

**IN THE NAME OF ALLAH
THE MOST BENEFICENT THE MOST MERCIFUL**



Faisalabad Electric Supply Company (FESCO) Ltd.

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FESCO VISION AND MISSION

OUR VISION

To provide reliable, affordable, safe and secure electricity to all its electricity customers through its efficient electricity net-work coupled with efficient cum facilitative commercial and operational mechanisms at par with the international standards bearing positive impacts on the economy of the country.

OUR MISSION

To develop and transform the company into a viable entity with provision of quality services to all its customers keeping commercial and operational viability through utilizing strategically planned, recruited and developed quality human resource in the company.





ENGAGEMENT OF STAKEHOLDERS

- Initiated the implementation of integrated reporting.
- Online Complaint of Theft reporting.
- Online complaint redressal to provide better services to the esteemed customers.
- Online registration of new connection applications.
- Implementation of E.R.P system.
- Engaged NEPRA on consumer discipline.
- Implementation of AMI effectively.

COMPANY INFORMATION

Composition of BOD as on 30.06.2023

1.	Mr. Muhammad Tehseen Alvi	Chairman / Independent Director
2.	Mr. Bashir Ahmad	CEO/ Executive Director
3.	Engr. Muhammad Babar Ikram	Independent Director
4.	Raja Ameer Hamza	Independent Director
5.	Mr. Iftikhar Ahmed Ansari	Independent Director
6.	Mr. Nauman Khalid	Independent Director
7.	Mr. Muhammad Momin Junaid	Independent Director
8.	Mr. Malik Rab Nawaz	Independent Director
9.	Mr. Muhammad Humair Hayat Khan	Consumer Representative / Independent Director
10.	Mr. Muhammad Ali Ranjha	Consumer Representative / Independent Director
11.	Mian Farrukh Iqbal	Consumer Representative / Independent Director
12.	Mr. Hassan Raza Saeed	Non-Executive Director
13.	Mr. Qumar Sarwar Abbasi	Non-Executive Director
14.	Ms. Lubna Usman	Non-Executive Director

Audit & Finance Committee

1.	Engr. Muhammad Babar Ikram	Convener
2.	Mr. M. Humair Hayat Khan	Member
3.	Malik Rab Nawaz	Member
4.	Mr. Muhammad Momin Junaid	Member
5.	Mr. Qumar Sarwar Abbasi	Member
6.	Mr. Hassan Raza Saeed	Member

Company Secretary

Mr. Abid Rashid

Chief of Internal Audit

Mr. Muhammad Nazir

Chief Financial Officer

Mr. Nazir Ahmad

External Auditors

Riaz Ahmad & Company, Chartered Accountants.

Legal Adviser

Mr. Waqar A. Sheikh

Head Office Address

West Canal Road, Abdullahpur, Faisalabad.

Website: www.fesco.com.pk

GOVERNANCE

BOARD OF DIRECTORS FESCO

Mr. Muhammad Tehseen Alvi

Independent Director/Chairman BOD

He is serving as Chairman and CEO of Alvir Group of Industries, Pakistan for past 6 years with an overall professional experience of more than 20 years. A professional entrepreneur and management analytic who has spent his career in the Energy Sector (conventional and alternate) Aviation Industry, Heavy Industries and Pharmaceutical Industry and Real Estate of Pakistan. The main focus though roam around business development and management consultancy yet has run the day to day operations of a large construction and consultancy business and led interdisciplinary teams working on technical and business projects, also has overseen the work of graduate scientist, technicians and admin staff. Provides training in auditing of quality and HSE system. He is also a certified Director from ICMA.



ENGR. BASHIR AHMAD

Executive Director/CEO

Mr. Bashir Ahmad has more than 33 years of experience in Power Distribution covering Planning, Construction, Operation, Procurement, Customer Services, Material Management, Technical Services and Transmission & Grid. He has been working in LESCO as Chief Engineer. Presently he is working as CEO, FESCO. He is an Electrical Engineer by profession having additional qualification of Masters in Business Administration. He is also a certified Director from ICMA.



Engr. Muhammad Babar Ikram

Independent Director

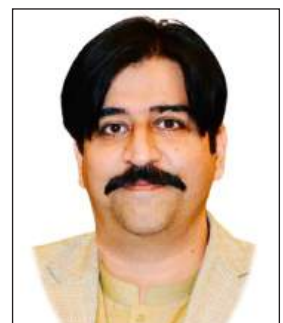
He has been working in the field of housing projects since 34 years and have extensive experience in the respective field. He is Masterminded and managing WAPDA City, Faisalabad, a 700 Acre housing scheme since the idea inception of the scheme. He is B.Sc., Electrical Engineering, 1984, UET, Lahore. His expertise in coordinating & supervising under a definite timeline, the design, execution and marketing of housing projects maintaining high standards of sustainable living with cost benefit assurance. He is also a certified Director from ICMA.



Raja Ameer Hamza

Independent Director

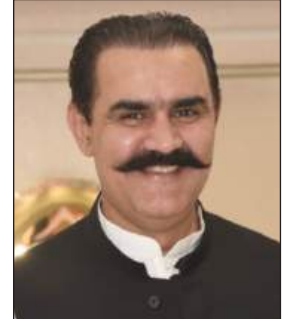
Raja Ameer Hamza has 10 years of experience in Raja Straw Board Faisalabad as Director Finance & Admin. Presently he is working as Independent Director of BOD FESCO. He has good experience budgeting and planning process in conjunction with the ED; Administer and review all financial plans and budgets monitor progress and changes. He is also a certified Director from ICMA.



Mr. Iftikhar Ahmed Ansari

Independent Director

Mr. Iftikhar Ahmad Ansari has more than 12 years' experience in various executive posts with Pakistan Small Units Power Looms Association. He also has individual with strong interpersonal problem solving skills. He is also a certified Director from ICMA.



Mr. Nauman Khalid

Independent Director

Mr. Nauman Khalid has 14 years experience as CEO in (Abdullah Weaving Factory from 2007 to date, Abdullah Brother's Poultry Houses from 2010 to date and Food Book from 2018 to date). He also has good problem solving, leadership, operations, organization, market, Multi-Task Management skills. He is also a certified Director from ICMA.



Mr. Muhammad Momin Junaid

Independent Director

Mr. Muhammad Momin Junaid has done his B.Sc Business Management from kinds Collage London. He also is working as Orchardist and Managing Partner from 2019 to date in MMJ Traders, Toba Tek Singh. He also has good leadership, decision making and creativity skills. He is also a certified Director from ICMA.



Mr. Malik Rab Nawaz

Independent Director

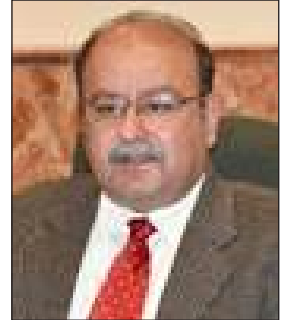
He has experience in law. He is started his practice in 8th March 1978. He obtained certificate about the permission of practice in high court in the year of 1993. He obtained the license of practice of Supreme Court of Pakistan in the year 2007. And also enrolled as a supreme court lawyer in the concerned register. He also gained knowledge in the subject of economics, political science, and international law. He equipped with the manual of the law of electricity etc. He is also a certified Director from ICMA.



Mr. M. Humair Hayat Khan

Consumer Representative / Director

He is L.L.B from University of Reading, UK and completed the Academic Stage of Training for the Bar of England & Wales. He is Economics, English Literature, Statistics, Criminal law, Contract Law, Law of Torts, Company Law, Constitutional & Administrative law, Family law, Property Law, International Human Rights, Political and International Relations. He is qualified for the Civil Services of Pakistan in the C.S.S exam in 1992 and Advocate High Court since 1994. He is Director, The Punjab Provincial Co-operative Bank Ltd. 1994-2001 & also CEO, New Khan Metro Bus Service, Lahore. (1999-2009). He is the member of the Honorable Society of Grays Inn, Inns of Court, London and member Lahore High Court Bar Associate (Admitted: 1994). He is Chairman, The Punjab Cooperative Union (2014-17; 2020 to date). He is also a certified Director from ICMA.



Mr. Muhammad Ali Ranjha

Consumer Representative / Director

He has vast experience of Marketing, consumer services, investment & analysis. He has rendered his services as Director Marketing & Sales in PBC (Pakistan Broadcasting Corporation) MOI, Islamabad for five years. He is also a certified Director from ICMA. He also has good problem solving, leadership, operations, organization, market and creativity skills. He is very good consumer representative and understand the psychology of the consumers specially rural / agriculture area very well and initiate good policies / guidelines for them.



Mian Farrukh Iqbal

Consumer Representative / Director

He has very vast experience to provide plan or any production or recruiting. He also has an experience with bank dealings and policies. Any financial, administration or productions also makes a good decisions which will be very fruitful. He has vast experience in policy making, production plans and all other requirements. He is running a very good business. He also has offices in Mexico, Bangladesh, UK. He done his working with TEVTA, FIEDMC as well. He is also a certified Director from ICMA.



Mr. Hassan Raza Saeed

Non-Executive Director

He is a civil servant by profession and has over 25 years of experience in various fields including Human Resource Management, Finance and General Administration. He has served Government of Punjab and Federal Government in various capacities and is presently serving as Senior Joint Secretary, Power Division Islamabad.



Mr. Qumar Sarwar Abbasi

Non-Executive Director

Mr. Qumar Sarwar Abbasi joined the Civil Service in 1994 through the 22nd Common Training Programme. He is an alumni of Institute for Development Policy & Management, University of Manchester (UK) from where he acquired his MA (Econ.) Development Administration and Management. He also holds an MA in International Relations. During his career in the Civil Service. He has served in different Ministries / Organizations of the Federal Government. His recent postings included Additional Secretary (HRM/CF), Ministry of Finance, Executive Director (Ops), CPEC, Authority; Senior Joint Secretary Ministry of Planning, Development and Special Initiatives; Joint Secretary to the Cabinet; Joint Secretary, Ministry of Finance; Joint Secretary (World Bank-China-Debt Management), EAD and Joint Secretary (PAC), National Assembly.



Ms. Lubna Usman

Non-Executive Director

Ms. Lubna Usman is a civil servant in the Pakistan Administrative Service (PAS). She has above 13 years' experience as public policy practitioner with a keen interest in policy reforms and socio-economic development. During her field assignments, she focused on carrying out development activities and to solve the issues of public at priority. As the Additional Director General of Punjab Food Authority (also holding additional charge of Director General, Punjab Food Authority), she played an important role in enforcement of food safety, quality standards and to fulfil vision of making Punjab adulteration free. Presently, she is working as Additional Secretary, Energy Department and is committed towards fast track implementation of ADP schemes with a special focus on utilization of renewable resources for clean and green energy Punjab.





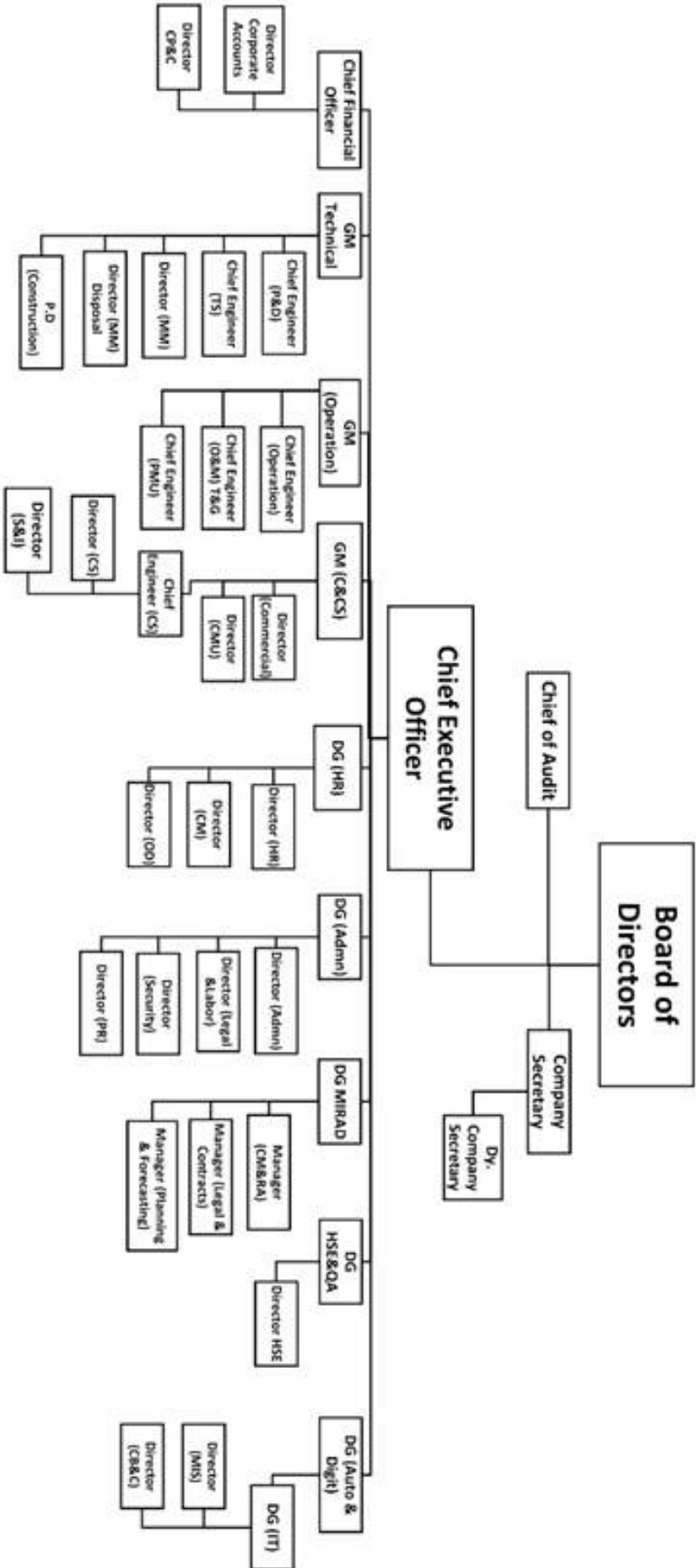
BOARD OF DIRECTORS COMMITTEES

1. Audit & Finance Committee
2. HR, Nomination & Legal Committee
3. Procurement & Disposal Committee
4. Policy, Strategy, Market Reforms (PSM) & Risk Management Committee
5. Technical, Automation & New Initiatives Committee
6. Customer Services Committee
7. Health, Safety, Environment & Quality Assurance Committee
8. Administrative Committee

LEADERSHIP TEAM

1. Chief Executive Officer FESCO
2. General Manager (Technical) FESCO
3. General Manager (Operation) FESCO
4. General Manager (C&CS) FESCO
5. Director General (HR) FESCO
6. Chief of Audit FESCO
7. Chief Financial Officer FESCO
8. Director General (Admn) FESCO
9. Chief Engineer (Operation) FESCO
10. Chief Engineer (Development) PMU FESCO
11. Chief Engineer (P&D) FESCO
12. Chief Engineer (Technical Services) FESCO
13. Chief Engineer (T&G) O&M FESCO
14. Chief Engineer (CS) FESCO
15. DG (IT) FESCO
16. DG (MIRAD)
17. Company Secretary FESCO

