RTO Multan started proceedings for amendment of assessment u/s 122 (5A) of the Ordinance for Tax Year 2021 vide Show cause notice bearing bar code no. 100000155235582 dated July 12, 2024. By ignoring all the submissions, the learned ACIR issued an order u/s 122 (5A) of the Ordinance vide bar code no. 100000186258923 dated January 25, 2024 against MEPCO by raising the demand amounting to Rs. 4,504,207,768.

MEPCO, dissatisfied with the impugned order, filed an appeal with the Commissioner Inland Revenue (Appeals). The learned CIR (A) upheld the original order in a decision dated April 30, 2024.

Subsequently, MEPCO has filed an appeal with the Alternate Dispute Resolution Committee (ADRC) to resolve the dispute, which remains pending adjudication.

(xi) Minimum Tax-Tax Year 2022

The learned ACIR, RTO Multan started proceedings for amendment of assessment u/s 122 of the Ordinance for Tax Year 2022 vide Show cause notice bearing bar code no. 100000147387262 dated March 02, 2023. By ignoring all the submissions, the learned ACIR issued an order u/s 122 (5A) of the Ordinance vide bar code no. 100000160144284 dated September 15, 2023 against MEPCO by raising the demand amounting to Rs. 2,331,826,988.

MEPCO, dissatisfied with the impugned order, filed an appeal with the Commissioner Inland Revenue (Appeals). The learned CIR (A) upheld the original order in a decision dated April 30, 2024.

Subsequently, MEPCO has filed an appeal with the Alternate Dispute Resolution Committee (ADRC) to resolve the dispute, which remains pending adjudication.

(xii) Minimum Tax on Tariff Differential Subsidy-Tax Year 2022

The learned ACIR, RTO Multan started proceedings for amendment of assessment u/s 122 of the Ordinance for Tax Year 2022 vide Show cause notice bearing bar code no. 100000171666717 dated November 21, 2023. By ignoring all the submissions, the learned ACIR issued an order u/s 122 (5A) of the Ordinance vide bar code no. 100000182969849 dated December 29, 2023 against MEPCO by raising the demand amounting to Rs. 3,080,625,708.

MEPCO, dissatisfied with the impugned order, filed an appeal with the Commissioner Inland Revenue (Appeals). The learned CIR (A) upheld the original order in a decision dated April 30, 2024.

Subsequently, MEPCO has filed an appeal with the Alternate Dispute Resolution Committee (ADRC) to resolve the dispute, which remains pending adjudication.

(xiii) Income Tax Audit - Tax Year 2011

Assistant Commissioner Inland Revenue (ACIR), RTO, Multan started proceedings by issuing show cause notice u/s 122 of the Ordinance for tax year 2011 vide 1688 dated April 19, 2017. By ignoring all submissions made by MEPCO, the learned ACIR issued an order vide 14/39 dated June 22, 2017 that the taxpayer company was liable to pay Rs. 226 million due to violation of certain provisions of Ordinance.

MEPCO, aggrieved by the impugned order, filed an appeal with the Commissioner Inland Revenue (Appeals) on July 7, 2017. The CIR (A) annulled the original order in a decision dated February 10, 2021. In response, the department filed a second appeal with the Appellate Tribunal Inland Revenue (ATIR) on May 6, 2021. The case is currently pending before the ATIR.

(xiv) Income Tax Audit - Tax Year 2016

Assistant Commissioner Inland Revenue (ACIR), RTO, Multan started proceedings by issuing show cause notice u/s 122 of the Ordinance for tax year 2016 vide 100000116798605 dated January 21, 2022. By ignoring all submissions made by MEPCO, the learned ACIR issued an order vide 100000126337617 dated June 25, 2022 that the taxpayer company was liable to pay Rs. 1,294 million due to violation of certain provisions of Ordinance.

MEPCO, aggrieved by the impugned order, initially filed an appeal with the Commissioner Inland Revenue (Appeals) on August 12, 2022. This appeal was pending adjudication when changes introduced by the Income Tax Amendment Act, 2024 necessitated the filing of the appeal with the Alternate Dispute Resolution Committee (ADRC). Consequently, the appeal was withdrawn from the relevant appellate forums and is now pending adjudication before the ADRC.

(xv) Withholding income tax u/s 161/205-Tax Year

After initiating proceedings u/s 161/205 vide show cause notice no. 625 dated June 02, 2017, the learned ACIR, RTO, Multan issued an order bearing bar code no. 100000026203200 dated November 09, 2017 u/s 161 of the Ordinance and raised the demand of tax amounting to Rs. 191 million along with default surcharge amounting to Rs.13 million on the ground that income tax was not deducted by MEPCO while making payments to certain parties.

Being aggrieved by the order of ACIR, MEPCO filed an appeal before CIR (A) on December 13, 2017 and CIR(A) annulled the order on February 10, 2021. Against the order of CIR (A), the department filed a second appeal before ATIR on May 06, 2021. Now the case is pending before ATIR.

(xvi) Withholding income tax u/s 161/205-Tax Year 2012

The IRAO, RTO, Multan initiated proceedings u/s 161/205 of the Ordinance vide notice no. 291 dated May 09, 2013 regarding discharging of liability to deduct income tax on different heads of account. By ignoring submissions made by MEPCO, the learned IRAO issued an order vide 10/47 dated October 21, 2013 and raised the demand of income tax amounting to Rs. 718 million along with default surcharge amounting to Rs. 161 million.

Being aggrieved by the above said order, MEPCO filed an appeal before CIR (A) on November 19, 2013. The Learned CIR (A) issued an order dated February 24, 2014 and confirmed/upheld the demand of Rs. 379 million.

Being aggrieved by the order issued by CIR (A), a second appeal was filed before ATIR which is decided against MEPCO vide order no. ITA no. 565/LB.2014 dated June 11, 2014 and the order of CIR (A) was maintained by ATIR.

Against the orders of the above mentioned all learned officers, a writ petition vide tax reference no. 27 of 2014 was filed before honorable High court to address the main issue in the above orders of chargeability of income tax u/s 235 on the differential amount of sales tax. The honorable court decided the case on July 02, 2016 in favor of MEPCO, as a result of which the demand of Rs. 301 million is deleted. To give the effect of High Court judgement, the learned ACIR, RTO, Multan issued appeal effect order vide DCR no. 03/51 dated September 20, 2017. To give the effect of High Court judgement, the department through appeal effect order, has raised a demand of income tax amounting to Rs. 77 million along with default surcharge amounting to Rs. 66 million.

Being aggrieved, further appeal was filed before CIR (A) on December 15, 2017, CIR (A) remanded the case back to the department for rehearing on February 22, 2021. Being aggrieved the department has filed a second appeal before ATIR on May 06, 2021. Now the case is pending before ATIR.

(xvii) Proceedings u/s 161 for advance tax u/s 235-Tax Year 2011

The ACIR, RTO, Multan initiated proceedings through show cause notice no. 826798-1 dated May 17, 2018 u/s 161 regarding advance tax collection of the differential amount of sales tax for tax year 2011. Subsequently, the ACIR issued an order no 02/30 dated August 28, 2018 and raised the demand of income tax amounting to Rs. 307 million and default surcharge amounting to Rs. 364 million.

An appeal was filed against the aforementioned order with the Commissioner Inland Revenue (Appeals) on August 26, 2018. The CIR (A) set aside the original order in a decision dated January 29, 2021. In response, the department filed a second appeal with the Appellate Tribunal Inland Revenue (ATIR) on April 7, 2021. The case is currently pending before the ATIR.

(xviii) Withholding tax u/s 161/205 - Tax Year 2018

Deputy Commissioner Inland Revenue (DCIR), initiated proceedings u/s 161/205 through show cause notice no. 100000053757151 dated July 07, 2019. The learned DCIR issued an order on March 21, 2021 raising demand of income tax amounting to Rs. 21,334 million on the grounds that MEPCO has not made tax deduction u/s 161/205 of the Ordinance on various payments

Being aggrieved by the above order, an appeal was filed before CIR (A) against which the learned CIR (A) issued an order favoring MEPCO on June 10, 2021 on withholding of tax u/s 235 and partially confirmed stance of DCIR for non-withholding of tax on various payments on u/s 161 of the ordinance.

Being aggrieved by the order of learned CIR (A), an appeal was filed before ATIR which is still pending for adjudication.

(xix) Withholding tax u/s 161/205 - Tax Year 2014

Deputy Commissioner Inland Revenue DCIR, initiated proceedings u/s 161/205 through show cause notice no. 22 dated November 11, 2020. The learned DCIR issued an order on November 17, 2020 raising demand of income tax amounting to Rs. 2,801.9 million on the grounds that MEPCO has made not made tax deduction u/s 161 of the Ordinance on various payments.

Being aggrieved by the above order, an appeal was filed before CIR (A) on the grounds that MEPCO is not liable to withheld income tax u/s 161/235 of the Ordinance from the parties having valid exemptions and the case is also time barred. The learned CIR (A) rejected the contentions of MEPCO and issued an order dated March 24, 2021.

Being aggrieved by the order of learned CIR (A), an appeal was filed before ATIR who vide order dated May 03, 2023 decided the matter in the favor of the company and remanded back to DCIR.

(xxx) Withholding tax u/s 161/205 - Tax Year 2014

Deputy Commissioner Inland Revenue (DCIR), initiated proceedings u/s 161/205 through show cause notice no. 100000105146811 dated September 24, 2021. The learned DCIR issued an order on December 31, 2021 raising demand of income tax amounting to Rs. 16,985 million on the grounds that MEPCO has not made tax deduction u/s 161/205 of the Ordinance on various payments.

An appeal was filed against the aforementioned order with the Commissioner Inland Revenue (Appeals) on February 11, 2022. The CIR (A) issued a decision on May 5, 2023, which upheld certain points and deleted all other issues except those related to Section 235A, Use of System Charges, and Market Operator Fee. Aggrieved by the CIR (A)'s decision, a second appeal was filed with the Appellate Tribunal Inland Revenue (ATIR) on February 2, 2023. The appeal is currently pending adjudication.