ORGANIZATION STRUCTURE





DETAIL OF BOD FESCO MEETINGS HELD DURING FY 2022-23

Sr. No.	Meeting of BOD	Held on	Minutes (signed) issued vide	
			No.	Dated
1.	242nd/36th	19.07.2022	652/Secy/MOM	27.07.2022
2.	243rd/37th	29.07.2022	668/Secy/MOM	01.08.2022
3.	244th/38th	15.08.2022	733/Secy/MOM	22.08.2022
4.	245th/39th	02.09.2022	798/Secy/MOM	08.09.2022
5.	246th/40th	12.09.2022	847/Secy/MOM	20.09.2022
6.	247th/41st	27.09.2022	891/Secy/MOM	01.10.2022
7.	248th/42nd	05.10.2022	934/Secy/MOM	12.10.2022
8.	249th/43rd	19.10.2022	971/Secy/MOM	24.10.2022
9.	250th/44th	26.10.2022	987/Secy/MOM	28.10.2022
10.	251st/1st	02.11.2022	1021/Secy/MOM	07.11.2022
11.	252nd/2nd	11.11.2022	1054/Secy/MOM	18.11.2022
12.	253rd/3rd	28.11.2022	1089/Secy/MOM	02.12.2022
13.	254th/4th	12.12.2022	1114/Secy/MOM	14.12.2022
14.	255th/5th	05.01.2023	1184/Secy/MOM	06.01.2023
15.	256th/6th	12.01.2023	1213/Secy/MOM	16.01.2023
16.	257th/7th	02.02.2023	1265/Secy/MOM	06.02.2023
17.	258th/8th	17.02.2023	1304/Secy/MOM	20.02.2023
18.	259th/9th	27.02.2023	1331/Secy/MOM	01.03.2023
19.	260th/10th	10.03.2023	1376/Secy/MOM	14.03.2023
20.	261st/11th	03.04.2023	1438/Secy/MOM	10.04.2023
21.	262nd/12th	28.04.2023	1482/Secy/MOM	02.05.2023
22.	263rd/13th	09.05.2023	1508/Secy/MOM	10.05.2023
23.	264th/14th	30.05.2023	1574/Secy/MOM	06.06.2023
24.	265th/15th	14.06.2023	1609/Secy/MOM	14.06.2023
25.	266th/16th	23.06.2023	1629/Secy/MOM	24.06.2023

ATTENDANCE OF BOD MEMBERS

(From 01.07.2022 to 31.10.2022)

Sr. No.	Name	Meeting held	Meetings attended
1.	Syed Hasnain Haider	9	9
2.	Mr. Bashir Ahmad	9	9
3.	Rana Atif	9	9
4.	Mr. Irfan Ahmad Chattha	9	9
5.	Mr. Suleman Najib Khan	9	9
6.	Mr. Muhammad Anwer	9	9
7.	Ms. Lubna Usman	9	9
8.	Mr. Muhammad Saqlain	3	1 (Resigned)
9.	Mr. Salman Qayum	8	6
10.	Mr. Mahfooz Ahmad Bhatti	1	1

(From 01.11.2022 to 30.06.2023)

Sr. No.	Name	Meeting held	Meetings attended
1.	Mr. Muhammad Tehseen Alvi	16	16
2.	Mr. Bashir Ahmad	16	16
3.	Engr. Muhammad Babar Ikram	16	16
4.	Raja Ameer Hamza	16	16
5.	Mr. Iftikhar Ahmed Ansari	16	16
6.	Mr. Nauman Khalid	16	16
7.	Mr. Muhammad Momin Junaid	16	16
8.	Mr. Rab Nawaz	16	15
9.	Mr. M. Humair Hayat Khan	16	15
10.	Mr. Muhammad Ali Ranjha	16	16
11.	Mian Farrukh Iqbal	16	13
12.	Mr. Hassan Raza Saeed	16	10



FAISALABAD ELECTRIC SUPPLY COMPANY
OFFICE OF THE CHIEF EXECUTIVE OFFICER FESCO, WEST CANAL ROAD,
ABDULLAHPUR, FAISALABAD (TEL # 041-9220211/9220229 FAX # 041-9220233)

Web: <http://www.fesco.com.pk>

E-mail: secretary@fesco.com.pk

COMPANY SECRETARIAT


No. 1983/Secy/P-5

Dated: 16.10.2023

Subject: - **NOTICE OF 25th ANNUAL GENERAL MEETING**

In continuation to the Notice issued vide No. 1949/Secy/P-5 dated 05.10.2023, it is hereby informed that 25th Annual General Meeting of Faisalabad Electric Supply Company Limited. Meeting will be held on **26.10.2023 (Thursday) at 1500hrs. in the Committee Room of Power Division (2nd Floor, A-Block, Pak Secretariat, Islamabad.** The Secretary (Power Division) will chair the meeting as conveyed by Section Officer (Corporate Affairs-I) Ministry of Energy (Power Division) vide letter No. 12(22)/2018-CA-I dated 13.10.2023.

The agenda of meeting will remain intact.


16/10/2023
Company Secretary
FESCO Faisalabad

Copy for information:-

1. Secretary (Power Division) / Chairman PPMC, Ministry of Energy (Power Division), Government of Pakistan, Islamabad.
2. Mr. Muhammad Tehseen Alvi, Chairman / Independent Director of BOD FESCO, Faisalabad.
3. Mr. Bashir Ahmad, CEO/ Executive Director of BOD FESCO, Faisalabad.
4. Engr. Muhammad Babar Ikram, Independent Director of BOD FESCO, Faisalabad.
5. Raja Ameer Hamza, Independent Director of BOD FESCO, Faisalabad.
6. Mr. Iftikhar Ahmed Ansari, Independent Director of BOD FESCO, Faisalabad.
7. Mr. Nauman Khalid, Independent Director of BOD FESCO, Faisalabad.
8. Mr. Muhammad Momin Junaid, Independent Director of BOD FESCO, Faisalabad.
9. Mr. Rab Nawaz, Independent Director of BOD FESCO, Faisalabad.
10. Mr. Muhammad Humair Hayat Khan, Consumer Representative / Independent Director of BOD FESCO, Faisalabad.
11. Mr. Muhammad Ali Ranjha, Consumer Representative / Independent Director of BOD FESCO, Faisalabad.
12. Mian Farrukh Iqbal, Consumer Representative / Independent Director of BOD FESCO, Faisalabad.
13. Mr. Hassan Raza Saeed, Sr. Joint Secretary (Admn) MOE (Power Division)/Non-Executive Director of BOD FESCO, Faisalabad.
14. Mr. Qumar Sarwar Abbasi, Addition Finance Secretary (CF) Finance Division / Non-Executive Director of BOD FESCO, Faisalabad.
15. Ms. Lubna Usman, PAS, Addl: Secretary (Development), Govt. of the Punjab Energy Department / Non-Executive Director of BOD FESCO, Faisalabad.
16. Mr. Umer Vaqar, Section Officer (Corporate Affairs-I), Ministry of Energy (Power Division), Government of Pakistan, Islamabad for information w.r.t. his letter No. 12(22)/2018-CA-1 dated 13.10.2023.

Present by Invitation:-

1. Chief Financial Officer FESCO, Faisalabad
2. M/S Riaz Ahmad & Company, Chartered Accountants, 560-F, Raja Road, Gulistan Colony, Faisalabad with reference to their consent to act as Auditor for Financial Year 2022-23.

For information and necessary arrangements:-

1. DG (IT) FESCO, Faisalabad.
2. SO to CEO FESCO, Faisalabad.
3. Director (Admn) FESCO, Faisalabad.
4. Director (Security) FESCO, Faisalabad.
5. Director (Public Relations) FESCO, Faisalabad.
6. Mater file.



Web: <http://www.fesco.com.pk>

FAISALABAD ELECTRIC SUPPLY COMPANY

OFFICE OF THE CHIEF EXECUTIVE OFFICER FESCO, WEST CANAL ROAD,
ABDULLAHPUR, FAISALABAD (TEL # 041-9220211/9220229 FAX # 041-9220233)

E-mail: secretary@fesco.com.pk

COMPANY SECRETARIAT

No.1949/Secy/P-5

Dated: 05.10.2023

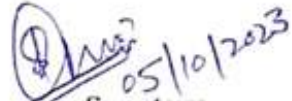
Subject: - **NOTICE OF 25th ANNUAL GENERAL MEETING**

Notice is hereby given for 25th Annual General Meeting of Faisalabad Electric Supply Company Limited. Meeting will be held on **26.10.2023 (Thursday) at 1500hrs.** in the Committee Room of Headquarters FESCO, Faisalabad.

Following is the Agenda of Meeting:-

1. To consider and approve the Minutes of 24th AGM held on 26.10.2022.
2. To review and approve Accounts of the Company for the financial year ended June, 2023 along with Directors Report 2022-23 & Statement of Compliance 2022-23.
3. To appoint Auditors and to fix their remuneration for the financial year 2023-24.
4. Any other business with the permission of the Chair.

By Order of the Board;


05/10/2023
Company Secretary
FESCO Faisalabad

Copy for information:-

1. Secretary (Power Division) / Chairman PPMC, Ministry of Energy (Power Division), Government of Pakistan, Islamabad for information with the request to issue Proxy and authorization to exercise the voting rights appertaining to the Federal Government for AGM.
2. Mr. Muhammad Tehseen Alvi, **Chairman / Independent Director** of BOD FESCO, Faisalabad.
3. Mr. Bashir Ahmad, **CEO/ Executive Director** of BOD FESCO, Faisalabad.
4. Engr. Muhammad Babar Ikram, **Independent Director** of BOD FESCO, Faisalabad.
5. Raja Ameer Hamza, **Independent Director** of BOD FESCO, Faisalabad.
6. Mr. Iftikhar Ahmed Ansari, **Independent Director** of BOD FESCO, Faisalabad.
7. Mr. Nauman Khalid, **Independent Director** of BOD FESCO, Faisalabad.
8. Mr. Muhammad Momin Junaid, **Independent Director** of BOD FESCO, Faisalabad.
9. Mr. Rab Nawaz, **Independent Director** of BOD FESCO, Faisalabad.
10. Mr. Muhammad Humair Hayat Khan, **Consumer Representative / Independent Director** of BOD FESCO, Faisalabad.
11. Mr. Muhammad Ali Ranjha, **Consumer Representative / Independent Director** of BOD FESCO, Faisalabad.
12. Mian Farrukh Iqbal, **Consumer Representative / Independent Director** of BOD FESCO, Faisalabad.
13. Mr. Hassan Raza Saeed, Sr. Joint Secretary (Admn) MOE (Power Division)/**Non-Executive Director** of BOD FESCO, Faisalabad.
14. Mr. Qumar Sarwar Abbasi, Addition Finance Secretary (CF) Finance Division / **Non-Executive Director** of BOD FESCO, Faisalabad.
15. Ms. Lubna Usman, PAS, Addl: Secretary (Development), Govt. of the Punjab Energy Department / **Non-Executive Director** of BOD FESCO, Faisalabad.
16. Dy. Secretary (E&D), MOE(PD) Govt. of Pakistan Islamabad w.r.t. his letter F. No. 12(7)2018-DISCOs dated 3rd December, 2020.

Present by Invitation:-

1. Chief Financial Officer FESCO, Faisalabad
2. M/S Riaz Ahmad & Company, Chartered Accountants, 560-F, Raja Road, Gulistan Colony, Faisalabad with reference to their consent to act as Auditor for Financial Year 2022-23.

For information and necessary arrangements:-

1. DG (IT) FESCO, Faisalabad.
2. SO to CEO FESCO, Faisalabad.
3. Director (Admn) FESCO, Faisalabad.
4. Director (Security) FESCO, Faisalabad.
5. Director (Public Relations) FESCO, Faisalabad.
6. Mater file.



FESCO

DIRECTORS REPORT 2022-23



INCORPORATION

FESCO was incorporated as a non-listed public limited Company under Companies Ordinance, 1984 on March 21, 1998. Certificate of Commencement of Business was issued on March 26, 1998.

COMPANY PROFILE

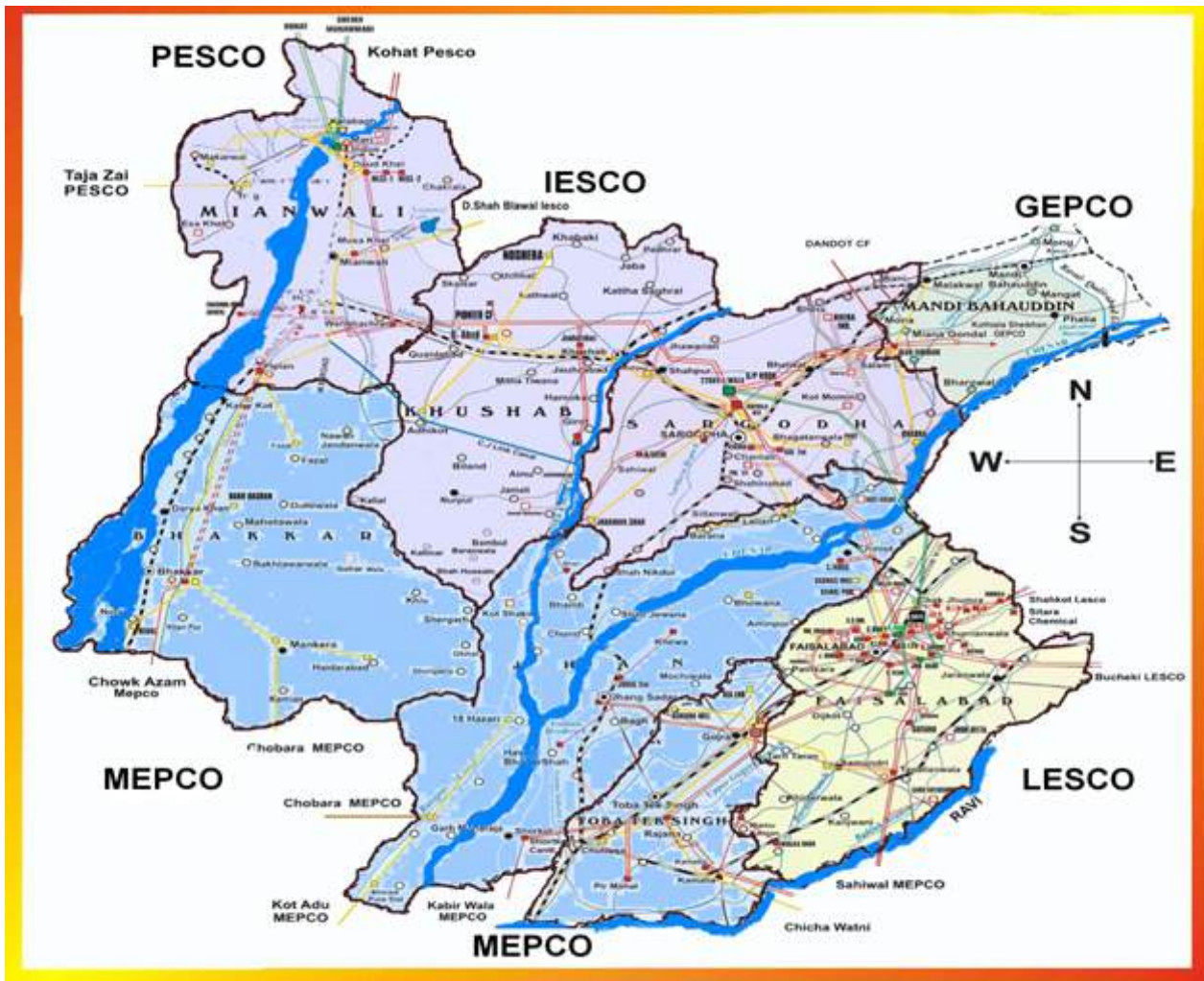
FESCO service territory covers eight Civil Districts viz Faisalabad, Jhang, Chiniot, Toba Tek Singh, Bhakkar, Mianwali, Khushab and Sargodha. FESCO jurisdiction covers approximately 44,247 Sq. KM area of these Districts. To serve the consumers in its area of responsibility, FESCO Organization has been divided into various categories like Operation, Construction and Grid System Operation (GSO). Operation has been further divided into Technical and Commercial setups. Construction wing has two further bifurcations like construction of projects of 11KV and below network and 132KV and 66KV network. Its whole manpower remains busy day and night to serve its 5109835 Nos. customers. Following is the abstract of the Company Profile ending June 30, 2023:-

Area Jurisdiction (Dist: Faisalabad, Jhang, Chiniot, Bhakkar, T.T.Sing, Mianwali, Khushab, Sargodha)	44,247 Sq KM
No. of customers	5109835
No. of Grid Stations (132 KV = 89) (66KV = 16)(Pvt = 28)	133
No. of Power Transformers	298
Power TFS Installed Capacity (MVA)	7578.60 MVA
Max. Demand Recorded	3740 MW
Transmission Lines (132kv : 2526.14 Km and 66kv : 844.91 KM)	3,371 KM
HT Line (11KV)	46712.98 KM
LT Line (400/230 Volts)	32145.09 KM
No. of Distribution T/Fs (8280 MVA)	128948
Operation Circles(5), Operation Divisions (26), Operation Sub Division (140)	171
P.D (Construction) (1), Construction Divisions (4), Construction Sub Divisions (11), ELR Sub Division (4)	20
P.D (GSC) (1), Construction Division (1), Construction Sub Division (2), T&I/Civil Sub Division (2)	6
GSO Circle (1) SS&T Divisions (05) Sub Divisions (29)	35
Manpower (Officers 393) (Staff 12609)	13002
Cars, Jeeps, Truck, Cranes, Fork Lifter & Motorcycle (Total Vehicles)	876
Total Assets as on 30.06.2023 (Core Assets-142 & Non-Core Assets-33)	175

FESCO has 5 Operation Circles, 26 Operation Divisions, 140 Operation Sub Divisions, and 01 Grid System Operation (GSO) Circle, 04 SS&T Divisions and 01 P&I Division, 14 SST Sub Divisions and 4 No P&I Sub Divisions. Presently, there are two Construction Directorates; one for development of 11KV and below network projects and second for development of 132 KV and 66 KV network of FESCO. Another Directorate which provides support service to Operation is Technical Services which carries out meter testing and checking. This Directorate has its divisional level setups at 1st Circle, 2nd Circle, Jhang Circle, Sargodha Circle and Mianwali Circle. Superintending Engineers manage Circle operations. Divisional operations are managed by Executive Engineers and Sub Divisional operations are managed by Sub Divisional Officers.