14.1.3 Sales Tax:

(i) Sales tax audit proceedings- Tax period July 2010 to June 2011

The Deputy Commissioner Inland Revenue (DCIR), RTO, Multan initiated proceeding through notice no. 532 dated April 28, 2016 and then passed an order vide Audit unit-01/Corporate Zone/TAMS 0763/2010-11/529 dated December 14, 2016 through which demand of sales tax was raised for amounting Rs. 10,054 million.

Being aggrieved by the decision, MEPCO filed appeal before the CIR (A) on January 16, 2017. The learned CIR (A) issued an order u/s 45B of the Sales Tax Act, 1990 (the "Act") against MEPCO and upheld the order of DCIR on August 04, 2017.

Being aggrieved by the order of the learned CIR (A), a second appeal was filed before ATIR on September 18, 2017 who decided the case in favor of MEPCO and remanded the case to the ACIR.

ACIR has once again made demand of sales tax amounting to Rs. 6,095 million and penalty of amounting to Rs. 304.780 million vide order no. 38/2019-ST dated June 23, 2020. Being aggrieved with the decision, an appeal was filed in CIR(A) dated July 29, 2020 which CIR(A) set aside the order on January 06, 2021. Against the order of CIR (A), the department filed a second appeal before ATIR on April 07, 2021. Now the case is pending before ATIR.

(ii) Sales tax Audit-Tax period July 2012 to June 2013

The Deputy Commissioner Inland Revenue (DCIR), RTO, Multan started proceedings against MEPCO by issuing show cause notice vide Audit unit-01/Corp. Zone/TAMS-0389/2012-2013/139 dated December 14, 2016. By ignoring submissions of MEPCO, the learned officer issued an order against MEPCO vide 95/2017 dated April 27, 2017 on the grounds that MEPCO is required to pay Sales Tax on various heads and raised a demand of sales tax amounting to Rs. 17,185.81 million.

Being aggrieved by the decision, MEPCO filed an appeal before the CIR (A) on May 25, 2017. CIR (A) has decided the case by issuing order on July 23, 2018 in favor of MEPCO by annulling the DCIR order. Against the order of CIR (A), the department filed a second appeal before ATIR on April 07, 2021. Now the case is pending before ATIR.

(iii) Sales tax Audit-Tax period July 2016 to June 2017

The Deputy Commissioner Inland Revenue (DCIR), RTO, Multan started proceedings against MEPCO by issuing show cause notice vide 45 dated December 07, 2020. By ignoring submissions of MEPCO, the learned officer issued an order against MEPCO vide 11/2021-22 dated March 03, 2022 on the grounds that MEPCO is required to pay Sales Tax on various heads and raised a demand of sales tax amounting to Rs.2,439.5.

In connection with the aforementioned order, an appeal was filed with the Commissioner (Appeals) on April 29, 2022. The Commissioner (Appeals), through order dated June 16, 2023, partially remanded the case. Subsequently, a further appeal was lodged with the Appellate Tribunal, which, via order dated November 8, 2023, remanded the case back to the department. The case is currently pending adjudication.

(iv) Sales tax on supplies to unregistered persons -Tax period July 2014 to June 2015

The Deputy Commissioner Inland Revenue (DCIR), RTO, Multan initiated proceedings through notice no. 742 dated January 05, 2016 and afterward issued an order vide 19/2016 dated February 05, 2016 alleging that MEPCO has failed to charge sales tax on supplies of electricity made to unregistered persons and raised a demand of sales tax amounting to Rs. 476 million.

Against the above order, the appeal was filed before CIR (A) on November 11, 2016 which is decided against MEPCO and the learned CIR (A) confirmed the order of DCIR. Subsequently, in appeal before ATIR, Hon'ble ATIR decided the case in favor of MEPCO vide order dated April 18, 2018 and remanded back the proceeding to the learned DCIR/ACIR.

In 2nd round of proceedings, ACIR once again issued an order on April 30, 2019 by ignoring the contentions and submissions of MEPCO. Being aggrieved by the order, appeal has been filed before CIR (A), who decided the case in favor of MEPCO and set aside the order of ACIR dated February 22, 2021. Against the order of CIR (A) the department has filed an appeal before ATIR which is still pending.

(v) Extra Tax & Further tax on supplies to unregistered persons-Tax period July 2013 to October 2013

The Deputy Commissioner Inland Revenue (DCIR), RTO, Multan passed an order against MEPCO on March 31, 2014 on the grounds that MEPCO has short paid further tax amounting Rs. 36.8 million and Extra Tax amounting Rs. 23.5 million aggregating to Rs. 60.3 million for the tax period from July 2013 to October 2013.

Being aggrieved by the decision, MEPCO filed appeal before the CIR (A) who upheld the order of DCIR vide order dated May 02, 2015.

Subsequently, a second appeal was filed with the Appellate Tribunal on June 6, 2015, which was upheld by an order dated May 9, 2022. MEPCO has filed a reference with the High Court, identified as Case No.19/2023, dated November 10, 2022, and is in the process of pursuing further judicial review.

(vi) Sales tax on steel melters/re-rollers-Tax period July 2011 to June 2015

The DCIR, RTO, Multan issued notice no. 741 dated January 05, 2016. Subsequently, the DCIR passed an order vide 18/2016 dated February 19, 2016 and raised a demand of sales tax amounting to Rs. 199 million on the grounds that MEPCO has made taxable supplies to three steel melters / re-rollers but declared lesser quantity of electricity sold to its buyers during the period under consideration.

Being aggrieved by the decision, MEPCO filed appeal before the CIR (A) who upheld the order of DCIR on March 27, 2017. Being aggrieved by the order of CIR (A), second appeal was filed before ATIR. ATIR decided the case in favor of MEPCO vide order dated April 18, 2018 and remanded back the case to DCIR, RTO, Multan.

In 2nd round of proceedings, ACIR once again issued an order on April 02, 2019 by ignoring the contentions and submissions of MEPCO. Being aggrieved by the order, appeal has been filed before CIR (A), who decided the case in favor of MEPCO and set aside the order of ACIR dated February 22, 2021.

(vii) Short payment of sales tax - Tax period July to August 2014, January 2015 &

The DCIR, RTO, Multan issued notice no. 745 dated January 06, 2016. Subsequently, the DCIR passed an order vide 21/2016 dated May 02, 2016 and raised a demand of sales tax amounting to Rs. 691.82 million on the grounds that MEPCO has short paid the amount of tax for tax periods (July-14, Aug-14, Jan-15, Apr-15) in violation of sections 3(1) (A) of the Sales Tax Act, 1990 (the Act).

Against the order of learned DCIR, MEPCO filed appeal before the CIR (A) who upheld the order of DCIR vide order dated March 27, 2017. Afterwards, second appeal was filed before ATIR. ATIR decided the case in favor of MEPCO vide order dated April 18, 2018 and remanded back the case to DCIR, RTO, Multan.

In 2nd round of proceedings, ACIR once again issued an order on May 05, 2019 by ignoring the contentions and submissions of MEPCO. Being aggrieved by the order, appeal has been filed before CIR (A), who decided the case in favor of MEPCO and set aside the order of ACIR dated February 22, 2021.

(viii) Sales tax on retailers-Tax period July to August 2014

The DCIR, RTO, Multan issued notice no. 740 dated January 05, 2016 and subsequently passed the order vide 20/2016 dated May 02, 2016 and raised a demand of sales tax amounting to Rs. 22.27 million on the grounds that MEPCO has not charged and paid sales tax on supplies to retailers during the tax periods of July & August 2014 along with default surcharge and penalty of Rs. 1.11 million.

Being aggrieved by the order of DCIR, MEPCO filed appeal before the CIR (A) who upheld the order of DCIR vide order dated March 27, 2016.

Afterwards, a second appeal was filed before ATIR. ATIR decided the case in favor of MEPCO vide order 85 dated April 18, 2018 and remanded back the case to learned DCIR/ACIR.

In 2nd round of proceedings, ACIR once again issued an order and made demand of sales tax amounting to Rs. 22.27 million along with default surcharge and penalty of Rs. 1.11 million on April 30, 2019 by ignoring the contentions and submissions of MEPCO. Being aggrieved by the order, appeal has been filed before CIR (A) and who decided the case vide appellate order dated June 25, 2021 and upheld the order of ACIR.

Being aggrieved by the impugned order, MEPCO file an appeal before ATIR on August 27, 2021 which is still pending for adjudication.

(ix) Extra tax and Further tax-Tax Period July 2016 to September 2016

The ACIR, RTO Multan issued notice no. 421 dated November 17, 2016. Subsequently, the ACIR passed order vide 84 dated April 07, 2017 and raised a demand of sales tax amounting to Rs. 51.9 million on the ground that MEPCO has failed to charge/pay extra tax and further tax on supply of electricity to unregistered persons during the period from July 2016 to September 2016.

Being aggrieved by the order, MEPCO filed an appeal before CIR (A) on May 05, 2017. The learned CIR (A) issued an order on April 11, 2018 in favor of MEPCO by annulling the case. The case is now pending before learned ACIR.

(x) GST Withheld-Tax Period July 2014 to June 2016

The ACIR, RTO Multan passed an order against MEPCO on August 28, 2017 in which he raised a demand of sales tax amounting to Rs. 565 million on the ground that MEPCO has failed to deduct the sales tax during the tax period from July 2014 to June 2016.

Being aggrieved by the said order, MEPCO filed appeal before CIR (A) on October 06, 2017. CIR (A) annulled the case on April 11, 2018. Being aggrieved the department has filed a second appeal before ATIR. Now the case is pending before ATIR.

(xi) Sales tax refund-Tax period July 2009 to October 2009

MEPCO filed claim before DCIR, RTO Multan for sales tax refund amounting Rs. 274 million for the period from July to October 2009. The DCIR issued order vide 122/2016 dated May 18, 2016 rejecting the sales tax refund.

Being aggrieved by the order of DCIR, MEPCO filed an appeal before the CIR (A) on June 22, 2016. The learned CIR (A) issued his judgement in favor of MEPCO and annulled the order of DCIR on February 08, 2018. Being aggrieved the department has filed a second appeal before ATIR. Now the case is pending before ATIR.

(xii) Sales tax refund-Tax period November 2009 to

MEPCO submitted claim before DCIR, RTO Multan for sales tax refund amounting Rs. 419 million for the period November 2009 to December 2009. The DCIR issued order vide 123/2016 dated May 18, 2016 rejecting the application of sales tax refund.

Being aggrieved, MEPCO filed appeal before the CIR (A) on June 22, 2016. The CIR (A) issued judgement in favor of MEPCO and annulled the order of DCIR on February 08, 2018. Being aggrieved the department has filed a second appeal before ATIR. Now the case is pending before ATIR.

(xiii) Short payment of sales tax on supply to retailers -Tax period October 2015

The DCIR, RTO, Multan initiated proceeding through notice no. 651 dated December 18, 2015 and subsequently issued an order vide 09/2016 dated April 15, 2016 on the assumption that MEPCO has failed to charge sales tax on supply of electricity to retailers during the month of October 2015 raising demand of sales tax amounting to Rs. 23 million along with default surcharge amounting to Rs. 1.16 million.

Being aggrieved by the order of DCIR, MEPCO filed appeal before the CIR (A) on the ground that sales tax was not subject to charge on certain retailers under the provision of STGO 66/2014 dated July 21, 2015.

The CIR (A) issued judgement on February 08, 2018 in favor of MEPCO and annulled the order of DCIR. Against the order of CIR (A), the department filed a second appeal before ATIR on June 02, 2018. Now the case is pending before ATIR.

(xiv) GST Withheld-Tax period July 2016 to June 2017

The ACIR, RTO Multan initiated proceedings vide show cause notice no. 684 dated December 04, 2017 and raised question of withholding of GST withheld (1/5) amounting to Rs. 84 million. After submission made by MEPCO, the learned ACIR accepted the contentions of MEPCO to the extent of GST withheld amounting to Rs. 65 million. However, the learned officer rejected the submission on account of GST withheld amounting to Rs. 19 million and issued an order vide 174/2018 dated February 28, 2018 and raised a demand for sales tax amounting to Rs. 19 million along with default surcharge amounting to Rs. 1.9 million.

Being aggrieved by the order of ACIR, MEPCO filed appeal before the CIR (A) on March 30, 2018. The learned CIR (A) issued an order on July 10, 2018 in favor of MEPCO and annulled the order of ACIR. Being aggrieved, the department has filed an appeal before ATIR which is still pending for adjudication.

(xv) Sales tax withholding PRA-Tax period July 2014 to June 2015

The Additional Commissioner PRA (ACPRA), Multan issued an order no. ENF-I, Unit-01, WH/112/2016-17 dated November 28, 2016 by alleging that MEPCO has failed to withhold Punjab sales tax amounting Rs. 1,645 million on payments made on account of services acquired by MEPCO.

Being aggrieved by the order, MEPCO filed an appeal before Commissioner Appeal PRA. The learned Commissioner Appeal PRA issued an order no. 27/2017 dated November 14, 2017 and reduced the tax liability to Rs. 71 million along with penalty of Rs. 3.5 million.

Being aggrieved by the decision of Commissioner Appeal PRA, MEPCO has filed second appeal before Appellate Tribunal PRA on December 22, 2017, who decided the case against MEPCO but deleted the penalty of Rs. 3.5 million. Against the order of Appellate Tribunal PRA, MEPCO has filed a writ petition in High Court which is still pending for adjudication.

(xvi) Sales tax withholding PRA-Tax period July 2015 to June 2020

The Additional Commissioner PRA (ACPRA), Multan issued an order no. PRA/MTN/SC/Adc/1798 dated November 03, 2021 by alleging that MEPCO has failed to withhold Punjab sales tax amounting Rs. 10,453 million on payments made on account of services acquired by MEPCO. By ignoring the fact of the case, ACPRA issued an order on April 05, 2022 against MEPCO.

Being aggrieved by the order, MEPCO filed an appeal before Commissioner Appeal PRA on May 12, 2022 which is still pending for adjudication.

(xvii) Proceedings for wrong claim of input tax on cement - February 2017 to December 2017

The ACIR, RTO Multan initiated proceedings through notice no. 151 dated June 04, 2018 alleging that MEPCO claimed inadmissible input tax amounting to Rs. 33 million on purchase of cement. By ignoring the fact of the case, ACIR issued an order on August 17, 2018 against MEPCO.

Appeal against the ACIR order was filed before CIR (A), which CIR(A) set aside the order on January 29, 2021. Against the order of CIR (A), the department filed a second appeal before ATIR on April 07, 2021. Now the case is pending before ATIR.

(xviii) Default surcharge for late filing of sales tax returns for the period from July 2015 to June 2017

The ACIR, RTO Multan initiated proceedings through notice on April 02, 2019 alleging that MEPCO filed sales tax returns after the due date as prescribed in the Act. ACIR subsequently issued an order against MEPCO vide OIO no 47/2019 dated July 23, 2019 and raised a demand of penalty and default surcharge amounting to Rs. 19,800/- and 5,103,383/- respectively.

Appeal against the ACIR order was filed before CIR (A) on August 23, 2019 which is decided in favor of MEPCO on August 06, 2020 by annulling the order of learned ACIR and remanded the case back for review of the facts.

In the second round of proceedings, the Assistant Commissioner Inland Revenue (ACIR) issued a decision against MEPCO vide O.No.5/2021 amounting to Rs.2.7m. MEPCO, aggrieved by this order, filed an appeal with the Commissioner Inland Revenue (Appeals) (CIR(A)), who also ruled against MEPCO in a decision dated June 26, 2021. Subsequently, MEPCO filed a second appeal with the Appellate Tribunal Inland Revenue (ATIR) on August 27, 2021. The ATIR upheld the original order in its decision dated September 5, 2024 (STA No. 77/MB/2021).

Dissatisfied with this outcome, MEPCO has filed an appeal with the Alternate Dispute Resolution Committee (ADRC), which is currently pending adjudication.

(xix) Sales tax on free electricity supplies to employees- Tax Year 2016 and 2017

The ACIR, RTO Multan issued notice on November 22, 2018 and alleged that MEPCO has not charged sales tax on electricity supplied to employees free of cost. Subsequently, ACIR issued an order on March 22, 2019 and raised demand of sales tax amounting to Rs. 1056.59 million.

Being aggrieved, an appeal was filed before CIR (A), who decided the case in favor of MEPCO and set aside the order on February 10, 2021. Against the order of CIR (A), the department has filed an appeal before ATIR dated May 06, 2021. Now the case is pending before ATIR.

(xx) Sales tax on reconnection fee - Tax Year 2016 and 2017

The ACIR, RTO Multan issued notice on November 22, 2018 and alleged that MEPCO has not charged sales tax on reconnection fees recovered from consumers. By ignoring the facts of the case, ACIR subsequently issued an order on March 20, 2019 and raise demand of sales tax amounting to Rs. 9.35 million.

Being aggrieved, an appeal was filed before CIR (A), who decided the case against MEPCO on June 25, 2021. Against the order of CIR (A), MEPCO has filed an appeal before ATIR on August 27, 2021. ATIR vide order February 6, 2023 decided the matter in favour of the company.

(xxi) Sales tax on Government Subsidy-Tax period July 2010 to June 2011

The Deputy Commissioner Inland Revenue (DCIR), RTO, Multan passed an order against MEPCO on November 19, 2012 by incorrectly treating the "Subsidy" aggregating to Rs. 24,739.75 million as taxable supplies under the Act and also taxed another item namely unexplained difference amounting to Rs.925.29 million and has created a

demand of Rs. 4,363 million on these accounts.

Being aggrieved by the order, MEPCO filed appeal before the CIR (A) on December 26, 2012 who upheld the order of DCIR on February 12, 2013.

Afterwards, second appeal was filed before ATIR and vide its order no. STA 247/LB/2013 dated December 19, 2014 the point of unexplained income was remanded back to DCIR and point of the subsidy was upheld against which MEPCO.

Being aggrieved by the decision of ATIR, an appeal was filed before Honorable Lahore High Court who remanded back the case to the full bench of ATIR to decide the case. The full bench of ATIR vide its order dated March 04, 2021 has now decided in favor of MEPCO that sales tax is not applicable on amount of subsidy received from the Government. Against the order of ATIR, the department has filed an appeal before Honorable High court which is still pending.

(xxii) Sales tax on Tariff Differential Subsidy - Tax Year 2017

The ACIR, RTO Multan issued notice on November 22, 2018 and alleged that MEPCO has not charged sales tax on Tariff Differential Subsidy (TDS). By ignoring the facts of the case, ACIR subsequently issued an order on March 18, 2019 and raised demand of sales tax amounting to Rs. 4,516.7 million.

Being aggrieved, an appeal was filed before CIR (A), who decided the case in favor of MEPCO and set aside the order on February 22, 2021. Against the order of CIR (A), the department has filed an appeal before ATIR dated May 06, 2021. Now the case is pending before ATIR.

(xxiii) Sales tax on Tariff Differential Subsidy - Tax Year 2019

The ACIR, RTO Multan issued notice no. 188 on April 05, 2021 and alleged that MEPCO has not charged sales tax on Tariff Differential Subsidy (TDS) and MEPCO has no specific exemption regarding withholding of tax on advertisement expense as per Sales Tax Special Procedure (Withholding) Rules, 2007. By ignoring the facts of the case, ACIR subsequently issued an order on June 15, 2021 and raised demand of sales tax amounting to Rs. 10,683 million.