FESCO JURISDICTION

FESCO jurisdictional map clearly shows that FESCO is neighbor to some other DISCOs such as LESCO, GEPCO, IESCO, PESCO and MEPCO and has the supply sharing networks with these DISCOs as well.



Faisalabad Circles 1st and 2nd manage the supply and customers of District Faisalabad. 1st Circle jurisdiction confines to eastern part of the City and extends to Jaranwala, Khurrianwala, Chak Jhumra and Chiniot. Second Circle Faisalabad jurisdiction spreads over to western part of the City and extends to Tandlianwala and Sammundri Tehsils. Both of these Circles have their Circle Headquarters at Faisalabad. Jhang Circle has Circle Headquarters at Jhang City and manages the supply and customers of Jhang, Toba Tek Singh, Kamalia and Gojra Districts. Geographically, Jhang Circle is the largest among all Circles of FESCO. Sargodha Circle jurisdiction confines to the whole of Sargodha and Khushab Districts. Mianwali Circle manages the supply and customers of Mianwali and Bhakkar Districts. This Circle shares its boundaries with other DISCOs such as IESCO, PESCO and MEPCO.



FESCO has various administrative arrangements to place XEN Operation at all District Headquarters. Moreover, considering the geographical vastness of various Tehsils and amalgamation of customers, the XENs Operation have been placed in all big Tehsils like, Bhalwal Tehsil of Sargodha, Gojra and Kamalia Tehsils of Toba Tek Singh, Jaranwala and Sammundri Tehsils of Faisalabad. Faisalabad District Headquarter has two Operation Circle Headquarters, Six Divisional Headquarters and FESCO Headquarters as well. Project Director (Construction) executes the development projects of HT, LT, Deposit Works and village electrification. The Construction Headquarters is stationed at Faisalabad and it has Three Construction Divisions viz Faisalabad, Sargodha and Jhang. Construction Division Faisalabad has its Headquarters in Faisalabad City and executes all development projects of District Faisalabad, Construction Division Sargodha has its Headquarters at Sargodha City and executes all development projects of Districts Sargodha, Khushab and Mianwali, Construction Division Jhang has its Headquarters at Jhang City and executes all development projects of Districts Jhang, Chiniot, Toba Tek Singh and Bhakkar.

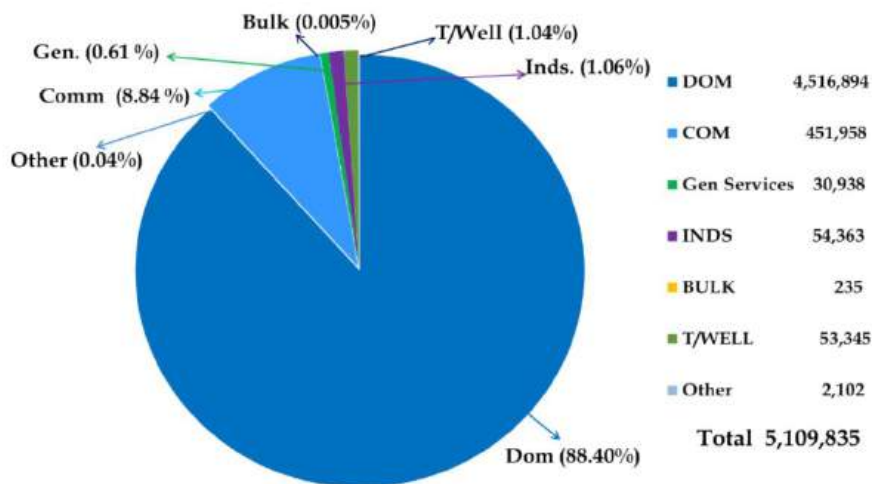
In order to provide extended customer services to its valued customers, FESCO has ensured the operation of customer services at all Operation Sub Divisions, Divisions, Circles and at FESCO Headquarters levels. These customer service centers work round the clock to redress the supply related complaints of the customers, whereas, the billing related complaints are received and redressed during the Office hours.

COMMERCIAL SERVICES DIRECTORATE

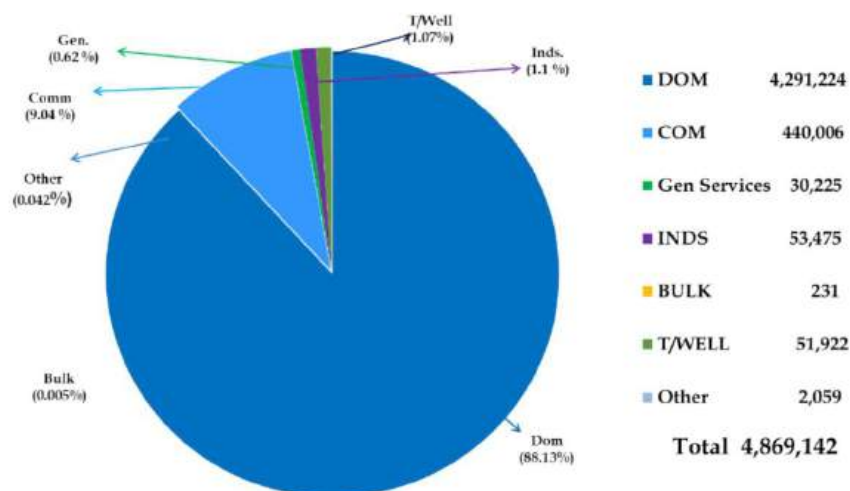
CONSUMER MIX

At the end of June 2023, FESCO had 5.109 million consumers out of which 4.516 million were Domestic, 0.451 millions were Commercial, 0.054 millions were Industrial and 0.053 million were Agricultural Tube Wells consumers. Whereas, at the end of June 2022, FESCO had 4.869 million consumers out of which 4.291 million were Domestic, 0.440 millions were Commercial, 0.053 millions were Industrial and 0.052 million were Agricultural Tube Wells consumers. Following graph depicts the comparative percentage of number of consumers of last two years at FESCO level:-

CONSUMER MIX ENDING JUNE 2023



CONSUMER MIX ENDING JUNE 2022



These pie charts depict the maintenance of their ratios in terms of numbers in each sector and increase in overall numbers could not drag these ratios, but these ratios are misleading to the effect that addition in numbers in subsidies dependent sectors i.e. domestic and agriculture was much higher than the contributing sectors i.e. industrial and commercial. FESCO understands that social sectors growth is beyond its control but as a Company it is making all efforts to install commercial and industrial connections on priority. The 2nd Circle Faisalabad is heavily dominated by medium/small industrial consumers besides domestic customers. On the other hand, the 1st Circle dominated by big industrial consumer and Jhang Circles are dominated by domestic & agricultural consumers. 1st and 2nd Circles Faisalabad have Small Industrial customers as well. Jhang Circle has exceptionally large numbers of agricultural customers due to which it leads all the Circles in agriculture consumption. It contributes approximately 1% of agriculture consumption of FESCO. Majority of Government Department customers are under Sargodha Circle due to which bulk power supply is maximum in Sargodha Circle. The Circle wise position of Consumers in numbers at the end of current financial year is given as under;

CIRCLE WISE CONSUMER MIX (NUMBERS) 2022-23

Category	1 st Circle FSD	2 nd Circle FSD	Jhang Circle	Sargodha Circle	Mianwali Circle	Total
Domestic	1019313	969530	1005848	978135	544068	45168
Commercial	120794	96436	90706	103439	40583	451958
General Connections	5497	4286	7348	8709	5098	30938
Industrial	14148	23191	8242	6836	1946	54363
Tube Wells	14509	6361	21696	6148	4631	53345
Bulk & Others	765	696	466	265	145	2337
Total	1175026	1100500	1134306	1103532	596471	5109835
% of Total Cons:	23	22	22	22	12	100

CIRCLE WISE CONSUMER MIX (NUMBERS) 2021-22

Category	1 st Circle FSD	2 nd Circle FSD	Jhang Circle	Sargodha Circle	Mianwali Circle	Total
Domestic	963,446	916,557	962,819	929,231	519,171	4,291,224
Commercial	117,600	93,659	88,395	100,514	39,838	440,006
General Connections	5,285	4,208	7,269	8,488	4,975	30,225
Industrial	13,839	22,957	8,097	6,690	1,892	53,475
Tube Wells	14,118	6,208	21,073	5,964	4,559	51,922
Bulk & Others	743	681	466	260	140	2,290
Total	1,115,031	1,044,270	1,088,119	1,051,147	570,575	4,869,142
% of Total Cons:	23	21	22	22	12	100

CONSUMPTION MIX

During the current year 2022-23 FESCO made total sale of 14663 million units out of which 1st Circle Faisalabad contributed 39%, 2nd Circle contributed 22%, Jhang Circle contributed 15%, Sargodha Circle contributed 16% and Mianwali Circle contributed 8%. Comparing with last year, 1st Circle Faisalabad, Jhang, Sargodha & Mianwali Circles maintain their ratios. From analysis, it is evident that sale in domestic and Industrial sectors of FESCO decreased from 7391 million units to 6550 million units and from 5822 to 5669 respectively. NEPRA, while determining tariff of the Company, takes into consideration of the higher slab sales and if Company sells more units to low slab categories, it directly gives effect to its earning capacity. Following table highlights the category wise and Circle wise contribution of sales:-

CIRCLE WISE CONSUMPTION 2022-23

Category	1 st Circle FSD	2 nd Circle FSD	Jhang Circle	Sargodha Circle	Mianwali Circle	Total
Domestic	1660	1602	1300	1353	635	6550
Commercial	266	169	121	168	61	785
General Connections	77	36	38	53	28	233
Industrial	3426	1168	318	511	247	5669
Tube Wells	271	167	445	126	200	1209
Bulk & Others	41	23	16	90	46	216
Total	5742	3166	2238	2301	1216	14663
% of Total Cons:	39	22	15	16	8	100

CIRCLE WISE CONSUMPTION 2021-22

Category	1 st Circle FSD	2 nd Circle FSD	Jhang Circle	Sargodha Circle	Mianwali Circle	Total
Domestic	1874	1839	1442	1517	719	7391
Commercial	288	182	130	182	65	848
General Connections	82	39	41	60	32	255
Industrial	3386	1284	348	619	185	5822
Tube Wells	304	210	508	139	207	1367
Bulk & Others	47	24	19	97	50	236
Total	5982	3578	2486	2614	1259	15919
% of Total Cons:	38	22	16	16	8	100

Comparing the category wise consumption of current year 2022-23 with the previous year 2021-22, it is clear that commercial & industrial Sector has significantly decreased. Agricultural Sector has also shown significant decrease in consumption. One of these sectors is subsidy dependent not only the direct subsidies paid by Governments but also cross subsidized rates applied built in tariff mechanism. Above Table highlights the consumption contribution of each category in 2022-23 and its comparative narration with year 2021-22.

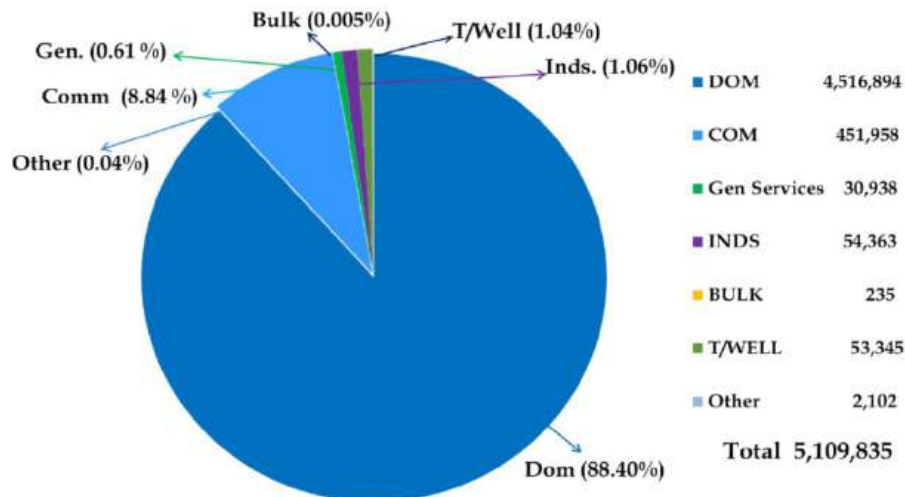
In 2022-23, 1st Circle share in sale mix increased by 39% compared with 38% in 2021-22. 2nd Circle, Sargodha & Mianwali maintained their previous year contributions. Jhang Circle had 1% decreased consumption than the previous year which was mainly decreased in Bulk & industrial as consumption. Marginally, if we compare the increase in overall contribution, it was evident that lower billed units of FESCO were taken away for sale as higher billed units and average sale rate increase from Rs.23.036/- to 32.777/-.

Significant decrease in pattern of industrial consumption was observed during the year and increase in agricultural sector consumption was also observed. The consumption pattern showed the increasing trend due to availability of electricity in productive sectors. The use of electricity in improvement of quality of life was observed as 53% during the year against 51% of last year. Use in bulk supply and other consumers remained 2%, at par with the last year. Indeed, there was insignificant increase in consumption of electricity in all sectors but proportionately more increase was observed in domestic and agricultural sectors and decrease in industrial sector.

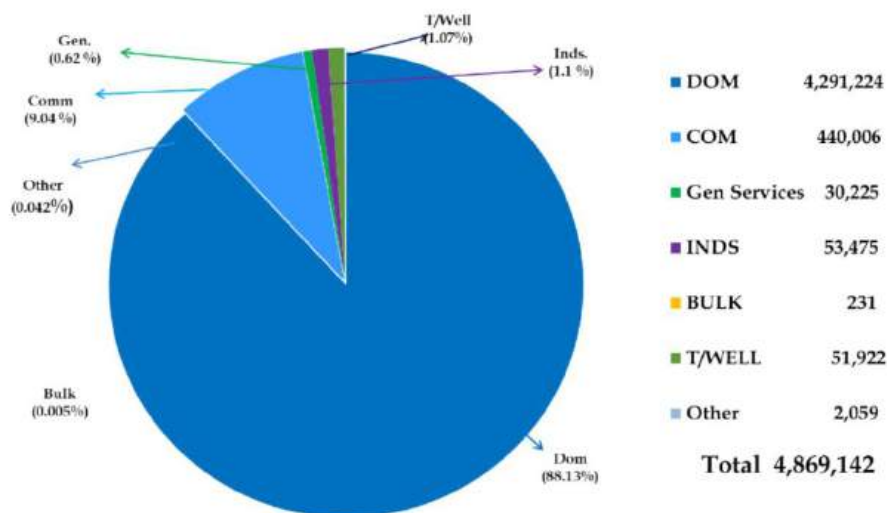
FESCO made lot of efforts during the year 2022-23 in order to improve the consumption patterns. Big and small industry was given relief by Govt. A collective effort was made with the help of industrial organizations in order to develop and implement a zero load shedding programme. Accordingly, small industrial connections having domination on domestic feeders were declared as industrial dominated feeders due to which they were treated like big industries.