Being aggrieved by the above order, an appeal was filed before CIR (A) against which the learned CIR (A) issued an order in favor of MEPCO on TDS on and confirmed action of DCIR on advertisement expense.

Being aggrieved by the order of learned CIR (A), an appeal was filed before ATIR which is still pending for adjudication.

(xxiv) Sales tax on Tariff Differential Subsidy - Tax Year 2018 & 2020

The ACIR, RTO Multan issued notice no. 289 on June 14, 2021 and alleged that MEPCO has not charged sales tax on Tariff Differential Subsidy (TDS) and MEPCO has no specific exemption regarding withholding of tax on advertisement expense as per Sales Tax Special Procedure (Withholding) Rules, 2007. By ignoring the facts of the case, ACIR subsequently issued an order on August 23, 2021 and raised demand of sales tax amounting to Rs. 18,300 million.

Being aggrieved by the above order, an appeal was filed before CIR (A) against which the learned CIR (A) issued an order in favor of MEPCO on TDS on and confirmed action of DCIR on advertisement expense.

Being aggrieved by the order of learned CIR (A), an appeal was filed before ATIR which is still pending for adjudication.

(xxv) Inadmissible input tax-January 2016 to June 2020

The ACIR, RTO Multan initiated proceedings alleging that MEPCO claimed inadmissible input tax amounting to Rs. 7.7 million. By ignoring the reply and supporting documents, ACIR issued an order against MEPCO and raised a demand of sales tax amounting to Rs. 7.7 million.

Following the above order, MEPCO filed an appeal with the Commissioner Inland Revenue (Appeals) (CIR(A)), who issued a decision unfavorable to MEPCO on August 5, 2021. MEPCO then filed an appeal with the Appellate Tribunal Inland Revenue (ATIR) on October 8, 2021. The ATIR ruled in favor of MEPCO in its order dated June 15, 2022 (Order No. 191) and remanded the case to the Deputy Commissioner Inland Revenue (DCIR)/Assistant Commissioner Inland Revenue (ACIR).

Subsequently, the DCIR/ACIR issued a new order on December 12, 2022. Aggrieved by this order, MEPCO appealed to the CIR(A) on January 20, 2023. The CIR(A) upheld the DCIR/ACIR's order in a decision dated December 7, 2023.

Dissatisfied with the CIR(A)'s decision, MEPCO filed an appeal with the ATIR. However, due to changes introduced by the Income Tax Amendment Act, 2024, MEPCO withdrew this appeal and subsequently filed a new appeal with the Alternate Dispute Resolution Committee (ADRC). This appeal remains pending adjudication.

(xxvi) Inadmissible input tax-February 2018 to May 2021

The ACIR, RTO Multan initiated proceedings alleging that MEPCO claimed inadmissible input tax amounting to R.s 0.747 million. By ignoring the reply and supporting documents, ACIR issued an order against MEPCO and raised a demand of sales tax amounting to Rs.0.7 million.

Being aggrieved by the above order, an appeal was filed before CIR (A) on April 29, 2022 who decided the case in favor of the company vide order dated November 11, 2022.

(xxvii) Inadmissible input tax on steel melters -July 2017 to June 2019

The ACIR, RTO Multan initiated proceedings alleging that MEPCO claimed inadmissible input tax on supply to steel melters of amounting to R.s 464 million. By ignoring the reply and supporting documents, ACIR issued an order against MEPCO and raised a demand of sales tax amounting to Rs. 126 million.

Being aggrieved by the above order, an appeal was filed before CIR (A) on October 08, 2021 who decided the matter in favor of the company.

(xxviii) Inadmissible input tax on steel melters -July 2015 to June 2019

The ACIR, RTO Multan initiated proceedings alleging that MEPCO claimed inadmissible input tax on supply to steel melters of amounting to R.s 420 million. By ignoring the reply and supporting documents, ACIR issued an order against MEPCO and raised a demand of sales tax amounting to Rs. 331 million.

Dissatisfied with the above order, MEPCO filed an appeal with the Commissioner Inland Revenue (Appeals) (CIR(A)). The CIR(A) upheld the original order.

A second appeal was filed against the Commissioner Inland Revenue (Appeals) (CIR(A))'s order before the Appellate Tribunal Inland Revenue (ATIR). The ATIR ruled against MEPCO, and the case is now under review by the High Court. Additionally, due to changes introduced by the Income Tax Amendment Act, 2024, MEPCO has also filed the case with the Alternate Dispute Resolution Committee (ADRC), where it is currently pending adjudication.

(xxix) Short payment on sale of scrap – Tax year 2021

The ACIR/DCIR, LTO Multan initiated proceedings through Show Cause Notice No. 135, dated September 15, 2022, alleging a short payment of sales tax on scrap sales and creating a demand of PKR 14 million. Following review of the submissions, the demand was revised to PKR 3 million, as per Order No. 10, dated December 2023. Dissatisfied with this decision, MEPCO filed an appeal with the Commissioner (Appeals) on January 23, 2023, which was upheld by the Commissioner (Appeals) on December 7, 2023.

A second appeal was subsequently filed with the Appellate Tribunal Inland Revenue (ATIR). However, pending adjudication, changes introduced by the Income Tax Amendment Act, 2024, led to the withdrawal of the appeal from the ATIR. The matter has now been filed with the Alternate Dispute Resolution Committee (ADRC) and is currently awaiting resolution.

(xxx) Sales Tax Audit under section 72B – Tax year 2021

The ACIR/DCIR, LTO Multan initiated proceedings via show cause notice no. 68 dated April 4, 2023 alleged short payment of sales tax amounting to R.s 5191m. The ACIR passed the order via No. 09/2023-2024 dated September 27, 2023. Being aggrieved by the decision of ACIR/DCIR, MEPCO filed an appeal before CIR(A) and the matter is still pending for adjudication.

(xxxi) Default surcharge for late filing of sales tax returns for the period from July 2021 to April 2022

The ACIR/DCIR, LTO Multan initiated proceedings via show cause notice no. 246 dated December 20, 2022 alleging that MEPCO filed sales tax returns after the due date as prescribed in the Act. ACIR subsequently issued an order against MEPCO vide OIO no 13/2022-2023 dated May 26, 2023. Being aggrieved by the decision of ACIR/DCIR, MEPCO filed an appeal before CIR(A) and the same was upheld by the learned CIR (A) on December 07, 2023.

A second appeal against the Commissioner Inland Revenue (Appeals) (CIR(A))'s order was filed with the Appellate Tribunal Inland Revenue (ATIR). This appeal was pending adjudication when changes introduced by the Income Tax Amendment Act, 2024, prompted its withdrawal from the ATIR. The case has since been filed with the Alternate Dispute Resolution Committee (ADRC) and is currently pending adjudication.

(xxxii) Short payment of supplies mentioned in Annexure-G - Tax Period February & March 2023

The ACIR/DCIR, LTO Multan initiated proceedings through Show Cause Notice No. 138, dated December 8, 2023, alleging a short payment of sales tax amounting to PKR 1,925 million. The ACIR ruled against MEPCO in Order No. 08/2023-24, dated September 22, 2023, creating a demand of PKR 324 million. MEPCO has filed an appeal with the Commissioner (Appeals), and the appeal is currently under consideration, with an order pending.

We are not aware of other significant matter (if any) that requires to be disclosed except as highlighted above.

14.2 Commitments

Letters of credit for capital expenditure and other than capital expenditure are of Rupees 497.475 million (2023: Rupees 812.37 million). Keeping in view the nature of Company's business, segregation of capital expenditure and other than capital expenditure is not possible at this stage.

	Note	2024 Rupees	2023 Rupees
15 PROPERTY, PLANT AND EQUIPMENT			
Capital work-in-progress	15.1	26,267,884,192	22,405,348,739
Operating fixed assets	15.2	128,240,564,875	117,578,792,546
		<u>154,508,449,067</u>	<u>139,984,141,285</u>
		2024	2023
	Note	Rupees	Rupees
15.1 Capital work-in-progress			
Civil works		162,399,881	145,191,940
Distribution equipment		26,105,484,311	22,260,156,799
		<u>26,267,884,192</u>	<u>22,405,348,739</u>
15.1.1 Movement in capital work-in-progress			
Balance as at beginning of the year - gross		22,688,467,832	20,016,693,510
Add: Additions during the year		20,728,996,501	11,172,790,598
		<u>43,417,464,333</u>	<u>31,189,484,108</u>
Less: Transferred to operating fixed assets	15.1.3	(16,864,591,450)	(8,501,016,276)
Balance as at end of the year - gross		<u>26,552,872,883</u>	<u>22,688,467,832</u>
Provision for capital work-in-progress			
Balance as at beginning of the year		283,119,093	262,592,521
Add: Impairment for the year	29	1,869,598	20,526,572
		<u>284,988,691</u>	<u>283,119,093</u>
Balance as at end of the year		<u>26,267,884,192</u>	<u>22,405,348,739</u>
15.1.2 Depreciation capitalized related to capital work-in-progress was Rupees 13.10 million (2023: Rupees 12.54 million). Moreover operating expenses of Rupees 1086 million (2023: Rupees 933 million) have also been included in capital			
		2024 Rupees	2023 Rupees
15.1.3 Opening CWIP projects transferred to operating fixed assets		5,276,915,393	4,989,030,485
CWIP projects started during the year and transferred to operating fixed assets		11,587,676,057	3,511,985,791
Total CWIP projects transferred to operating fixed assets		<u>16,864,591,450</u>	<u>8,501,016,276</u>
15.1.4 The borrowing cost incurred specifically to finance the construction of distribution equipment in 2021 is 40.851 million, 2022 is Nil, 2023 is Nil and 2024 is also Nil.			

15.2 OPERATING FIXED ASSETS

	Land Freehold	Land Leasehold	Buildings on freehold land	Office equipment	Distribution equipment	Other plant and equipment	Vehicles	Total
Rupees								
As at June 30, 2023								
Opening net book value	401,196,784	1,487,174	3,753,597,254	189,658,725	104,443,719,873	480,420,672	388,777,161	109,658,857,643
Additions	-	-	453,087,618	14,994,260	13,616,275,724	31,253,933	699,786	14,116,311,321
Disposals / Adjustments	-	-	-	-	(1,418,898)	-	-	(1,418,898)
Depreciation charge	-	-	(101,133,823)	(55,189,030)	(5,892,771,541)	(75,391,001)	(70,472,127)	(6,194,957,522)
Closing net book value	401,196,784	1,487,174	4,105,551,049	149,463,955	112,165,805,158	436,283,604	319,004,820	117,578,792,546
As at June 30, 2023								
Cost	401,196,784	2,277,338	5,549,159,709	694,155,316	177,288,307,911	1,081,672,160	1,401,951,242	186,408,720,460
Accumulated depreciation	-	(790,164)	(1,443,608,660)	(534,691,361)	(65,122,502,753)	(645,388,556)	(1,082,946,420)	(68,829,927,914)
Net book value	401,196,784	1,487,174	4,105,551,049	149,463,955	112,165,805,158	436,283,604	319,004,820	117,578,792,546
Year ended June 30, 2024								
Opening net book value	401,196,784	1,487,174	4,105,551,049	149,463,955	112,165,805,158	436,283,604	319,004,822	117,578,792,546
Additions	80,084,789	-	197,963,062	40,491,900	16,779,109,948	27,683,631	201,304,308	17,326,637,638
Disposals/Adjustments	-	-	-	-	(42,563,968)	-	-	(42,563,968)
Depreciation charge	-	-	(108,334,474)	(52,215,302)	(6,327,059,369)	(76,418,651)	(58,273,545)	(6,622,301,341)
Closing net book value	481,281,573	1,487,174	4,195,179,637	137,740,553	122,575,291,769	387,548,584	462,035,585	128,240,564,875
As at June 30, 2024								
Cost	481,281,573	2,277,338	5,747,122,769	724,647,216	193,989,416,804	1,109,355,790	1,603,255,551	203,657,357,041
Accumulated depreciation	-	(790,164)	(1,551,943,132)	(586,906,663)	(71,414,125,035)	(721,807,206)	(1,141,219,965)	(75,416,792,165)
Net book value	481,281,573	1,487,174	4,195,179,637	137,740,553	122,575,291,769	387,548,584	462,035,585	128,240,564,875
Annual rate of depreciation (%)	-	-	2	10	3.5	10	10	

15.2.1 The property and rights in the above assets were transferred to the Company on July 01, 1998 by WAPDA in accordance with the terms and conditions of the Business Transfer Agreement (BTA) executed between WAPDA and the Company.

15.2.2 Furniture and fixture have been included in other plant and equipment and computers have been included in office equipment.

15.2.3 Title of some of freehold land has not been transferred with the name of the Company. Book value of such freehold land is not available separately.

15.2.4 On March 01, 2019, the Company entered into an Authorization and Interest agreement with Power Holding (Private) Limited (PHPL), in which the Company authorized PHPL to carry out "Certain Actions" in relation to Relevant Transaction Assets representing freehold land at Bahawalpur, Khanpur, Dera Ghazi Khan, Jampur, Bahawalnagar, Multan, Tounsa Shareef, Arifwala and Sahiwal having combined area of 1181 kanal and 14 marla of Rupees 256.94 million disclosed in note 15.2. Certain actions include selling the Relevant Transaction Assets to MBL and creating a security interest over the same for the purpose of enabling PHPL to raise financing through the Sukuk issue. In addition to this agreement, PHPL entered into an Asset Purchase Agreement with MBL for selling the Relevant Transaction Assets to MBL which include the land of the Company and of other distribution and generation companies for a total purchase price of Rupees 200,000 million against which Sukuk certificates have been issued by PHPL for a period of ten years.

	Note	2024 Rupees	2023 Rupees
15.3 DEPRECIATION ALLOCATION			
Depreciation charge for the year has been allocated as follows:			
Operating cost		6,609,200,596	6,182,414,130
Transfer to capital work-in-progress	15.1.2	13,100,745	12,543,392
		6,622,301,341	6,194,957,522
16 INTANGIBLE ASSETS			
Computer Softwares			
Opening book value		-	-
Amortization charged during the year		-	-
Closing book value		-	-
Cost		86,476,981	86,476,981
Accumulated amortization		(86,476,981)	(86,476,981)
Net book value		-	-
Amortization rate (per annum)		20%	20%
16.1 These include SAP software, Dongle Software and Global Positioning System (GPS).			
	Note	2024 Rupees	2023 Rupees
17 LONG TERM LOANS TO EMPLOYEES			
House building / purchase of plots		421,933,599	242,816,482
Vehicles		17,624,061	14,254,216
		439,557,660	257,070,698
Less: Current portion	21	79,805,606	53,397,330
		359,752,054	203,673,368
17.1 Loans for house building and purchase of plot are repayable in ten years, car and motor cycle loans in five years and bicycle loans in four years. As per the Company's policy, interest is charged equal to the profit rate applied on 'General Provident Fund' which is 14.22% per annum for the current year (2023: 12.40%). The principal and interest amount is recoverable in equal monthly installments.			
18 LONG TERM DEPOSITS	Note	2024 Rupees	2023 Rupees
Long Term deposits		49,185	49,185
		49,185	49,185
19 STORES AND SPARE PARTS			
Stores		14,124,406,099	8,884,803,441
Spare parts		310,099,872	244,261,858
		14,434,505,971	9,129,065,300
Less: Provision for stores and spare parts	19.1	419,969,994	665,622,239
		14,014,535,977	8,463,443,060
19.1 Provision for slow moving and obsolete items of stores and spare parts			
Balance as at beginning of the year		665,622,239	355,031,463
Add: Provision for the year	29	-	310,590,776
Less: Provision reversed during the year		(245,652,245)	-
Balance as at end of the year		419,969,994	665,622,239
20 TRADE DEBTS			
Considered good - unsecured	20.4	111,857,832,820	83,561,806,832
		111,857,832,820	83,561,806,832
Less: Allowance for expected credit losses	20.1	(21,262,510,761)	(18,492,495,377)
		90,595,322,059	65,069,311,455

	Note	2024 Rupees	2023 Rupees
20.1 Allowance for expected credit losses			
Balance as at beginning of the year		18,492,495,377	12,613,695,778
Add: Expected credit loss allowance for the year		2,770,015,384	5,903,781,369
		<u>21,262,510,761</u>	<u>18,517,477,147</u>
Less: Trade debts written off during the year		-	(24,981,770)
Balance as at end of the year		<u>21,262,510,761</u>	<u>18,492,495,377</u>
20.2 Trade debts are partially secured to the extent of corresponding consumers' security deposits. Trade debts as at the reporting date are classified into domestic, commercial, industrial, agriculture, public lights, residential colonies and others.			
		2024 Rupees	2023 Rupees
20.3 Aging analysis of these trade debts is as follows:			
Not past due yet		31,215,774,877	12,140,133,168
Due up to 1 months		9,761,780,336	4,882,747,318
Due up to 2 months		1,244,263,551	1,025,480,023
2 to 3 months		1,331,955,525	989,708,960
3 to 6 months		3,092,817,729	2,188,677,067
6 months to 1 year		3,897,476,543	2,102,636,602
1 year to 3 years		6,600,688,453	3,378,946,027
3 years and above		9,112,114,301	7,016,177,152
Deferred arrears (1 year to 3 years)		5,497,479,503	9,735,492,343
Balances due from Government		40,103,482,002	40,101,808,172
		<u>111,857,832,820</u>	<u>83,561,806,832</u>
20.4 This amount includes adjustment of Rs 1.009 billion on account of excess units received from net metering consumers.			
	Note	2024 Rupees	2023 Rupees
21 LOANS AND ADVANCES			
Employees against expenses		29,356,568	34,082,358
Advances to suppliers		360,046,567	231,362,711
Current portion of long term loans and advances	17	79,805,606	53,397,330
		<u>469,208,741</u>	<u>318,842,399</u>
22 OTHER RECEIVABLES			
Due from associated companies / undertakings	22.1	7,206,071,327	6,855,905,437
Sales tax receivable from consumers		7,737,196,497	6,933,237,659
Subsidies receivable from Government	22.4	68,767,214,261	64,390,732,642
Duties, charges and taxes	22.5	-	-
Receivable against damaged items during warranty period		20,088,940	21,129,279
Others		80,005,296	133,208,845
		<u>83,810,576,321</u>	<u>78,334,213,862</u>
22.1 Due from associated companies / undertakings			
Jamshoro Power Company Limited (GENCO-I)		6,868,211	4,881,917
Guddu Power Generation Company Limited (GENCO-II)		418,954,765	449,322,275
Northern Power Generation Company Limited (GENCO-III)		1,396,584,859	1,461,364,510
Lakhra Power Generation Company Limited (GENCO-IV)		882,762	933,633
Lahore Electric Supply Company Limited (LESCO)		323,629,131	427,112,533
Quetta Electric Supply Company Limited (QESCO)		94,547,755	61,998,637
Islamabad Electric Supply Company Limited (IESCO)		82,921,860	85,713,808
Peshawar Electric Supply Company Limited (PESCO)		432,761,593	440,527,999
Sukkur Electric Power Company Limited (SEPCO)		41,298,608	6,809,984
Hyderabad Electric Supply Company (HESCO)		2,950,611	-
National Transmission and Despatch Company Limited (NTDC)		368,693,700	-
Tribal Area Electric Supply Company (TESCO)		119,026	-
WAPDA Current Account	22.1.1	3,634,504,364	3,546,278,062
WAPDA Welfare Fund		401,354,082	370,962,079
		<u>7,206,071,327</u>	<u>6,855,905,437</u>