Consumption mix charts of current year and the year 2022-23 are given below for comparative analysis:-

CATEGORY WISE CONSUMPTION MIX ENDING JUNE 2023



CATEGORY WISE CONSUMPTION MIX (MILLION UNITS) 2021-22



SALE AND REVENUE

FESCO made sales of Rs.480556 million during 2022-23 and generated revenue of Rs.482431 millions which was 100.39% of the sale. Overall sale increased by 31.05% and revenue collection increased by approximately 38.72%. Public sector consumer's sale was recorded as Rs.20784 millions and revenue was generated as Rs.20376 millions which was around 98.03%. In private sector, FESCO made sales of Rs.459771 million and recovered Rs.462056 million. Various types of the subsidies were built in the tariff on the directions of the Government; the payments of these subsidies were to be released by the respective Governments. The account of these outstanding subsidies is given below:-

DETAIL OF SUBSIDIES (PRIVATE) FESCO

(Fig. In Million)

Detail of Subsidies	Jun-17	Jun-18	Jun-19	Jun-20	Jun-21	Jun-22	Jun-23
Federal Government Liability							
(a) (Agriculture T/W (Pv(12.5%)) (From 01-07-07 to 30-06-10)	185	185	185	185	185	185	185
Difference of Rate of Agri with Kisan Itthad							
(b) Rs.10.35 Per Unit & NEPRA Tariff of Rs. 17.50 & 11.20 (From Jul-13)	216	268	301	307	318	319	319
(c) GST Subsidy for Domestic and 25% Subsidy for the period (01.07.08 to 30.06.11)	1024	1024	1024	1024	1024	1024	1024
Prime Minister Subsidy for domestic and Agriculture Consumers (Jamali Govt.) Prior to NEPRA 2003	44	44	44	44	44	44	44
Prime Minister Relief for Industries Vide No.P -1-4(18) 2014-15 Dt.04.02.16 From 01.01.16	3652	6089	17327	5058	4630	4646	4534
Zero Rated Industrial Rate (ZRIR) Ministry SRO No. 1(I) 2019 to SRO No.12 (I) From 01.01. 2019	-	-	5086	16763	22220	20728	4668
Prime Minister Relief	-	-	-	-	-	9384	2154
TOTAL FEDERAL GOVT.	5121	7610	23968	23381	28422	36330	12929
(b) Agriculture T/W GST Subsidy From 01-07-16	419	628	1042	2659	4516	7568	9206
TOTAL PROVINCIAL GOVT.	419	628	1042	2659	4516	7568	9206
GOVT. TOTAL.	5540	8239	25011	26040	32937	43898	22135

If these outstanding subsidies amounts would have been paid to FESCO by end of June 2023, the recovery %age would have gone to 105%. Recovery from provincial government departments remained a problem area during the whole year and FESCO notices for Recovery to the heads of respective government organizations and even in certain cases disconnections were done. Federal Government departments paid their due amounts regularly except defense department. This is worth mentioning that FESCO does not have any billing dispute with any Federal or Provincial department. A large sum of FESCO dues was held up with WASA which could not be cleared due to non-availability of budget with them.

Private sector recoveries during the year were 100.50. However, there was a consistent increase in running arrears in private sector payments which was specifically analyzed and observed that domestic consumers were adopting a trend of making payments after accumulation of electricity bills of two months. This view was also strengthened due to the fact that payment of Late Payment Surcharge (LPS) increased as compared to last year. Following table highlights the receivables position of the Company:-

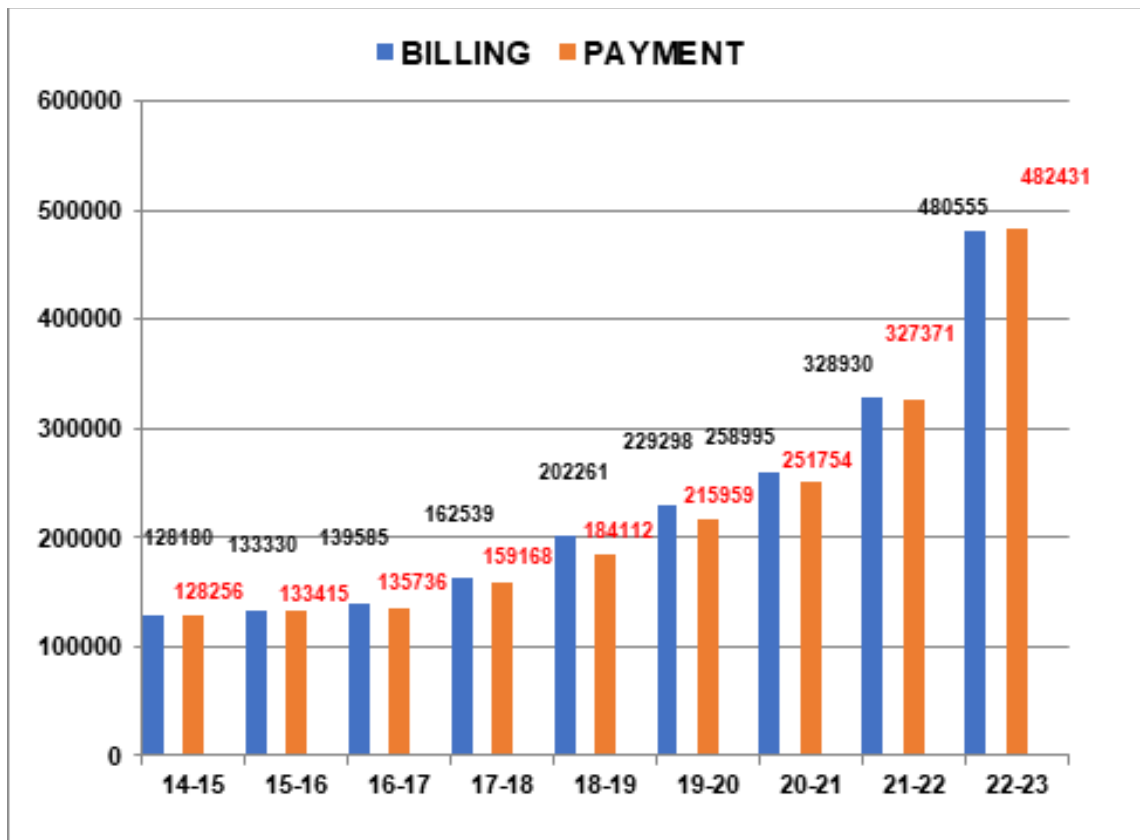
CATEGORY WISE RECEIVABLES

(Fig. In Million)

SR. NO	PARTICULAR	06/2020	06/2021	06/2022	06/2023
1-	F/GOVT AGENCIES	536	456	944	292
2-	P/GOVT AGENCIES	607	1768	1849	2921
3-	TOTAL GOVT (1+2)	1144	2224	2793	3213
4-	TOTAL PRIVATE	45800	51999	70365	68073
5-	GRAND TOTAL (3+4)	46944	54223	73158	71286
DETAIL OF PRIVATE RECEIVABLE					
i-	SPILL OVER	11159	16233	22431	33862
ii-	DEFERRED AMOUNT	4987	495	775	6144
iii-	SUBSIDIES	26040	32938	43897	22135
iv-	UN-IDENT: CASH	16	19	19	27
a-	P.DISCONNECTED	780	815	984	2088
b-	RUN. DEFAULTERS	2771	1458	2097	3430
c-	UNPAID DEBT	79	79	198	441
v-	SUB TOTAL(a+b+c)	3630	2352	3280	5959
d-	NET ARREARS (ii+v)	8617	2847	4055	12103
e-	TOTAL (i+ii+iii-iv+v)	45800	51999	70365	68073

The above table shows consistent increases in few Heads of recoveries such as Spillover, deferred amount and disconnected defaulters. Let's have a look of the amounts. Spillover amounts are basically such payments for which FESCO has raised bills to the customers which come due for payment during the following month. In current running month, FESCO does not have the legal force to compel the customers for payments. So, in every month, some portion of recoveries goes as a spill over. Subsidies are basically those FESCO claims which have been picked up by the Governments for payments which otherwise would have been paid by the customers. FESCO does not raise these claims to customers but raises these to respective Governments. Running arrears are such amounts which have been billed to the customers but remain unpaid on the part of customers. FESCO takes all legal steps to recover these amounts besides following up the customers continuously. Every month, FESCO carries out analysis of these amounts in order to find out the blockage of revenue and accordingly field force is applied either for disconnection or provision of facilitation of installments to customers. In nutshell, these are recoverable claims.

It has also been observed that FESCO receivables are increasing consistently year by year. The basic reason for this increase is the rise in overall billing due to tariff rise. Secondly, the percentage rise in tariff becomes the multiplier for the rise of spillover being the part of billing. The rise in tariff is so consistent that during the last five years, it has more than 100% increase due to which FESCO overall revenue has become more than double during the last five years. Following graph highlights the trend of FESCO sales and revenue (Rs. Millions are shown on Y-Axis and Years on X-Axis);



From the above graph, it is evident that FESCO has a trend of having 100% recoveries of its billing but this trend was disturbed due to outstanding subsidies from the Governments during the last couple of years. If these subsidies are regularly paid by the Governments, the Company position must have been much better.

FESCO has a very good system of recoveries, besides customer's facilitation of making payments 24/7 through NADRA, Banks, and Credit Cards, in villages through Post Offices etc, field staff remains busy for follow up in the field. After posting of cash on MIS Files, defaulter's lists are provided to the field staff regularly. These lists are updated by MIS Department on weekly basis so as to ensure that every default is in the knowledge of FESCO Staff. At Company Level, Review meetings are held regularly in order to review the progress for which standard formats are used. Following is the table which compares the Public and Private Sectors Billing, Recoveries, payment percentages of the current year as well as the previous year:-

**PROGRESSIVE BILLING WITH SUBSIDY & COLLECTION
FROM 07/22 TO 06/23 FESCO**

(Rs Millions)

CIRCLE	PERIOD	BILLING (WITH SUBSIDY)			PAYMENT			% PAYMENT		
		GOVT	PVT	TOTAL	GOVT	PVT	TOTAL	GOVT	PVT	TOTAL
IST FSD	07/22 to 06/23	4418.05	193450.56	197868.61	3680.55	196808.39	200488.94	83.31	101.74	101.32
	07/21 to 06/22	3445.34	144568.50	148013.84	3571.29	137364.35	140935.64	103.66	95.02	95.22
2ND FSD	07/22 to 06/23	2271.22	105645.56	107916.78	1946.49	106346.02	108292.51	85.70	100.66	100.35
	07/21 to 06/22	1709.69	82988.48	84698.17	1660.62	79818.68	81479.30	97.13	96.18	96.20
JHANG	07/22 to 06/23	2571.56	62189.77	64761.33	2663.13	61282.52	63945.65	103.56	98.54	98.74
	07/21 to 06/22	1869.71	47562.38	49432.09	1730.74	44121.81	45852.55	92.57	92.77	92.76
SRG.	07/22 to 06/23	7584.94	66846.09	74431.03	8030.90	66391.07	74421.97	105.88	99.32	99.99
	07/21 to 06/22	5983.49	52963.68	58947.17	5644.87	50181.75	55826.62	94.34	94.75	94.71
M.WALI	07/22 to 06/23	3938.90	31637.91	35576.81	4054.58	31227.84	35282.42	102.94	98.70	99.17
	07/21 to 06/22	2845.73	22770.28	25616.01	2687.41	20995.87	23683.28	94.44	92.21	92.45
FESCO	07/22 to 06/23	20784.67	459769.89	480554.56	20375.65	462055.84	482431.49	98.03	100.50	100.39
	07/21 to 06/22	15853.96	350853.32	366707.28	15294.93	332482.46	347777.39	96.47	94.76	94.84
%AGE INC/DEC		31.10	31.04	31.05	33.22	36.93	38.72			

NEW CONNECTIONS

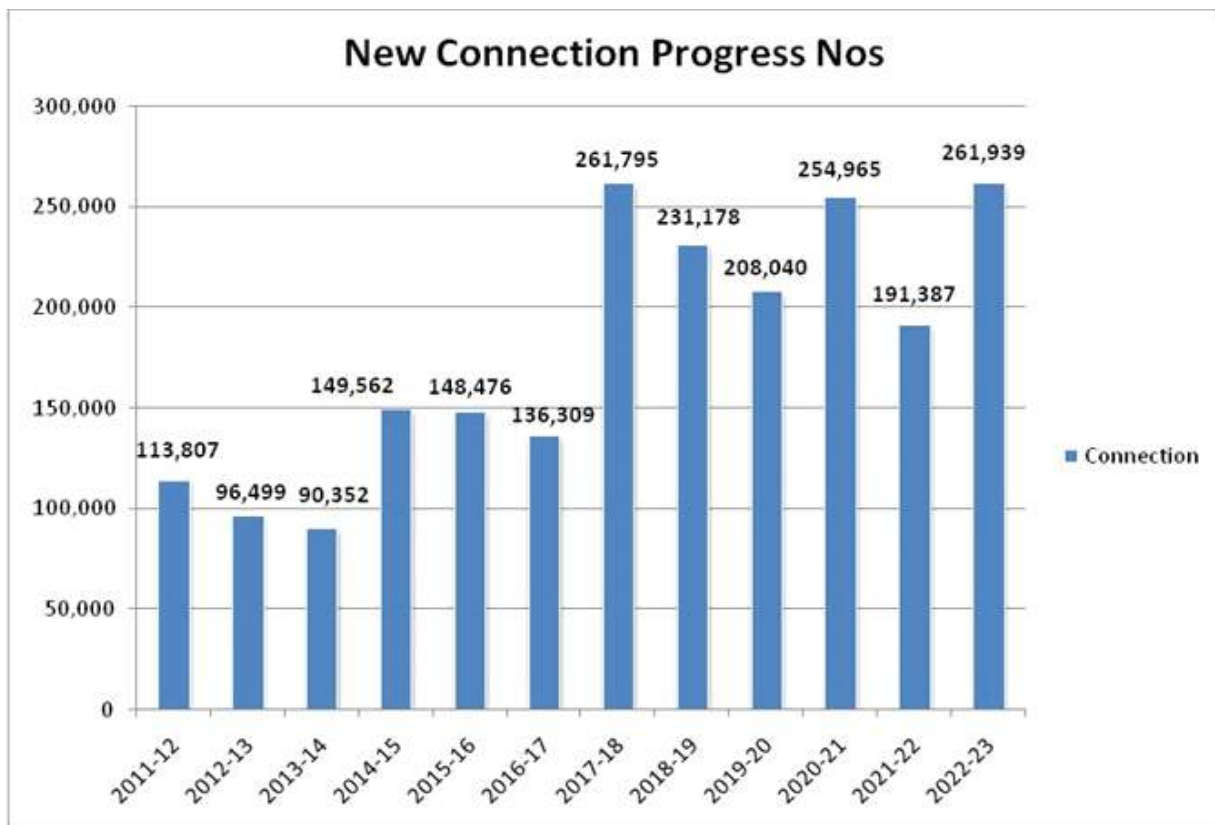
In this modern era of technology, it is absolutely impossible for any nation to survive and grow without electricity. It would not be unjustified to say that we as a nation cannot prosper without electricity. It is a fact that today the biggest commodity after food, water and cloth is "Electricity". FESCO aims at providing continuous supply of electricity to its consumers at an efficient and effective pace. Any new electricity connection, given by the FESCO, to a new customer, works as a bridge to create goodwill between the consumers and the Company. Quick and easy installation of the electricity connections helps to increase trust and reliability of the consumers on the company. During the year 2022-23, FESCO has provided new connections in all categories to the electricity users i.e. domestic, commercial, general services, industrial, agricultural and others. The number of new connections provided by FESCO during the year in domestic category is 246,894, in commercial category is 12,571, in general services sector is 250, in agricultural sector is 1,324, in industrial sector 804 and others are 96. The accumulative number of connections provided is 261,939 as per NEPRA policy;

NEW CONNECTIONS INSTALLATION 2022-23		
CATEGORY	No. of connection installed	APPLICATIONS PENDING
	UP TO 06/2023	RIPE
DOMESTIC	246,894	15,977
COMMERCIAL	12,571	806
G.SERVICES	250	40
INDUSTRIAL	804	95
T. WELLS	1,324	263
OTHERS	96	11
TOTAL	261,939	17,192

FESCO installs connections as per target time set by Ministry of Energy (Power Division) and the Company has successfully met this target in all categories. However, during the year, due to shortage of meters for a short span of time, connections installation was delayed and after regulation of supply of material, its pace was restored. Ending June 2023, there were 17,192 pending applications in which consumers made the payment and now FESCO was responsible for installation of connection. Highest numbers were in domestic and commercial categories. There was no problem to FESCO in installing domestic & commercial connections but the real challenge was in installing agriculture connections for irrigation and industrial connections for industrial purposes and all these connections were installed successfully.