22.1.1 This include balances amounting to Rs. 2,390 million and Rs. 817 million. With respect to the amount of Rs. 2390 million which is sharing of obligation of postretirement benefit of employees who retire from ex-WAPDA formation/schemes before unbundling of WAPDA's power wing it was decided by the Ministry of Water and Power in its meeting dated March 13, 2017 that Director pension WAPDA will transfer the files of such employees to respective DISCOs and WAPDA will adjusted the liability amount so worked out by the Actuarial consultant against Deposit for shares of the Company. In pursuance of the said decision the Company has recognized an amount of Rs. 2,390 million as determined by the actuary. With respect to amount of Rs. 817 million various claims lodged by MEPCO against payment of pension to ex-WAPDA retired employees, in pursuance of decision of Ministry and Power vide its letter MFI.76/462-92 dated May 13, 2016 in which the Company was directed that all cost of pension paid to ex WAPDA employees till June 30, 2014 will be borne by WAPDA. In compliance with the above decision the Company has filed its claims via letters no. Manager/Pension/Imprest/MEPCO/359 dated June 27, 2023 and letter no. FDM/Pension/17044 dated Jan 06, 2021. However WAPDA has shown both amounts in their reconciliation

	Note	2024 Rupees	2023 Rupees
22.2	The aging analysis of amount due from associated companies / undertakings is as follows:		
	Upto 6 months	478,929,005	623,590,770
	6 months to 1 year	54,887,806	509,240,312
	1 year to 3 years	2,771,444,768	2,562,422,022
	3 years and above	3,559,725,071	3,160,652,333
		<u>6,864,986,650</u>	<u>6,855,905,437</u>
22.3	The maximum aggregate amount due from associates / undertakings at the end of any month during the year are as follows:		
	Jamshoro Power Company Limited (GENCO-I)	588,194	1,937,592
	Guddu Power Generation Company Limited (GENCO-II)	31,061,324	48,361,857
	Northern Power Generation Company Limited (GENCO-III)	63,268,958	108,854,518
	Lakhra Power Generation Company Limited (GENCO-IV)	56,092	252,130
	Lahore Electric Supply Company Limited (LESCO)	8,539,198	74,235,031
	Quetta Electric Supply Company Limited (QESCO)	4,484,000	1,293,710
	Islamabad Electric Supply Company Limited (IESCO)	117,056,000	5,844,065
	Peshawar Electric Supply Company Limited (PESCO)	11,469,186	15,777,692
	Sukkur Electric Power Company Limited (SEPCO)	23,917,183	13,029,074
	Hyderabad Electric Supply Company (HESCO)	13,570,000	-
	National Transmission and Despatch Company Limited (NTDC)	6,267,905,117	-
	Tribal Area Electric Supply Company (TESCO)	95,190	-
	WAPDA Current Account	20,131,662	17,817,367
	WAPDA Welfare Fund	833,767	10,672,640
22.4	Subsidies receivable from Government		
	GST subsidy 22.4.2	33,470,004,432	33,470,004,432
	Agriculture subsidy receivable from Government of Punjab	150,006,763	150,006,763
	Tariff differential subsidy receivable 22.4.3	34,183,044,832	29,806,563,213
	Industrial Support	964,158,234	964,158,234
		<u>68,767,214,261</u>	<u>64,390,732,642</u>
22.4.1	The aging analysis of amount due from Government is as follows:		
	Upto 6 months	9,960,558,896	5,707,626,322
	6 months to 1 year	718,000,000	5,103,000,000
	1 year to 3 years	17,317,209,287	9,507,818,350
	3 years and above	40,771,446,078	44,072,287,970
		<u>68,767,214,261</u>	<u>64,390,732,642</u>
22.4.2	These include balances of Rupees 31,696.8 million (2023: Rupees 31,696.8 million) receivable from Government of Punjab and Rupees 1,773.32 million (2023: Rupees. 1,773.32 million) receivable from Government of Pakistan. The Company has billed agriculture consumers on subsidized rates in compliance to the ECC decisions conveyed vide		

Ministry of Energy letter Agri.T No. 05/06/2012-PF dated 30th October, 2013 dated 20th November, 2014, dated 27th October, 2015 dated: July 1st 2016, dated 14th June 2016, dated 24th August, 2017, dated 02nd July 2018, dated 22nd December, 2018 and latest letter No. Tariff/XW/ DISCOs-2019 dated 15th January, 2019 which contain that the GST subsidy is to be borne by provincial government. In this case, the Government of Punjab.

- 22.4.3** National Electric Power Regulatory Authority (NEPRA) determines the tariff for the Company to be charged to consumers. However, the Government of Pakistan (GoP) sometime notifies lesser rate to be charged to the consumers. The difference of determined rate by NEPRA and notified rate by GoP is given to the Company in the shape of subsidies. This includes tariff differential subsidy and subsidy on Applicable Quarterly Tariff Adjustment (AQTA).

22.5 Duties, charges and taxes

Receivables not yet realized:

Electricity duty

Income tax

Other taxes

Neelum Jhelum surcharge

Receivables not yet realized - Continued

Debt service surcharge

Universal obligation surcharge

T.V license fee

Equalization surcharge

Payables not yet realized:

Electricity duty

Income tax

Other taxes

Neelum Jhelum surcharge

Debt service surcharge

Universal obligation surcharge

T.V license fee

Equalization surcharge

2024
Rupees

2023
Rupees

829,868,369	635,117,443
1,304,181,398	930,387,186
579,061,691	522,462,000
152,040,292	160,931,895

2024
Rupees

2023
Rupees

5,611,877,278	4,246,609,925
84,378,595	99,449,660
180,315,044	181,712,020
3,833,392	3,958,530
8,745,556,059	6,780,628,659

(829,868,369)	(635,117,443)
(1,304,181,398)	(930,387,186)
(579,061,691)	(522,462,000)
(152,040,292)	(160,931,895)
(5,611,877,278)	(4,246,609,925)
(84,378,595)	(99,449,660)
(180,315,044)	(181,712,020)
(3,833,392)	(3,958,530)
(8,745,556,059)	(6,780,628,659)

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

23 SALES TAX RECEIVABLE

This include Rupees 4,139.03 million against sales tax refunds due from the Government relating to financial years from 2009-10 to 2011-12. An Application for request to allow input tax carry forward by cancelling the applications for refund claims was filed by the Company dated April 26, 2018. The Company also filed a Writ Petition No. 589/2019 dated July 11, 2019 before High Court Multan Bench which is pending adjudication.

24 SHORT TERM INVESTMENTS

These represent term deposit receipts placed with different banks having maturity period of more than three months to one year at profit rates of 23.82% (2023: 21%) per annum. Out of these term deposit receipts of Rs. 200 million is marked as lien with bank for issuance of bank guarantee. Further, this also include Rupees 14,550 million of long term security deposits received from consumers as disclosed in Note.9

	Note	2024 Rupees	2023 Rupees
25 BANK BALANCES			
Current accounts		4,551,334,600	2,378,662,126
Deposit accounts	25.1	16,594,172,321	22,377,586,058
		21,145,506,921	24,756,248,184

- 25.1** This includes deposit with various banks and the rate of profit on these deposit accounts ranges between 18% to 24% (2023: 7.5% to 19.5%) per annum.

2024

2023

		Rupees	Rupees
26	SALE OF ELECTRICITY - NET		
	Gross sales	26.1	618,938,364,582
	Less: Sales tax		96,045,821,533
			<u>522,892,543,049</u>
26.1	This amount includes adjustment of Rs 1.009 billion on account of excess units received from net metering consumers as on 30th June, 2024.		
27	TARIFF DIFFERENTIAL SUBSIDIES		
	These represent the tariff subsidies claimed from the Government of Pakistan as the difference between rates determined by NEPRA and rates charged to the consumers as notified by the Government of Pakistan from time to time.		
28	COST OF ELECTRICITY		
	The Company purchased electricity from CPPA and other private power producers. The electricity purchased during the year has been accounted for according to invoices issued by CPPA.		
	Note	2024 Rupees	2023 Rupees
29	DISTRIBUTION COST EXCLUDING DEPRECIATION		
	Salaries, wages and other benefits	14,235,569,880	12,627,610,271
	Staff retirement benefits	8.2	19,573,624,857
	Repair and maintenance	1,584,999,993	1,207,706,626
	Travelling and conveyance	1,138,127,885	787,897,191
	Transportation	824,675,205	750,993,952
	Advertising and publicity	29,007,375	33,955,261
	Office supplies and other expenses	111,399,534	92,017,495
	Legal and professional	38,441,895	33,307,375
	Auditors' remuneration	29.1	4,975,000
	Power, light and water	215,330,307	183,379,848
	Fees and subscriptions	373,265,079	303,145,246
	Telephone and postage	76,563,799	90,731,112
	Management fees	176,628,412	152,813,911
	Rent, rates and taxes	32,311,828	31,042,771
	Insurance	61,185,000	61,716,784
	Impairment of capital work in progress	15.1.1	1,869,598
	Provision stores and spare parts	19.1	-
	Workers' profit participation fund	1,746,901,710	-
	Late payment charges (supplementary charges)	29.2	7,852,127,645
	Other charges	28,220,480	27,375,643
		<u>48,105,225,482</u>	<u>38,042,669,686</u>
	Less: Charged to capital work-in-progress	15.1.2	1,066,818,359
		<u>47,038,407,123</u>	<u>37,109,250,997</u>
29.1	Auditor's remuneration		
	Audit fee	2,000,000	2,000,000
	Tax consultancy fee	2,700,000	2,700,000
	Reimbursable expenses	275,000	275,000
		<u>4,975,000</u>	<u>4,975,000</u>
29.2	These include supplemental charges of Rupees 7,852.12 million (2023: Rupees 5,628.32 million) passed on the Company, which comprise re-allocation of mark-up on late payments imposed by Independent Power Producers (IPPs) to CPPA on the basis of average outstanding balance.		
	Note	2024 Rupees	2023 Rupees
30	CUSTOMER SERVICES COST		
	Salaries, wages and other benefits	955,918,238	918,899,860
	Staff retirement benefits	8.2	3,284,847,618
	Repair and maintenance	33,399,866	9,440,415