The responsibility of the organization does not end with just a successful connection installation but the mutual relationship between the Company and the consumer increases with the passage of time. FESCO Customer Service Centre is a place where all the grievances of the consumers attached to the supply, billing and other matters related to the Company are not only heard but also addressed properly. Being a responsible public organization, FESCO feels proud in saying that it is always determined to help its consumers. At the time, when a new connection is installed in any particular category, FESCO provides guidelines of effective and better utilization of electrical energy and also proposes all the methods which can provide safe and secure electricity consumption.

FESCO understands that first interaction and its resultant impression of the customer with the Company is always everlasting. This interaction usually happens at the time of getting a new connection. Easy and speedy connection installation is the motto of the Company. During the year, there was a tremendous demand of new connections in almost all categories of tariff. New domestic connections as a result of new villages and colonies electrification surpassed all categories of connections. Demand of Tube well connections were also the pressing one due to increasing oil prices and shortage of canal water. Demand of industrial connections also increased besides suppressing economic conditions in the country. Following graph highlights the year-wise progress of installation of new connections which shows an increase in 2022-23.



DISTRIBUTION LOSSES

FESCO sale of units decreased from 15919 million units to 14663 million units during the year as compared to last year. Distribution losses of 11 KV and below network were recorded as 7.8% as compared to 7.98% of last year, Transmission losses recorded from 1.42% to 0.67% & Total (T&D) losses recorded from 9.10% to 8.59%. Following table highlights the position of 11kV, 132kV & T&D losses in comparative form;

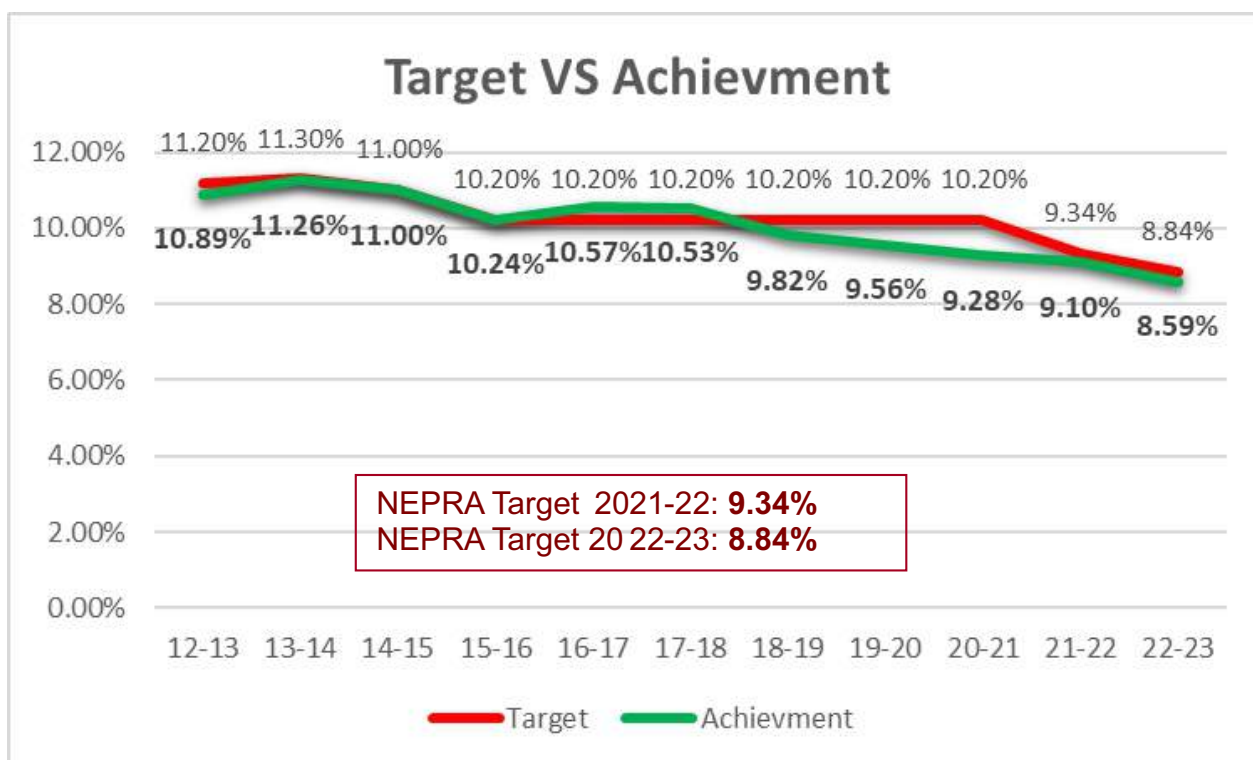
PROGRESSIVE LINE LOSSES

FY 2022-23 & FY 2021-22

CIRCLE	(UNITS IN MILLION)								INC & DEC
	RECEIVED		BILLED		LOST		%AGE LOSS		
	07/22 TO 06/23	07/21 TO 06/22	07/22 TO 06/23	07/21 TO 06/22	07/22 TO 06/23	07/21 TO 06/22	07/22 TO 06/23	07/21 TO 06/22	
FIRST CIRCLE	6111.34	6383.73	5741.92	5981.66	369.42	402.07	6.0	6.3	-0.3
SECOND CIRCLE	3457.53	3878.16	3166.00	3578.30	291.53	299.86	8.4	7.7	0.7
JHANG CIRCLE	2462.64	2731.19	2238.04	2486.04	224.60	245.15	9.1	9.0	0.1
SARG: CIRCLE	2511.74	2828.50	2300.96	2614.11	210.78	214.39	8.4	7.6	0.8
MW: CIRCLE	1390.75	1443.11	1215.76	1258.69	174.99	184.42	12.6	12.8	-0.2
11 KV	15933.99	17264.68	14662.66	15918.78	1271.33	1345.90	8.0	7.8	0.2
132 KV	16040.78	17512.56	15933.99	17264.68	106.79	247.88	0.7	1.4	-0.7
TOTAL	16040.78	17512.56	14662.66	15918.78	1378.12	1593.78	8.6	9.1	-0.5

The comparative analysis shows the overall decrease in losses from 9.10% to 8.59%. On evaluation.

Trend of T&D Losses target is given below;



THEFT ERADICATION

FESCO low level of losses demands high level of consistency of its operational activities in order to control the theft activities. FESCO teams at Sub Divisional level, Divisional level, Circle level and at Company level are in place and functional round the year. The members of these teams are required to carry out special theft detection activities in order to detect the theft and mode of theft being used by customers and disseminate this information in the Company. Usually, such detection reports are shared with the operational Officers for the education of their detection teams. At Company level, FESCO brings such matter in the notices of meter manufacturers in order to develop mechanism in the meters to ensure avoidance of such type of thefts.

The Company always strives to find out mode of theft and share it with everybody through FESCO monthly news bulletin so as to arrest these modes in future. One thing is very clear that theft stealers are equally busy in developing new modes of theft likewise the Company is busy in finding and arresting these. FESCO has an established setup of carrying out detection of theft and surveillance activities. Manager (Surveillance) FESCO and his teams consisting of Dy: Managers, Assistant Managers and technical staff are responsible to have random and planned visits of the field. Their independent role is to provide a check on the operation activities in order to find out theft cases being existing with the collaboration of operation staff and their coordinated role provides for support to operation staff as a third party checking. The surveillance teams work in the field throughout the year and their progress is monitored by Customer Services Director on monthly basis in order to ensure continuity of checking activities. These teams have also been assigned some special duties of complete checking of a particular area in cases of reports of thefts or indications of increasing losses. Detection progress achieved at the Company level for the year 2022-23 is as under:-

DETECTION BILLS CHARGED FROM 07/2022 TO 06/2023 FESCO

MONTHS	THEFT CASES		SLOWNESS		TOTAL		No.s of FIR Lodged
	NO.s	Units Charged	NO.s	Units Charged	NO.s	Units Charged	
07/2022	368	0.80	19468	6.38	19836	7.17	345
08/2022	339	0.78	19897	6.67	20236	7.44	394
09/2022	542	1.43	22402	7.73	22944	9.16	419
10/2022	462	1.11	14759	6.18	15221	7.29	439
11/2022	379	0.78	12072	5.31	12451	6.09	323
12/2022	374	0.83	16108	7.55	16482	8.37	267
01/2023	343	0.83	20049	6.73	20392	7.56	257
02/2023	300	0.59	19298	6.42	19598	7.00	243
03/2023	240	0.60	20262	6.59	20502	7.20	278
04/2023	393	0.70	25419	7.25	25812	7.95	346
05/2023	407	1.60	24028	7.63	24435	9.23	441
06/2023	489	1.13	20667	7.93	21156	9.06	442
TOTAL	4636	11.16	234429	82.37	239065	93.53	4194

The above table highlights that FESCO found 4,636 cases of theft and 234,429 cases of slowness of meters. Legally speaking, Operation Officers are authorized to raise a detection bill on account of theft of electricity without obtaining approval from any third party, but in cases of slowness of meters where a consumer is not involved in making the meter slow, raising a bill requires assessment by the Electric Inspector. The Company understands the transparent and judicious requirements of the law but the Electric Inspectors setups needs to be strengthened in order to fulfill efficient working requirements of the Company.

FESCO has also evolved a comprehensive theft eradication plan in which responsibilities of Officers / Officials have been assigned and accordingly their performance is monitored by Customer Service Director on regular basis. This is a dual facet plan which has meter checking activities and responsibilities of Surveillance. The disclosure of this policy was also given in last Directors Report and this repeat is done purposefully so as to make it a permanent part of this report and every time its disclosure be made. It is imperative for the Company to realize that rising tariff is the main source of tempting the customers for electricity theft. This repeated disclosure ensures the significance of this policy and to ensure that an officer/official can be taken as oblivion of the duties entrusted upon him by the Company. Following is the detail of responsibilities;

Sr. No.	Surveillance activities carried out by.	Tariff Pattern	Remarks
1	M.I / M.S -I, MS-II, LS-II	All types of domestic (A -1) and commercial (A-2) meters	The task force team should consist upon the following official at Sub Division level. 1.MRSS / MS -I / MS-II / LS-II 2. L.M. 3. ALM, 4. Meter Reader Note:- The task force team will check the accuracy and other discrepancies of all domestic & commercial meters once in a year, right from batch No.1 to 20. If any discrepancies existed at consumer's premises should be verified by M&T representative deputed at Division level. Surveillance register should be maintained on daily basis with showing the abstract at the end of month with discrepancies wise.
2	SDO (Operation)	Industrial (B-1), Agriculture T/ Well (D), A -2b & C -1 connections.	The accuracy & other discrepancies of all type of industrial, agriculture, A -2b & C-1 meters will be checked by AMO / MRSS twice in a year. If any discrepancies observed should be verified by the M&T representative. Surveillance register should be maintained on daily basis with showing of abstract at the end of month with discrepancies wise.
3	XEN (TS / M&T)	All types of B-2, C-2, A-2c & Seasonal Connections	XEN (M&T) will check the all type of B -2, C-2, A-2c & Seasonal connections in his respective Circle twice in a year. D.M (T.S) will maintain the record of it case to case basis.
4	SE (Technical Services)	All types of B-3, B-4 connections	SE (TS) will periodically check the B -3 & B-4 after 03 -months.
5	Director (S&I) FESCO	All types of connections	Director (S&I) & his surveillance teams will check the accuracy and discrepancy of all type connections at Division / Sub Division level in alternate month besides carrying out combing of high losses 11 KV Feeders on the request of Manager / Dy. Manager (Opt.). The Surveillance team will remain at their doors at one call of Manager / Dy. Manager (Opt.) to carry out the special checking in any Sub Division where they want.

Furthermore, the instructions contained in the Commercial Procedure have been revived with the special order as these instructions were in place but were not being implemented properly. In the light of commercial procedure, meter reading % checks are to be exercised by LS Incharge of Feeder, Meter Reading Section Supervisor and AMO / DMO / Manager (Operation) as under;

Sr.#	Designation	% checking of connections
1	LS / Incharge of Feeder	1. 5% General Connection per Month. 2. 15% industrial per month. 3. 15% T/Well per month
2	Meter Reading Section Supervisor	1. 20 General connections per week. 2. 15% T/Well per week. 3. 15% industrial (up to 40 kw) per week.
3	SDO (Operation)	1. 2 % T/Well connection per month. 2. 2 % Industrial (up to 40 kw). 3. 5 meter General connection per day & 02 meters to be checked should be those which the meter reader had read the previous day.
4	XEN (Operation)	At least 10 % reading of meters of Industrial and Commercial consumers having connected load above 40 KW and up to 500 KW and at least 02 meters per day, 01 meter independently i.e. which has not been checked by AMO.
5	SE (Operation)	At least 15 % meters having connected load over 500 KW and at least 05 meters per week as follows. i. One meter checked by the AMO. ii. One meter checked by DMO. iii. Three other meters.

CUSTOMER CARE CENTRE

FESCO flag ship state of the ART customer service centre at Head Quarter has been modernized and is working properly. Details of Annual report of customer care centre FY-2022-2023 is as under:-

3Nos new Customer Care Centres Bhakkar, Khushab and Toba Tek Singh are going to be constructed and also 4 Nos Customer care centres Mianwali, Chiniot, Jhang and Sargodha are being revamped. However, Tenders of Civil Works have already been floated, while the tenders of all the electronic and I.T accessories have been opened. About 47 Millions amount is involved in construction and revamping of 07 Nos Customer Care Centres and the work will be completed within 04 months.

FCC, CCMS, PMDU COMPLAINTS I.R.O FESCO FY 2022-23

QUARTERS	FCC Complaints		CCMS Complaints		PMDU Complaints	
	Received	Redressed	Received	Redressed	Received	Redressed
1st Quarter 2022 -23						
Total	1465	1465	93752	93752	2555	2555
2nd Quarter 2022 -23						
Total	848	848	61558	61558	1888	1888
3rd Quarter 2022 -23						
Total	1065	1065	67940	67940	1481	1481
4th Quarter 2022 -23						
Total	1386	1386	93210	93210	1556	1556
Grand Total	4764	4764	316460	316460	7480	7480

PLANNING & DEVELOPMENT DIRECTORATE

HT Proposals Approved

NAME OF PROGRAM	BUDGET IN RS. (MILLION) 2022 -23	HT PROPOSALS APPROVED		SAVING UNITS IN MKWH
		Nos.	ESTIMATED COST IN RS. (MILLION)	
DOP	415.000	73	1035.621	8.704
ELR	900.000	12	780.564	20.108
TOTAL	1315.000	85	1816.185	28.812

LT Proposals Approved

NAME OF PROGRAM	BUDGET IN RS. (MILLION) 2022 -23	LT PROPOSALS APPROVED		SAVING UNITS IN MKWH
		Nos.	ESTIMATED COST IN RS. (MILLION)	
DOP	350.000	436	403.645	DOP & ELR
ELR	702.000	543	563.399	
TOTAL	1052.000	979	967.044	9.520

Proposed and Approved new connections of different categories

NAME OF CATEGORY	NOs. OF CASES Approved
B-3	New+Ext / Proposed = 67 Approved= 44
B-4	Proposed = 7 Approved= 5
C-2	Proposed = 6 Approved= 5
PLAZAS / MARKETES / COMMERCIAL BUILDINGS	Approved = 38
HOUSING COLONIES	Approved = 50

GIS / Mapping

CIRCLE	TOTAL NO. OF 11 KV FEEDERS (ENDING 06 -2023)	COMPLETED	REMAINING
CIRCLE 1	444	420	24
CIRCLE 2	255	248	7
JHANG	215	213	2
SARGODHA	220	210	10
MIANWALI	138	123	15
TOTAL	1272	1214	58

CONSTRUCTION DIRECTORATE

Name of Work	No. of work completed	Expenditure Rs. (M)
HT Feeders	68 Nos.	1401.261
LT Proposals (DOP & ELR)	610 Nos.	1023.469
Chain Augmentation / Addition of Transformer	782 Nos.	806.500

Saving KWH

45.936 Million

Name of Work	No. of work completed	Expenditure Rs. (M)
Deposit Work (new colonies, plazas & Shifting of HT/LT Line for widening of roads Faisalabad & Sargodha regions)	164 Nos.	961.698
Villages /Abadies	775 Nos.	1218.684

CONSTRUCTION WORKS

Construction Projects of 11 KV and below network fall under the purview of Project Director Construction FESCO Faisalabad. The Directorate comprises of 04 Construction Divisions, 11 Construction Sub Divisions and 05 ELR Sub Divisions. Area of jurisdiction for construction Division is as under :-

- a. Construction Division for Faisalabad & Chiniot Districts.
- b. Construction Division Jhang for Jhang, & T.T.Singh Districts.
- c. Construction Division Sargodha for Sargodha & Khushab Districts.
- d. Construction Division Mianwali for Mianwali & Bhakkar, Districts.

To comply with the performance standards of NEPRA regarding provision of voltage within prescribed limits, and to have stable and reliable distribution system, this Directorate has played its role by carrying out system augmentation and energy loss reduction program by completion rehabilitation of 68 No. HT feeders spending Rs. 1401.261 Million and completed 610 No. SAP LT works with the expenditure 1023.469 Million.

Name of Work	No. of Work Completed	Expenditure Rs. (M)
HT Feeders	68 Nos.	1401.261
LT Proposals (DOP & ELR)	610 Nos.	1023.469
Saving KWH	45.936 Million	

Name of Work	No. of Work Completed	Expenditure Rs. (M)
Deposit Work (new Colonies Plazas & Shifting of HT/LT Line for widening of roads Faisalabad & Sargodha regions) HT Feeders	164 Nos.	961.698

Name of Work	No. of Work Completed	Expenditure Rs. (M)
Village/Abadies	775 Nos.	1218.684

A major portion of Pakistani population lives in villages. As Pakistan is an agricultural country and agricultural productivity is the back bone of our economy. In order to enhance our agricultural activities, village must be electrified at a faster pace. FESCO is looking forward for maximum village electrification and working in this respect has achieved a noticeable success. The pace of village electrification was reduced due to less flow of funds.

Pakistan being an economically dependent country on agriculture must be self-reliant in all the fields of agricultural production. Since it is not possible for agriculture sector to grow without electricity supply, as positively as it should be, therefore, FESCO is working day and night in providing electricity connections to all possible villages in the FESCO region to help agricultural sector to expand and strengthen the economy of Pakistan.

GRID SYSTEM UPGRADATION

Promotion of Safety Culture:

Scheduled safety seminars were held on regular intervals at Circle, Division and Sub-Division level, with the association of Labour Union to highlight safety hazards and to promote safety culture/awareness.

Preventive Maintenance:

Preventive maintenance was carried out on vital equipments thoroughly to avoid future faults, troubles and outages.

Corrective Maintenance:

Corrective Maintenance was regularly carried out at G/S, Power Transformers, Breakers, T/Lines etc to attend the faults, as soon as they occurred.

Augmentation of Power Transformer:

At following grid stations power transformers were augmented to avoid overloading and safety of equipments.



Sr. No.	Name of Grid Station	Date	P/TF	Existing Capacity (MVA)	Augmented Capacity (MVA)
1	132KV G/S Khanuana.	28-07-22	T-1	10/13	20/26
2	132KV G/S Millat Road.	18-08-22	T-1	10/13	20/26
3	132KV G/S Shahbaz Khel	08-09-22	T-1	10/13	20/26
4	132KV G/S Sargodha-II	22-09-22	T-2	20/26	31.5/40
5	132KV G/S Bhalwal.	04-10-22	T-3	20/26	31.5/40
6	132KV G/S Pir Mahal.	27-10-22	T-1	20/26	31.5/40
7	220/ 132KV G/S Sammundri Road Faisalabad.	10-11-22	T-5	10/13	20/26
8	132KV G/S G.M Raja.	30-11-22	T-3	10/13	20/26
9	132KV G/S Barana.	15-12-22	T-2	20/26	31.5/40
10	132KV G/S Bhamb.	28-12-22	T-3	20/26	31.5/40
11	132KV G/S Gojra.	11-01-23	T-2	20/26	31.5/40
12	132KV G/S Wan Buchran.	11-03-23	T-1	10/13	20/26
13	132KV G/S Jhang-II.	04-05-23	T-2	20/26	31.5/40
14	132KV G/S Sargodha City.	11-06-23	T-3	20/26	31.5/40

At the following grid stations, additional power transformers were arranged to avoid overloading and safety of equipment.

EXTENSION OF POWER TRANSFORMERS			
Sr	Description	Scope of work	Date
1	132KV G/S Bandala.	Extension of 01 -No. T/F Bay with 132/11.5KV, 20/26MVA P/T	12-08-22
2	132KV G/S Khewa.	Extension of 02 -No. Line Bays.	25-08-22
3	132KV G/S Khurrianwala.	Extension of 01 -No. Line Bay for F/F 132KV G/S Best Fibers (Deposited Work).	15-09-22
4	132KV G/S (SPS) Faisalabad.	Extension of 01 -No. T/F Bay with 132/11.5KV, 20/26MVA P/T	02-06-23
5	132KV G/S Bhagtanwala.	Extension of 01 -No. T/F Bay with 132/11.5KV, 20/26MVA P/T	08-06-23
CONSTRUCTION OF NEW GRID STATIONS			
Sr	Description	Scope of work	Date
1	132KV G/S PAEC Wan Buchran Atomic Harnoli District Mianwali (Deposit Work)	New Grid Station	17-03-23
2	132KV Grid Station Allied Faisalabad.	New Grid Station	29-03-23
3	132KV Grid Station Jhakkar.	New Grid Station	23-06-23

CONSTRUCTION OF NEW TRANSMISSION LINES

Sr#	Description	Scope of work	Date of Commissioning
1	132KV S/C T/Line F/F 132KV G/S Best Fibers (Deposit Work).	New Transmission Line	15-09-22
2	132KV D/C T/Line Feed for Best Way Cement Factory (Deposit Work).Length = 12-KMs Locations = 58-Nos. Conductor = Rail	New Transmission Line	15-03-23
3	132KV D/C T/L In & Out at 132KV G/S Zahid Jee Textile Mill.	New Transmission Line	11-06-23
4	132KV D/C T/Line In & Out at 132KV G/S Jhakkar from 132KV D/C T/Line Chichawatni – Kamalia.	New Transmission Line	23-06-23

REPLACEMENT / ADDITION OF CIRCUIT BREAKERS DURING 2022-23

S#	Name of G/Station	Scope of work	Date
1	132KV Head Faqirian	Replacement of 66KV CB HFQ-72	12-06-22
2	66KV Jahania Shah	Replacement of 66KV JSH-82	03-07-22
3	132KV LB Chashma	Replacement of 132KV CB CHM-2	20-10-22
4	132KV Daud Khel	Replacement of 132KV CB DKL-9	29-10-22
5	132KV Piplan	Replacement of 132KV CB PPL-2	31-10-22
6	132KV LB Chashma	Replacement of 132KV CB CHM-1	15-11-22
7	132KV Gojra	Replacement of 132KV Circuit Breaker GRA-10	05-12-22
8	66KV Adhikot	Addition of T-2, C.B ADK-82	02-02-23
9	132KV Daud Khel	Addition of 132KV CB DKL-11	15-03-23
10	132KV Bhagtanwala	Addition of T-3, C.B BGW-83	08-06-23
11	132Kv G/S Bandala	Replacement of 132KV P/T T-1 C.B BDA-81.	06-09-23

DETAIL OF REPLACEMENT / ADDITION OF 11KV SWITCHGEARS DURING 2022-23

S#	Name of G/Station	Scope of work	Date
1	132 KV Khurrianwala	Replaced 11 KV Capacitor Panel of P/T T-2.	13-07-22
2	132KV Narwala Road	Replacement of 02No. Outgoing Panels	17-07-22
3	132 KV Nishatabad New	Replacement of 01 No. 11 KV O/G Mughel pora feeder panel	31-07-22
4	132 KV Nishatabad New	Replacement of 01 No. 11 KV O/G Hamdred feeder panel	31-07-22
5	132 KV Nishatabad New	Replacement of 01 No. 11 KV O/G Wapda Academy feeder panel	31-07-22
6	132 KV Scarp Colony	Replacement of 01 No.11 KV O/G Makuana feeder panel.	16-08-22
7	132 KV Scarp Colony	Replacement of 01 No.11 KV O/G Ghulab feeder panel.	16-08-22
8	132KV Samundri	Replacement of Incoming No. 1	25-08-22
9	132 KV Khanuana	Installed 01 No.11 KV O/G Sitara Gold feeder panel.	08-09-22
10	132 KV Khanuana	Installed 01 No.11 KV O/G Model City feeder panel.	08-09-22



11	132 KV Khanuana	Installed 11 KV Capacitor Panel of P/T T-3.	08-09-22
12	132 KV Chiniot Industrial	Replace 11 KV O/G Jhang Road feeder panel.	13-09-22
13	132 KV Chiniot Industrial	Replace 11 KV O/G Jumrah Road feeder panel.	22-09-22
14	132KV Sargodha II	1 No. Replacement against 11KV I/C No. 2 due to upgradation of T-2	22-09-22
15	66KV Naoshehra	New addition of 2 Nos. Complete panels (for emergency)	26-09-22
16	132KV Fazil	Addition of 11KV FPL	10-10-22
17	132KV Darya Khan	Addition of 11KV Kohawar, 11KV Khokhar	11-10-22
18	132KV Piplan	Replacement of 11KV Naseer Wala, 11KV Old Harnoli	12-10-22
19	132KV Pir Mahal	Replacement of Incoming No. 2 due to augmentation	20-10-22
20	132 KV Chak 103 R.B	Installed 11 KV O/G Socks and socks	26-10-22
21	132 KV Chiniot road	Installed 03 No.11 KV O/G spare panels for new connections	29-10-22
22	132 KV Chiniot road	Installed 11 KV Incoming panel for extension of Incoming No.2	29-10-22
23	132 KV Chiniot road	Installed 11 KV Capacitor panel	29-10-22
24	66KV Issa Khel	Addition of 11KV Qabool Khel	24-11-22
25	132KV Brana	1 No. Replacement against 11KV I/C No. 2 due to upgradation of T-2	15-12-22
26	132KV Bhamb	1 No. Replacement against 11KV I/C No. 3 due to upgradation of T-3	28-12-22
27	132KV T.T. Singh	Installed new 11KV Panel for AK Industry	09-02-23
28	132 KV Khurrianwala	Replaced 11 KV Incoming No.1	07-03-23
29	132KV Jhang Road	Replacement of Incoming No. 1	20-03-23
30	132KV Jhang Road	Replacement of 07No. Outgoing Panels	20-03-23
31	132KV Jhang-II	Replacement of Incoming No. 2 due to augmentation	04-05-23
32	132KV Jhang-II	Replacement of Outgoing Panel of Mochiwala	04-05-23
33	132KV LB Chashma	Addition of 11KV Kacha Gujrat	05-05-23
34	132KV Jhang City	Install new 2No. 11KV Panels for bifurcated feeders	09-05-23
35	132KV Quaidabad	Replacement of Incoming No.III	09-05-23
36	132KV Quaidabad	Replacement of 11KV Outgoing Okhli Mohala Panel	09-05-23
37	132KV Quaidabad	Replacement of 11KV Outgoing Bandial Panel	09-05-23
38	132KV Quaidabad	Replacement of 11KV Outgoing Quaidabad Panel	09-05-23
39	132KV Quaidabad	Addition of 11KV Bus Coupler	09-05-23
40	132 kv Mianwali	Addition of 11KV outgoing Azeem Wala feeder panel	16-05-23
41	66KV Jahania Shah	New addition of 1 No. against 11KV New Feeder Lakhi Shah	17-05-23
42	132 kv Mianwali	Addition of 11KV outgoing Mother &Child Hospital feeder panel	18-05-23
43	132KV Trug	Replacement of 01-No Incoming (Incoming No.II)	22-05-23
44	132KV Trug	Replacement of 01-No Incoming (Incoming No. I)	22-05-23
45	132KV Trug	Replacement of 01-No 11KV Outgoing Kamar Mashani City panel	22-05-23
46	132KV Trug	Replacement of 01-No 11KV Outgoing Trug panel	22-05-23
47	132KV Trug	Replacement of 01-No 11KV Outgoing Ghazi Wal panel	22-05-23
48	132KV Trug	Replacement of 01-No 11KV Outgoing Kalor-II panel	22-05-23
49	132KV Trug	Replacement of 01-No 11KV Outgoing Ali Khel panel	22-05-23
50	132KV Trug	Replacement of 01-No 11KV Outgoing Allah Khel panel	22-05-23
51	132KV Trug	Replacement of 11KV Bus Coupler	22-05-23
52	132KV Bhagtanwala	New addition of 1 No. I/C No. 3 against New Power TF T-3	08-06-23
53	132KV AP Sial	Replacement of Incoming NO. 3 due to Flash	09-06-23
54	132KV Sargodha City	1 No. Replacement against 11KV I/C No. 3 due to up gradation of T-3	11-06-23
55	132KV Quaidabad	Replacement of 01-No 11KV Outgoing Fateh Pur)	19-06-23
56	132KV Quaidabad	Replacement of 01-No 11KV Outgoing Warcha panel	19-06-23
57	132KV Quaidabad	Replacement of Incoming No.II	22-06-23
58	132KV Quaidabad	Replacement of 01-No 11KV Outgoing Gunjial Panel	22-06-23
59	132KV Quaidabad	Replacement of 01-No 11KV Outgoing Quaidabad City Panel	22-06-23
60	132KV T.T. Singh	Install new 11KV Panel for Daras More	25-06-23

**PROGRESS (MAINTENANCE/TESTING) REPORT IN RESPECT OF GSO CIRCLE FESCO FAISALABAD FOR
THE YEAR 2022-23**

Sr. No.	Name of Equipment	Description of work	Total No. Installed	Target for the year 2022-2023	Update Progress	Percentage target achieved
1	H.T Circuit Breaker	(a)Major Overhauling (OCB) (Five Yearly)	20	5	5	100%
		(b) Testing of opening & closing timing (Annual)	521	521	516	99%
		(c) Testing of Contact Resistance (Annual)	521	521	516	99%
		(d) SF-6 Purity Testing (Annual)	503	503	501	100%
2	Power Transformer	(a) Overhauling of Tap Changers (Five Yearly)	147	32	17	53%
		(b) C & DF Testing (Annual)	248	248	216	87%
		(c) IR (Megger) testing (Annual)	248	248	248	100%
		(d) General Maintenance (Annual)	248	248	248	100%
		(e) Oil testing (06-monthly)	122	244	244	100%
3	Current Transformer	(a) C & DF Testing (Five yearly)	1339	783	739	94%
4	11KV Switchgear	(a) Maintenance / Testing of 11KV Circuit Breaker (Annual)	1721	1721	1721	100%
	11 KV Bus Bar	(b) Maintenance / Testing (Annual)	240	240	238	99%
5	Earthing Mesh	(a) Checking, Testing & Maintenance of Earthing Mesh (Six Month)	84	168	160	95%
	Thermovision	(b) Thermovision of Grid Stations (Annual)	84	84	84	100%
6	132 / 66 KV Bus Bar	Maintenance of Bus Bar (Annual)	108	108	100	93%
7	Potential Transformer	Checking / Testing of P.T (Annual)	140	119	99	83%
8	Isolator (Line / Bus Bar / Transformer)	Maintenance of Isolator (Annual)	907	907	899	99%
9	Station Battery	Checking / Testing of 110 Volt batteries (Annual)	111	111	111	100%
10	132KV Lightning Arrester	Insulation testing (Annual)	534	534	556	104%
11	11KV Lightning Arrester	Insulation testing (Annual)	576	576	576	100%
12	11KV Incoming Trolleys	Maintenance / Cleaning (Annual)	240	240	253	105%
13	11KV Outgoing Trolleys	Maintenance / Cleaning (Annual)	1397	1397	1447	104%
14	O/C & Earth Fault Relays	Testing (Annual)	2109	2109	2109	100%
15	Differential Relays	Testing (Annual)	233	233	233	100%
16	Distance Relays	Testing (Annual)	229	229	229	100%
17	Earth Mesh	Testing (Bi-Annual)	107	214	160	75%
18	Energy meters	Testing (Annual)	2109	2109	1250	59%

GRID SYSTEM CONSTRUCTION

LIST OF WORKS COMPLETED

(A) NEW GRID STATIONS (STG)

The following 02-No. New Grid Stations have been completed / commissioned during F.Y 2022-23

S.N	Name of Work	Scope of Work		Cost Rs. In Million	Completed / Commissioning date
1	132 KV G/S Allied Faisalabad	Transformer	2x31.5/40 MVA	348.857	29-03-2023
		T/F Bay	02-No.		
		Line Bay	02-No.		
		PT Bay	01-No.		
2	132 KV G/S Jhakkar	Transformer	2x20/26 MVA	618.853	23.06.2023
		T/F Bay	02-No.		
		Line Bay	02-No.		
		PT Bay	01-No.		