Travelling and conveyance	166,423,445	122,665,980
Electricity bills collection charges	677,482,072	493,095,117
Transportation	33,232,137	22,827,704
Office supplies and other expenses	307,153,511	257,112,737
Power, light and water	44,222,355	34,637,161
Fees and subscriptions	435,733,615	461,847,928
Telephone and postage	75,215,794	63,335,821
Rent, rates and taxes	149,718	449,154
Other charges	2,750,009	2,447,720
	6,016,528,378	5,020,542,839

31 OTHER INCOME

Income from financial assets:

Profit on bank deposits and term deposit receipts	7,727,225,856	5,567,288,749
Late payment surcharge	7,852,127,645	5,628,321,643
	15,579,353,501	11,195,610,391

Note

2024

Rupees

2023

Rupees

Income from non-financial assets:

Commission on T.V license fee services	60,398,488	58,144,729
Meter / service rent	71,536,313	74,057,014
Service charges	182,717,472	139,707,586
Reconnection fees	136,937,730	57,597,061
Contract liabilities transferred to other income	4,294,490,404	3,222,366,000
Sale of scrap	12,640,256	447,567
Reversal of provision stores and spare parts	245,652,245	-
Miscellaneous	930,558,567	2,235,673,106
	5,934,931,475	5,787,993,064
	21,514,284,976	16,983,603,455

32 FINANCE COST

Mark-up on long term financing	920,846,709	1,061,617,194
Mark-up transferred from GoP	-	-
Bank charges and commission	4,009,309	2,744,365
	924,856,018	1,064,361,559

33 MINIMUM TAX DIFFERENTIAL

33.1 Levies and taxes

Revenue taxes	33.2	1,312,063,237	937,059,499
		1,312,063,237	937,059,499

33.2 Revenue taxes

This represents minimum tax provision under section 113 of the Income Tax Ordinance, 2001 @ 0.25% of total turnover considering electricity as Fast Moving Consumer Goods (FMCG). The provision for minimum tax has been recognised as levies in these financial statements as per the requirements of IFRIC 21 / IAS 37 and guide on IAS 12 issued by ICAP.

33.3 Income tax

The Company is subject to minimum tax paid under section 113 of the Income Tax Ordinance, 2001, and expects that minimum tax paid may not be realizable/adjustable in future tax years and the Company will always be paying minimum tax under section 113 either due to insufficient expected taxable profits or expected tax losses in future years. The Company has chosen approach as discussed in note 2.4.1 and minimum tax is recognized as 'levy' with no current income tax (in terms of IAS 12) in such case.

	2024 Rupees	2023 Rupees
33.4 Relationship between tax expense and accounting profit		
Profit / (loss) before taxation	<u>33,191,132,499</u>	<u>(22,436,066,195)</u>
Current tax liability for the year as per applicable tax rate of 29% (2023: 29%)	<u>9,625,428,425</u>	<u>(6,506,459,196)</u>
Portion of current tax computed as per tax laws, representing levy in terms of requirements of IFRIC 21/IAS 37	<u>(9,625,428,425)</u>	<u>6,506,459,196</u>
	<u>-</u>	<u>-</u>

33.5 Deferred income tax asset has not been recognized in these financial statements due to uncertainty in availability of sufficient future taxable profits as these temporary differences are not likely to reverse in the foreseeable future.

	2024 Rupees	2023 Rupees
Deferred tax asset		
Deferred income tax effect due to:		
Accelerated tax depreciation	<u>(22,868,120,192)</u>	<u>(21,366,639,901)</u>
Allowance for expected credit losses	<u>6,166,128,121</u>	<u>5,362,823,659</u>
Provision for slow moving and obsolete items of stores and spare parts	<u>121,791,298</u>	<u>193,030,449</u>
Staff retirement benefits	<u>47,536,672,590</u>	<u>39,945,217,286</u>
Unused tax losses and credit	<u>153,295,634,297</u>	<u>168,650,458,268</u>
Deferred tax asset	<u>184,252,106,114</u>	<u>192,784,889,762</u>

33.6 The unused tax losses would expire as follows:

Accounting year to which the unused tax losses relates	Amount of unused tax losses Rupees	Accounting year in which unused tax losses will expire
2019	86,563,621,515	2025
2020	66,877,530,644	2026
2021	50,658,533,373	2027
2022	74,127,398,146	2028
2023	90,053,860,749	2029
2024	15,278,889,832	2030
	<u>383,559,834,259</u>	

33.7 The minimum tax would expire as follows:

Accounting year to which the minimum tax relates	Amount of minimum tax Rupees	Accounting year in which minimum tax will expire
2022	4,323,048,893	2027
2023	4,662,039,603	2028
2024	1,307,231,358	2029
	<u>10,292,319,854</u>	

33.8 As Stated in note 33.1 to the financial statement, the Company has recorded minimum tax 0.25% of total turnover considering electricity as FMCG as per section 113 of Income Tax Ordinance, 2001

34 CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefit for other shareholders and to maintain an optimal capital structure to reduce the cost of capital. As public interest entity, financial support is available to the Company from Federal Government and WAPDA in the form of delayed settlement of CPPA against electricity purchase, tariff revision and subsidy on purchases.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt is calculated as total loans and borrowings including any finance cost thereon, less cash and cash equivalents.

The gearing ratios is as follows:

	2024 Rupees	2023 Rupees
Long term financing	14,462,868,039	14,199,064,506
Accrued mark-up	11,207,582,622	10,286,735,913
Total debt	25,670,450,661	24,485,800,419
Total equity	(95,158,721,388)	(118,504,377,809)
Total capital	(69,488,270,727)	(94,018,577,390)
Gearing ratio	-37%	-26%

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

2024			
Long term financing	Long term security deposits	Contract Liabilities and deferred credit	Total
14,199,064,506	13,593,750,786	108,110,561,221	135,903,376,513
Balance as at July 01, 2023			
Financing obtained	-	-	-
Repayment of financing	(34,218,310)	-	(34,218,310)
Security deposits received	-	-	1,010,632,372
Receipts against deposit works	1,010,632,372	-	3,766,762,725
Amortization of deferred credit	-	3,766,762,725	(3,915,150,917)
	-	(3,915,150,917)	(3,915,150,917)
Balance as at June 30, 2024	14,604,383,158	107,962,173,029	136,731,402,383
2023			
Long term financing	Long term security deposits	Contract Liabilities and deferred credit	Total
14,217,397,831	12,453,362,239	99,536,652,141	126,207,412,211
Balance as at July 01, 2022			
Financing obtained	-	-	-
Repayment of financing	(18,333,325)	-	(18,333,325)
Security deposits received	-	-	1,140,388,547
Receipts against deposit works	1,140,388,547	-	12,233,921,725
Amortization of deferred credit	-	12,233,921,725	(3,660,012,645)
	-	(3,660,012,645)	(3,660,012,645)
Balance as at June 30, 2023	13,593,750,786	108,110,561,221	135,903,376,513

36 REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

Aggregate amount charged in these financial statements in respect of remuneration including all benefits to the Chief Executive Officer, directors and executives of the Company are as follows:

	2024	2023	2024	2023
	Chief Executive Officer		Executives	
	Rupees		Rupees	
Basic pay	3,083,557	3,509,860	138,207,737	112,620,781
Allowances	3,644,175	3,934,700	122,987,494	110,756,899
Meeting fee	2,280,000	3,060,000	-	-
	9,007,732	10,504,560	261,195,231	223,377,680
Number of persons	1	1	67	67

36.1 The Chief Executive Officer is provided unfurnished accommodation, free electricity, free use of the Company's maintained vehicle and telephone facility as per the Company's rules. Moreover, all executives are provided free electricity and some of the executives are also provided unfurnished accommodation, free use of the Company's maintained vehicle and telephone facility as per the Company's rules.

36.2 Aggregate amount charged in the financial statements for meeting fee to 16 directors (2023: 16) was Rupees 29,791 million (2023: Rupees 28.947 million).

36.3 No remuneration was paid to any Director of the Company and Rupees 60,000 (2023: Rupees 60,000) was paid to each Director for meeting.

37 TRANSACTIONS WITH RELATED PARTIES

Related parties comprise associated companies / undertakings and key management personnel. Detail of transactions with related parties, other than those which have been disclosed elsewhere in these financial statements, are as

	Note	2024 Rupees	2023 Rupees
Associated companies / undertakings:			
Purchase of electricity		526,488,194,471	438,573,956,481
Free supply of electricity provided to employees of associated companies		597,234,111	377,441,707
Free supply of electricity received by employees of the Company		95,781,742	56,065,509
Electricity bills of the Company received by associated companies		4,968,028	2,913,412
Electricity bills of associated companies received by the Company		23,990,412	12,332,091
Pension paid to employees of associated companies		1,521,818,640	1,299,994,563
Pension received by employees of the Company from associated companies		470,525,605	380,815,234
Finance cost		920,846,709	1,061,617,194

37.1 Detail of compensation to key management personnel comprising of Chief Executive Officer, directors and executives is disclosed in Note 37

37.2 Associated companies / undertakings with whom the Company have transactions during the year:

Name of the related party	Basis of relationship	% of shareholding
Jamshoro Power Company Limited (GENCO-I)	GoP holding	Not applicable
Central Power Generation Company Limited (GENCO-II)	GoP holding	Not applicable
Northern Power Generation Company Limited (GENCO-III)	GoP holding	Not applicable
Lakhra Power Generation Company Limited (GENCO-IV)	GoP holding	Not applicable
National Transmission and Despatch Company Limited (NTDC)	GoP holding	Not applicable
Central Power Purchasing Agency (Guarantee) Limited (CPPA)	GoP holding	Not applicable
Lahore Electric Supply Company Limited (LESCO)	GoP holding	Not applicable
Quetta Electric Supply Company Limited (QESCO)	GoP holding	Not applicable
Islamabad Electric Supply Company Limited (IESCO)	GoP holding	Not applicable
Peshawar Electric Supply Company Limited (PESCO)	GoP holding	Not applicable
Hyderabad Electric Supply Company Limited (HESCO)	GoP holding	Not applicable
Sukkur Electric Power Company Limited (SEPCO)	GoP holding	Not applicable
Faisalabad Electric Supply Company Limited (FESCO)	GoP holding	Not applicable
Gujranwala Electric Power Company Limited (GEPCO)	GoP holding	Not applicable
Water and Power Development Authority (WAPDA)	GoP holding	Not applicable
Tribal Area Electric Supply Company (TESCO)	GoP holding	Not applicable
Power Information Technology Company (Private) Limited (PITC)	GoP holding	Not applicable

37.2.1 The Company and all of the above mentioned companies / undertakings are under common control of the Government of Pakistan with the Ministry of Water and Power.