(B) EXTENSION OF TRANSFORMER BAYS / LINE BAYS COMPLETED DURING 2022-23 (STG)

The following 06-No. Extension of Power T/Fs / Line Bays have been completed / commissioned during F.Y 2022-23:-

S.N	Name of Work	Scope of work	Cost Rs. In Million	Completed / Commissioning date
1	132 KV G/S Khewa	Addition of 02 No. Line Bays	29.22	25-07-2022
2	132 KV G/S Bandala Old	(Ext of Power T/F) 1x20/26 MVA	107.793	12-08-2022
3	132 KV G/S Cheena	(Ext of Power T/F) 1x10/13 MVA	38.178	05-04-2023
4	132 KV G/S Steam Power Station Faisalabad	(Ext of Power T/F) 1x20/26 MVA	144.566	02-06-2023
5	132 KV G/S Pathan Kot (Baghtanwala)	(Ext of Power T/F) 1x20/26 MVA	129.608	08-06-2023
6	132 KV G/S 12 6 S.B	(Ext of Power T/F) 1x20/26 MVA	82.416	05-07.2023

(C) AUGMENTATION OF POWER TRANSFORMERS COMPLETED DURING 2022-23 (STG)

The following 15-No. Augmentation works have been completed / commissioned during F.Y 2022-23:

S.N	Name of Work	Scope of work / Capacity of Power T/F	Cost Rs. In Million	Completed / Commissioning date
1	132 KV G/S Khanuana	10/13 MVA with 20/26 MVA	106.95	27-07-2022
2	132 KV G/S Shahbaz Khel	10/13 MVA with 20/26 MVA	107.651	08-09-2022
3	132 KV G/S Sargodha -II	20/26 MVA with 31.5/40 MVA	125.88	22-09-2022
4	132 KV G/S Bhalwal	20/26 MVA with 31.5/40 MVA	153.878	04-10-2022
5	132 KV G/S Pir Mahal	20/26 MVA with 31.5/40 MVA	109.554	27-10-2022

6	132 KV G/S Sammundari Road Faisalabad	10/13 MVA with 20/26 MVA	111.311	10-11-2022
7	132 KV G/S G.M Raja	10/13 MVA with 20/26 MVA	111.0009	30-11-2022
8	132 KV G/S Barana	20/26 MVA with 31.5/40 MVA	152.935	15-12-2022
9	132 KV G/S Khewa	10/13 MVA with 20/26 MVA	113.481	23-12-2022
10	132 KV G/S Bhumb	20/26 MVA with 31.5/40 MVA	151.094	28-12-2022
11	132 KV G/S Gojra	20/26 MVA with 31.5/40 MVA (Replacement)	26.219	11-01-2023
12	132 KV G/S Wan Buchran	10/13 MVA with 20/26 MVA	59.089	11-03-2023
13	132 KV G/S Jhang-II	20/26 MVA with 31.5/40 MVA	125.88	04-05-2023
14	132 KV G/S Sargodha City	20/26 MVA with 31.5/40 MVA	125.88	11-06-2023
15	132 KV G/S Millat Road Faisalabad	10/13 MVA with 20/26 MVA	113.481	11-08-2023

(D) UP GRADATION OF BUS BAR / EARTH MESH COMPLETED DURING F.Y 2022-23 (STG)

The following 02-No. up-gradation of bus bar /earth mesh works have been completed during F.Y 2022-23:-

S.N	Name of Work	Scope of work	Cost Rs. In Million	Completed / Commissioning date
1	132 KV G/S Jhang City	Earth Mesh to strengthen the existing earthing network	5.498	02-02-2023
2	132 KV G/S Wa n Buchran	Replacement of Single 132KV Bus Bar with Twin Bundle Bus Bar	6.790	08-03-2023

(E) CONSTRUCTION OF TRANSMISSION LINE COMPLETED DURING 2022-23 (STG)

The following 04-No. Transmission Lines have been completed / commissioned during F.Y 2022-23:-

S.N	Name of Work	Scope	Cost Rs. In Million	Completed / Commissioning date
1	Khewa In & Out from 500KV FSD West to Bhumb	New 12-K.M	219.155	06-10-2022
2	Bhumb In & Out 500KV FSD West Sec - 1	New 23-K.M	281.089	06-10-2022
3	132 KV D/C T/Line in & out at Allied G/S Faisalabad	New 0.5-K.M	16.133	29-03-2023
4	132 KV D/C T/Line Feed For Jhakkar G/S From Chechawatni to Kamalia	New 0.5-K.M	43.918	23-06-2023

(F) RE-CONDUCTORING OF TRANSMISSION LINE COMPLETED DURING-23 (STG)

S.N	Name of Work	Scope	Cost Rs . In Million	Completed / Commissioning date
1	132 KV D/C T/Line from 132KV G/S T.T Singh to 220KV G/S T.T Singh	Reconduct. 20.12 -K.M	430.975	15-03-2023

(G) NEW GRID STATIONS (DEPOSIT WORK)

The following 05-No. New Grid Stations have been completed / commissioned during F.Y 2022-23:-

S.N	Name of Work	Scope of Work		Cost Rs. In Million	Completed / Commissioning date
1	132 KV G/S Best Fiber	Transformer	1x10/13 MVA	311.459	15-09-2022
		T/F Bay	01-No.		
		Line Bay	01-No.		
		PT Bay	01-No.		
2	132 KV G/S Interloop	Transformer	2x10/13 MVA	408.256	26-10-2022
		T/F Bay	02-No.		
		Line Bay	01-No.		
		PT Bay	01-No.		
3	132 KV G/S Best Way	Transformer	2x20/26 MVA	543.258	15-03-2023
		T/F Bay	02-No.		
		Line Bay	02-No.		
		PT Bay	01-No.		
4	132 KV G/S PAEC Wan Buchran	Transformer	2x31.5/40 MVA	673.766	17-03-2023
		T/F Bay	02-No.		
		Line Bay	04-No.		
		PT Bay	01-No.		
5	132 KV G/S Zahid Jee	Transformer	1x20/26 MVA	308.765	15-06-2023
		T/F Bay	01-No.		
		Line Bay	02-No.		
		PT Bay	01-No.		

(H) ADDITION OF LINE BAYS COMPLETED (DEPOSIT WORK)

The following 03-No. Line Bays have been completed / commissioned during F.Y 2022-23:-

S.N	Name of Work	Scope	Cost Rs. In Million	Completed / Commissioning date
1	132 KV G/S 103 R.B (For Interloop)	01 Line Bay	16.510	17-07-2022
2	132KV G/S Khurrarianwala (For Best Fiber)	01 Line Bay	13.032	15-09-2022
3	132 KV G/S Daud Khel (For Best Way Cement Factory)	02 Line Bays	214.781	15-03-2023

(I) TRANSMISSION LINES COMPLETED (DEPOST WORK)

The following 06-No. Transmission Lines have been completed / commissioned during F.Y 2022-23:

S.N	Name of Work	Scope	Cost Rs. In Million	Completed / Commissioning date
1	132 KV D/C T/Line F/F Best Fibers (Pvt) Ltd	New 0.120-K.M	11.808	15-09-2022
2	132 KV D/C T/Line F/F Interloop	New 2.90-K.M	41.635	26-10-2022
3	132 KV D/C T/Line F/F Bhalwal Industrial Estate	New 1.560-K.M	132.469	01-06-2023
4	132 KV D/C T/Line F/F Best Way Cement	New 13-K.M	86.866	15-03-2023
5	132KV D/C T/Line Feed for PAEC Wan Buchran Atomic Hornoly District Mianwali	New 01-K.M	17-03-2023	17-03-2023
6	132 KV D/C T/Line F/F Zahid Jee Textile No.1	New 0.185-K.M	22.562	15-06-2023

(J) MISC. GSO WORKS / EMERGENCIES ATTENDED DURING THE F.Y 2022-23:

The following 09-No. GSO works / Emergencies attended during F.Y 2022-23:-

S.N	Name of Work	Scope	Cost Rs. In Million	Completed / Commissioning date
1	132 KV T/Line Piplan -Bhakkar	Breakdown	57.607	09-07-2022
2	Break Down of exsiting 66KV D/C T/L Nishatabad - Jhang Road at Tower Location No.81	Breakdown	2.066	18-01-2023
3	T/Line Bhumb -Kot Shakir	Breakdown	44.165	26-04-2023
4	132KV T/L Nishatabad - Bucheki Loc-104 to 109	Breakdown	24.237	19-05-2023
5	132 KV T.LINE DAUD KHEL - SHAHBAZ KHEL - WAN BUCHRAN LOC 21-22-23	Breakdown	12.501	27-05-2023
6	132KV G/S Trug	Replacement of Power T/F	49.896	04-06-2023
7	Break Down of 132KV S/C T/L 220KV Bandala to 132KV Shah Kot	Breakdown	2.917	09-06-2023
8	132KV T/L Nishatabad - Bucheki Loc-103	Breakdown	6.185	13-06-2023
9	Replacement of damaged wi re with new one between Location No. 41 -42 F/F 66 KV Nowshera	Breakdown	-	16-06-2023

MATERIAL MANAGEMENT DIRECTORATE

PROCUREMENT OF IMPORTANT DISTRIBUTION MATERIAL DURING THE YEAR 2022-23

S#	Item Description	Unit	Quantity	Amount Inclusive of GST (Rs.)
1	Transformers	Nos.	3945	3397,962,444.00
2	Conductors	KMs	11220	3688,244,285.00
3	Cables	KMs	6055	1,027,072,000.00
4	Energy Meters	Nos.	440700	2,612,413,800.00
5	Poles/Structures	Nos.	48310	2,368,186,651.00
6	Other Allied Material	--	--	3,129,524,055.00
Total				16,223,403,235.00

IT DIRECTORATE

Phases of ERP Project:

The ERP project has been divided into two Phases.

Phase-I Modules: (Go-Live since June 2016)

- i. Financial Accounting and Controlling (FI-CO) SAP Module
- ii. Materials Management (MM) SAP Module
- iii. Project System (PS) SAP Module

Phase-II Modules: (Go-Live since July, 2022)

- i. Human Capital Management (HCM) SAP Module with SharePoint Solution.

Key Benefits of ERP Project in FESCO:

- Real time information sharing across FESCO.
- Greatly reduced administration tasks through the elimination of re-keying, reconciliation and manual collation of data.
- Better control of data through the validation of the data at point of entry.
- Seamless Integration as one integrated system comprising of different modules available for different departments.
- Status monitoring of critical operations through automatic system notifications and alerts
- Reduction in data redundancy by using same master data shared across all departments
- Online workflow approvals.
- Less manual processes.
- Auto numbering of documents.

1- Key Benefits of Financial Accounting and Controlling (FI-CO) SAP Module:

- Through this Finance SAP Module, all FESCO accounting units / Drawing and Disbursing Offices have been integrated for real time entry and reporting.
- Enables smooth financial accounting and controlling functions.
- System driven Budget controlling and monitoring.
- Availability of budget will be checked by system before a Purchase Requisition (PR) and/ or expense is approved.
- Readily available complete information: All information required for budget management including budget vs actual or budget vs committed will be available in the system.
- Readily available complete information as Asset management module of the system will provide complete information of all the assets recorded in the system.
- Online Bank Reconciliation.
- Monthly salary will be loaded automatically in to the system and salary payment will be made through SAP.
- 3 way match (Invoice-PO-GRN) will be done through system.
- Easy to track the status of the invoice.
- Helps to track and monitor data of different cost and profit centers such as Circles, Divisions or Sub Divisions situated across the FESCO.
- Better management of cash-flow, receivables and payables, collections at Revenue Offices etc.

2- Key Benefits of Materials Management (MM) SAP Module:

- Through this MM SAP Module, all FESCO regional / field / warehouse / MIS / TRW stores have been integrated for real time entry and reporting.
- Improved Time Management through automatic PO creation from PR and/or Quotation.
- Improved operations management by introducing different types of PO (Project, Imports and etc.) and comprehensive MIS.
- Better monitoring of different stages of procurement processes by having automatic status update notifications.
- Better control as complete integrated system will automatically match Goods Receipt Note (GRN) against PO.
- Online Store Requisition.
- Inventory can be reserved based on the store requisition.
- Real time information monitoring as System automatically updates the inventory status at Goods received, issued, returns and transferred operations.
- Each inventory item will have a unique item master record.
- Safety stock level and re order levels will be set in the system. System will automatically generate alerts, once an inventory item reaches re order level.
- Eliminates paper based routing slips by using online document work flows.
- Better monitoring of critical operations by having automatic status update notifications.
- System bases approvals.

3- Key Benefits of Project System (PS) SAP Module:

- Through this PS SAP Module, all FESCO Project Director Construction Divisions and Sub-Divisions have been integrated for real time entry and reporting.
- Consistency in project structures across similar types of projects (Village Electrification, New industrial connection, shifting of pole, LT/HT proposals etc.)
- Speed and ease of changing or updating structures if required



- Able to manage and control financial and material logistic issues in real time (manage project budget, generate purchase requisitions, reserve and issuance of stock etc.)
- Extensive Project monitoring and tracking to identify and rectify project variances
- Specific milestones can be attached with the activities so that you can monitor the completion of main activities in the project.
- System bases approvals.

4- Key Benefits of Human Capital Management (HCM) SAP Module with SharePoint Solution:

HR Section

- Organization Management
- Personnel Administration
- Recruitment
- Time Management
- Employee Transfer Posting
- Employee Hiring
- Employee Retired & Death
- Employee Immediate Approver
- Employee Attachment
- Employee Return From Attachment
- Employee Up-Gradation
- Employee Deputation Out
- Employee Deputation In
- Employee Contract Renewal
- Employee Demotion List
- Employee Promotion

Admn Section

- Employee Attendance
- GPF Advance Approval
- Final Settlement of Lawful Dues
- Worker Welfare Fund Approval
- Welfare Grant
- Marriage Grant
- Scholarship
- Medical Reimbursement Approval
- Advance Increment Approval
- Loan Approval
- Miscellaneous Approvals
- TA/DA
- Funeral
- Leave Balance
- Thumb Scanning based attendance

CM Section

- LOE
- Charge Sheet
- PER
- ACR
- Appeal
- Suspension of Employee

Legal Section

- Entry of Legal Cases
- Different Legal Reports

Payroll in MIS Office

- Employee Basic Pay
- Employee Allowances and Deduction
- Employee Payroll processing & Posting
- Income Tax Calculation

1. Integrated Billing System (IBS):

FESCO has Go-Live Oracle based Integrated Billing System (IBS) since January 2021 in FESCO. It is a Web-based application, compliant to commercial procedure having centralized database.