2024 2023

38 NUMBER OF EMPLOYEES

Number of employees at the year end	14,221	14,702
Average number of employees during the year	14,461	14,821

39 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

- a) Credit risk
- b) Market Risk
- c) Liquidity risk

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 analyze 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

The Board of Directors of the Company 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.

Credit Risk

Credit risk is the risk which arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. Concentrations of credit risk arise when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. Keeping in view short term and long-term outlook of each sector, management has taken into consideration the factors while calculating expected credit losses against trade debts and other receivables. The maximum exposure to credit risk at the reporting date was as follows:

The Company monitors the credit quality of its financial assets with reference to the historical performance of such assets and available external credit ratings. The carrying values of the financial assets exposed to credit risk are as follows:

	2024 Rupees	2023 Rupees
Trade debts	90,595,322,059	65,069,311,455
Loans and advances	439,557,660	257,070,698
Accrued interest	1,926,004,515	295,721,200
Deposits	49,185	49,185
Other receivables	15,043,362,060	13,943,481,219
Short term investment	14,060,000,000	13,100,000,000
Bank balances	21,145,506,921	24,756,248,184
	143,209,802,401	117,421,881,940

To manage exposure to credit risk in respect of trade debts, management takes into account the long standing business relationships with these counterparties, and after giving due consideration to their strong financial standing, including obtaining security deposits from them, the management does not expect non-performance by these counter parties on their obligations to the Company. Accordingly, credit risk is minimal.

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

Based on the past experience and deliberations management has recognized expected credit losses in respect of trade debts as given in Note 20 to the financial statements.

The credit quality of the Company's bank balances can be assessed with reference to external credit ratings as follows:

	Rating			2024	2023
	Short Term	Long Term	Agency	(Rupees)	
Allied Bank Limited	A1+	AAA	PACRA	1,026,759,782	762,426,747
United Bank Limited	A1+	AAA	VIS	254,687,889	143,691,766
MCB Bank Limited	A1+	AAA	PACRA	145,615,305	30,783,118
Habib Bank Limited	A1+	AAA	VIS	19,172,475,143	13,105,376,255
National Bank of Pakistan	A1+	AAA	PACRA	258,943,168	785,671,189
The Bank of Punjab	A1+	AA+	PACRA	727,843,787	4,205,583,017
Bank Alfalah Limited	A1+	AA+	PACRA	9,876,241,282	5,000,863,585
Bank Al-Habib Limited	A1+	AAA	PACRA	208,906,684	6,104,024,727
Meezan Bank Limited	A1+	AAA	VIS	3,862,601	5,066,207
Soneri Bank Limited	A1+	AA-	PACRA	3,882,976	1,002,452,878
Askari Bank Limited	A1+	AA+	PACRA	20,199,443	948,755
Faysal Bank Limited	A1+	AA	PACRA	666,787,270	5,128,697,009
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	79,773,240	12,992
Standard Chartered Bank Limited	A1+	AAA	PACRA	454,600	1,064
Zarai Taraqati Bank Limited	A1+	AAA	VIS	135,765,149	52,704,306
Summit Bank	A-3	BBB-	VIS	-	270,100
JS Bank Limited	A1+	AA-	PACRA	13,542,855	9,352,916
First Women Bank	A2	A-	PACRA	6	-
Silk Bank Limited	A2	A-	VIS	430,921	-
Al-Baraka Bank (Pakistan) Limited	A1+	A+	PACRA	-	109,416
Dubai Islamic Bank Pakistan Limited	A1+	AA	VIS	3,194,517	367,646
Bank Islami Pakistan Limited	A1	AA-	PACRA	84,976	234,600
Bank of Khyber	A1	A+	PACRA	78,654	-
Trust Investment Bank Limited	N/A	N/A	N/A	214,383,418	214,383,418
Punjab Provincial Bank Limited	N/A	N/A	N/A	182,138,206	9,165,640
Pakistan Post Office	N/A	N/A	N/A	2,209,455,051	1,294,060,833
				35,205,506,921	37,856,248,184

39.2 Market Risk

Market risk is the risk that the value of the financial instruments may fluctuate as a result of change in foreign exchange rates and interest rates. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

a) Foreign 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 is not exposed to any foreign currency risk as there was no foreign party transaction during the year and no receivable and payable balance in foreign currency at the year end.

b) Interest rate risk

The interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company mitigates its risk against exposure by maintaining adequate bank balances. Majority of the interest rate exposure arises from long term financing, long term advances, bank balances in saving accounts and term deposit receipts. Financial instruments at variable rates expose the Company to cash flow interest rate risk. Financial instruments at fixed rate expose the Company to fair value interest rate risk. Interest rates are mostly dependent upon Karachi Inter Bank Offered Rate ("KIBOR") as indicated in respective notes.

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

	2024 Rupees	2023 Rupees
Fixed rate instruments		
Financial assets		
Long term advances	439,557,660	257,070,698
Term deposit receipts	14,060,000,000	13,100,000,000
Financial liabilities		
Long term financing	14,359,145,633	14,061,123,790
Floating rate instruments		
Financial assets		
Bank balances - deposit accounts	16,594,172,321	22,377,586,058
Short term investments - fixed	14,060,000,000	13,100,000,000

Fair value sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

If interest rates, at the year end date, fluctuates by 1% higher / lower with all other variables held constant, profit after taxation for the year would have been Rupees 308.66 million (2023: Rupees 354.75 million) higher / lower, mainly as a result of higher / lower interest income on bank balances in deposit accounts. This analysis is prepared assuming amounts of financial instruments outstanding at reporting date were outstanding for the whole year.

c) Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is not exposed to equity price risk since there are no investments in equity securities. The Company is also not exposed to commodity price risk since it does not hold any financial instrument based on commodity price.

39.3 Financial instruments by categories

Financial assets as per statement of financial position:

	2024 Rupees	2023 Rupees
At amortized cost		
Trade debts	90,595,322,059	65,069,311,455
Loans and advances	439,557,660	257,070,698
Accrued interest	1,926,004,515	295,721,200
Deposits	49,185	49,185
Other receivables	15,043,362,060	13,943,481,219
Short term investments	14,060,000,000	13,100,000,000
Bank balances	21,145,506,921	24,756,248,184
	143,209,802,401	117,421,881,940

Financial liabilities as per statement of financial position:

	2024 Rupees	2023 Rupees
At amortized cost		
Long term financing	14,462,868,039	14,199,064,506
Long term security deposits	14,604,383,158	13,593,750,786
Trade and other payables	172,766,037,908	168,917,291,956
Accrued mark-up	11,207,582,622	10,286,735,913
	213,040,871,727	206,996,843,160

39.4 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in raising funds to meet commitments associated with the financial instruments. The management is closely monitoring the Company's liquidity and cash flow position through its treasury function and ensures availability of funds by maintaining credit facilities available from financial institutions. The liquidity management also involves monitoring of liquidity ratios and maintaining debt financing plans. Table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted cash flows:

June 30, 2024				
Carrying amount	Contractual cash flows	6 months or less	6-12 months	More than 3 years

(Rupees)

Long term financing	14,462,868,039	14,462,868,039	1,071,518,264	8,674,832,168	4,716,517,607
Long term security deposits	14,604,383,158	14,604,383,158	-	-	14,604,383,158
Trade and other payables	166,381,801,209	166,381,801,209	166,381,801,209	-	-
Accrued mark-up	11,207,582,622	11,207,582,622	11,207,582,622	-	-
	206,656,635,028	206,656,635,028	178,660,902,095	8,674,832,168	19,320,900,765

Non-derivative financial liabilities:

Long term financing
Long term security deposits
Trade and other payables
Accrued mark-up

June 30, 2023				
Carrying amount	Contractual cash flows	6 months or less	6-12 months	More than 3 years

(Rupees)

Long term financing	14,199,064,506	14,199,064,506	7,135,975,187	396,278,107	6,666,811,212
Long term security deposits	13,593,750,786	13,593,750,786	-	-	13,593,750,786
Trade and other payables	164,279,956,967	164,279,956,967	164,279,956,967	-	-
Accrued mark-up	11,207,582,622	11,207,582,622	11,207,582,622	-	-
	203,280,354,880	203,280,354,881	182,623,514,776	396,278,107	20,260,561,998

Non-derivative financial liabilities:

Long term financing
Long term security deposits
Trade and other payables
Accrued mark-up

The contractual cash flows relating to the above financial liabilities have been determined on the basis of mark-up rates effective as at 30 June. The rates of mark-up have been disclosed in Note 7 to these financial statements.

4 RECOGNIZED FAIR VALUE MEASUREMENTS

Fair value hierarchy

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

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

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

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

4 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified for better presentation, wherever considered necessary, for the purpose of better comparison. However, no significant re-arrangements have been made in these financial statements

4.2 DATE OF AUTHORIZATION

These financial statements were authorized for issue by the Board of Directors of the Company in their meeting held on

07 JUL 2024

4.3 GENERAL

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

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 CHIEF EXECUTIVE OFFICER


 DIRECTOR