- **Previous Cobol Based Billing System and Constraints:**

The previous billing system was in-house application using COBOL (Language) and OPEN-VMS (Operating System). That system was not capable to meet the requirements like E-billing and integration with ERP, GIS and AMR etc.

- **Current Solution of Oracle Web Based Integrated Billing System (IBS):**

Web-based application, compliant to commercial procedure having centralized database deployed in FESCO and Integrate-able with ERP, GIS and AMR etc.

FESCO has implemented “Oracle based Integrated Billing System (IBS)”

- Meter Reading through Mobile.
- SMS alerts for meter reading to all consumers at valid registered SIM.
- Electricity bills are digitally generated by computer software.
- SMS alerts of Billed Amount to Subscribed consumers
- Electricity bill available for consumers to view / print from FESCO website.
- SMS confirmation of paid bill to Subscribed consumers at the time of posting in billing database
- Supports batch processing and single bill processing.
- Integrate-able with Live Payment Channels.
- Data Communication through secured Point to Multi Point Multi Protocol Label Switching (MPLS) network



2. Online Electricity New Connection (ENC) Application Portal of PITC:

FESCO has also Go-Live Online Electricity New Connection (ENC) Application since March 2022 in FESCO for public online access with following feature.

- Online New Connection application and its tracking
- Online Apply for Change of Name,
- Online Apply for Tariff
- Online Apply for Load
- System generated Demand Notice (DN)
- No signature required on DN
- ENC is fully integrated with SAP ERP system.

3. FESCO has implemented “Online Bill Correction System”

- Online Due Date Extension.
- Online Installments of Bill amount.
- Online Bill Correction Facility upto 300 units at Circle Customer Care Center.
- Online New Connection Application Registration
- Online Complaints Registration
- Issuance of Duplicate Energy Bills.
- Ease of information/guidance required by consumers

4. FESCO has launched Android based Mobile Application “FESCO LIGHT”

- Online New Connection application and its tracking
- Online Apply for Change of Name, Tariff & Load
- Online lodge complaint and its tracking
- Duplicate Bill
- Online Bill Payment via Bank, Jazz Cash, Easy Paisa
- Bill Estimator
- Load Management Schedule

5. FESCO Installed “Multi Touch KIOSK Screen” to lodge complaint by walk-in Customer at

- People Colony Division and its 07 Sub-Divisions
- Customer Care Center Faisalabad
- Lyallpur Galleria Shopping Centre
- 163 machines are under delivery process for remaining subdivisions

6. FESCO has introduced “Queue Management System / Token Machine System” at FESCO Headquarter Customer Care Center for customers' ease and better management

- A dedicated Counter for Senior Citizens & Overseas Pakistanis Counters, to resolve their grievances at one window.
- Separate counters for complaint registration regarding failure of supply etc.
- Online new connection applications by collecting required information/documents from applicants.
- One window action for Duplicate Bill, Due date extension, installment and bill correction.
- Air Condition and proper seating arrangements.

7. **FESCO has implemented “CCMS - 118”**
 - Centralized Complaint Management System.
 - Via SMS
 - Via Website
 - Via FESCO LIGHT Mobile application
 - Via KIOSK Screen
 - Via Interactive Voice Response (IVR) System
 - Via FESCO Landline numbers which are redirected to 118

8. **FESCO has implemented “Microsoft Office 365”**
 - Inter Office Communication through Official Domain E-Mail.
 - One Drive facility to backup the office data
 - Online use of MS Word, Excel and Point application for real-time synchronization of documents/ noting/ letters.
 - Multi User access to single real – time document editing
 - Microsoft Team for Audio Video Conferences.
 - SharePoint application / Portal.
 - Workflow feature for approval.

9. **FESCO has developed “FESCO Official Website www.fesco.com.pk”**
 - Net Metering Notification/Procedure by NEPRA
 - Load Shedding Schedule
 - New Connection Cost Estimates Calculator (for Material)
 - Electricity Tariff
 - FPA Rates
 - SAIFI/SAIDI
 - Income Tax & GST
 - Reforms
 - Consumer Service Manual - NEPRA (Revised Jan-2021)
 - Billing Schedule for April-2022 (Revised)

10. **FESCO has started “E-Kachery”**
 - Use of FESCO Official Facebook Page
 - All concerned Management are live
 - Consumer can submit real-time base complaints
 - CEO FESCO personal chair the E-Kachery to listen the grievances of consumers and issue directions to FESCO management for immediate resolution of complaints.

11. **FESCO has acquired “IT and Security Policy” from PITC for implementation in FESCO.**
 - Acceptable Use of Info Assets Policy
 - Asset Management Policy
 - Data Backup and Restoration
 - Email Usage Policy
 - Incident Management Policy



- Info Security for Supplier Relation
- Internet Usage Policy
- Logical Access Control Policy
- Mobile Device Policy
- Network Documentation Policy
- Network Security Policy
- Physical Access Control Policy
- Server Documentation Policy

12. Advanced Metering Infrastructure (AMI)

- FESCO has started AMI project in November 2022 with collaboration of PITC Lahore.
- FESCO issued Purchase Order to M/S KBK for 16,066 AMI meters for initial phase.
- FESCO decided to install these meters from 15 KW and above consumers.
- Total 7,143 AMI meters have been installed uptill now.
- 5,958 3-Phase Whole Current AMI Meters installed from 15-40 KW consumers.
- 760 LT/TOU AMI Meters installed from 41-500 KW consumers.
- 425 HT/TOU AMI Meters installed above 500 KW consumers.
- FESCO has also started online billing for these meters since March 2023.

ADMINISTRATION DIRECTORATE

Progress Report of A&S Section

Sr. No.	Nature of Cases	Finalized Cases
1.	Medical Bills Reimbursement (FIC Faisalabad + others)	3135
2.	Marriage Grant	1671
3.	Scholarship	631
4.	Free Electric Supply Allowed	549
5.	Pension cases Finalized HQs (BPS15 & above)	195
6.	Monthly Welfare Grant	179
7.	Allotment of Official Accommodations including Hostel	81
8.	Rent Assessment (FESCO Offices)	69
9.	Final Settlement / G.P Fund / Enrollment	68
10.	PMDU Complaints (Resolved)	59
11.	Lump Sum Grant P.M Package	40
12.	Date of Birth	28
13.	BOD / HR Cases (Item Notes)	26
14.	Wafaqi Mohtasib Cases	16
15.	Pension Contribution Cases	15
16.	Educational Expenses	15
17.	Medical Facilities	15
18.	Item Notes for Committee & BOD	10
19.	Salaries / Arrear bills / TA/ DA / Over Times / Off Days Wages / Hand receipts / Medical bills payments	DDO's Duties

Progress Report of Transport Section

Sr. No.	Description	No. of vehicles
1.	Vehicles Purchased in phase -II	78 Nos.
2.	Auctioned Vehicle	55 Nos.
3.	Repair of Vehicles	453 Nos.
4.	Tyres purchased	91 Nos.
5.	Batteries purchased	479 Nos.
6.	Repair estimates vetted	143 Vehicles

Progress report of Property Management Cell

Property Management Cell is working under Admn Directorate of FESCO, headed by Deputy Director. This Cell is responsible for accountal / locating the land assets and their subsequent transfer to the Company. The Cell performs following functions:

- a. To locate and prepare updated list of Core & Non-Core Land Assets of FESCO.
- b. To maintain record of properties located in FESCO.
- c. To arrange transfer of properties in the name of FESCO not yet transferred.
- d. To arrange transfer of properties from WAPDA to FESCO.

- e. To point out and recommend the disposal of properties which are not essentially required by FESCO for its operational requirement.
- f. To pursue Land Acquisition Collector, Board of Revenue Punjab, District Collectors concerned and Courts of Law in materializing the transfer of title of the properties.

For above purpose, the Cell so far has determined 165 Land Assets. The status of title transfer of these land assets is as under:-

Total Land Assets (under occupation)	=	175
a. Core Land Assets (FESCO requirements)	=	142
(i) FESCO Ownership	=	48
(ii) WAPDA Ownership	=	57
(iii) Govt. of Punjab / Miscellaneous Ownership	=	37
b. Non-Core Land Assets (WAPDA requirements)	=	33
(i) WAPDA Ownership	=	06
(ii) Govt. of Punjab Ownership	=	27

Privatization Commission, Government of Pakistan Islamabad issued letter dated 30.10.2015 with reference to land assets and communicated the decision of the Cabinet Committee on Privatization regarding approval of the Transaction Structure for FESCO. Subsequently, Director (PMC) WAPDA, WAPDA House Lahore vide his letter dated 25.05.2016 intimated that in the light of essence of Privatization Commission letter, all land assets (as per requirement of Companies) will be leased out to Corporate Entities on DC rental value and will remain the property of WAPDA and Company has to pay rent of these properties to WAPDA, or to the Provincial Government, as the case may be. Director (PMC) WAPDA also clarified that to avoid the transfer and re-transfer of the WAPDA land assets, the transfer of land assets to the Corporate Entities will not be done till further instructions from his Directorate.

GM (Admn) WAPDA, WAPDA House Lahore vide his letter dated 14.02.2023 has intimated that WAPDA has principally decided to implement the Federal Government's decision in its true letter & spirit and in order to implement the same, WAPDA has requested to provide the information on priority which has been sent WAPDA PMC Directorate vide this office letter No.17701 dated 10.03.2023.

HUMAN RESOURCE DIRECTORATE

Progress report of HR Directorate FESCO

Ser. No.	Description	Total
1	Internship	418
2	Transfer/Posting/Look after & Additional/Acting/Current Charge	537
3	Retirement cases	146
4	Deputation/Absorption	43
5	Leave cases	104
6	NOCs	177
7	Item Notes	59
8	Promotion cases	796
9	Upgradation cases	215
10	Move Over	4
11	Extension in Daily Wages	182
12	MS Allowance/04 Advance Increments	41
13	Extension in contract	329
14	Increment / Qualification Allowance	167
15	Employment Case (under ECQ)	93
16	Seniorities	18
Total		3329



CM CELL HQs FESCO

Sr. No.	Assignment / Tasks	July 2022	August 2022	September 2022	October 2022	November 2022	December 2022	January 2023	February 2023	March 2022	April 2023	May 2023	June 2023	Total
1.	Officers proceeded on Junior Management Course	1	2	-	-	-	2	-	1	-	-	2	1	9
2.	Officers proceeded on Sector Specific Course	-	3	-	-	-	-	2	-	-	3	-	-	5
3.	Officers proceeded on Middle Management Course	-	-	-	16	-	-	-	-	-	-	2	-	18
4.	Senior Engineers proceeded on Refresher Course (Pre-Promotion)	-	-	3	-	-	-	-	-	-	-	-	-	3
5.	Superintending Engineers proceeded on Refresher Course (Pre-Promotion)	-	-	-	-	-	-	2	-	-	-	-	-	2
6.	Officers proceeded on Senior Management Course	-	-	-	-	-	-	-	-	-	-	-	-	4
7.	NOC Foreign Tour for material inspection	-	-	-	2	-	-	-	-	-	-	-	-	2
8.	NOC for Passport issued to Officers	2	1	2	3	1	2	3	1	2	2	4	2	23
9.	NOC for Passport issued to officials	4	9	5	8	4	3	7	2	3	2	3	1	51
10.	Seniority List of General Manager FESCO	-	-	-	-	-	-	-	-	-	-	Issued	-	-
11.	Seniority List of Chief Engineer FESCO	-	-	-	-	-	-	-	-	-	-	Issued	-	-
12.	Seniority List of Superintending Engineer FESCO	-	-	-	-	-	-	Issued	-	-	-	-	-	-
13.	Seniority List of Director (HR) FESCO	-	-	-	-	-	-	Issued	-	-	-	-	-	-
14.	Seniority list of Director (Commercial)	-	-	-	-	-	-	-	-	Issued	-	-	-	-
15.	Seniority list of Director (Finance)	-	-	-	-	-	-	Issued	-	-	-	-	-	-
16.	Seniority list of Deputy Director (Security)	-	-	-	-	-	-	-	-	-	-	-	Issued	-
17.	Seniority list of Deputy Director (Finance)	-	-	-	-	-	-	-	-	-	Issued	-	-	-
18.	Seniority List of Director (IT)	-	-	-	Issued	-	-	-	-	-	-	-	-	-
19.	Seniority list of Deputy Director (Admin)	-	Issued	-	-	-	-	-	-	-	-	-	-	-
20.	Seniority list of Deputy Director (Legal)	-	-	-	-	-	-	-	-	-	-	Issued	-	-
21.	Seniority list of Senior Engineer / XEN	-	-	-	-	Issued	-	-	-	-	-	-	-	-
22.	Seniority list of Deputy Director (Commercial) / Deputy Commercial Manager	-	-	Issued	-	-	-	-	-	-	-	-	-	-
23.	Seniority list of Assistant Director (HR)	-	-	-	-	-	-	-	-	-	-	Issued	-	-
24.	Seniority List of Deputy (Audit) FESCO	-	-	-	-	-	-	-	-	-	-	Issued	-	-
25.	Seniority list of Junior Engineers / SIDO	-	-	Issued	-	-	-	-	-	-	-	-	-	-
26.	Promotion of FESCO Officers (Chief Engineer to General Manager)	-	-	-	-	-	-	-	-	3	-	-	1	4
27.	Promotion of FESCO Officers (BPS-19 to 20)	3	-	-	-	-	-	-	-	1	-	6	1	11
28.	Promotion of FESCO Officers (BPS-18 to 19)	-	-	1	1	-	-	-	-	-	-	-	-	2
29.	Promotion of FESCO Officers (BPS-17 to 18)	-	-	-	-	-	9	-	-	-	-	-	-	9
30.	Time Scale Upgradation of FESCO Officers from BPS-18 to 19	-	11	-	-	-	-	-	1	9	-	-	-	21
31.	Time Scale Upgradation of FESCO Officers from BPS-17 to 18	-	-	-	-	-	21	-	-	14	-	-	-	35
32.	Declaration of Asset Forms collected	-	30	21	144	45	20	16	4	-	-	-	-	280
33.	Performance Evaluation Reports collected	18	20	37	41	20	11	21	22	4	21	6	9	230
34.	DPE Forms for Promotion/up-gradation	-	-	-	38	3	11	3	8	-	-	-	-	63
Total		28	76	69	255	73	70	54	38	36	28	23	15	

ABSTRACT:

Promoted Officers from BPS-17 & above:	26 No. Officers
Time Scale Up-gradation granted to Officers from BPS-17 & above:	56 No. Officers
Total Trainings (Management Training Course):	39 No. Officers

Confidential & Info Section-CM cell for the FY 2022-2023

- No. of Disciplinary cases Disposed off / Initiated / Pending for the period 07-2022 to 06/2023

Cases Disposed Off	Cases Initiated	Under Process
2623	2802	1152

- No. of Appeal cases Disposed off / Received / Pending for the period 07-2022 to 06/2023

Cases Disposed Off	Received	Under Process
45	19	41

- No. of Complaints received from different forums Disposed off / Received / Pending for the period 07-2022 to 06/2023

Cases Disposed Off	Received	Under Process
167	237	70

- No. of Vigilance Reports received from Dy. Director (Vigilance) PPMC Disposed off / Received / Pending for the period 07-2022 to 06/2023

Cases Disposed Off	Received	Under Process
7	8	1

MARKET IMPLEMENTATION & REGULATORY AFFAIRS DIRECTORATE (MIRAD)

The development of competitive wholesale electricity market has been a longstanding goal envisaged through 1992 Strategic Plan of Government of Pakistan to move from monopoly structure to competition through unbundling, corporatization and privatization of generation, distribution and retail / supply of the electric power. The Authority through its determination dated December 5, 2019 and November 12, 2020 approved the competitive wholesale electricity market i.e. Competitive Trading Bilateral Contract Market (CTBCM) detailed design along with its implementation roadmap. Wherein, the Authority assigned certain group of actions which was to be performed by the DISCOs and establishment of Market Implementation & Regulatory Affairs Department (MIRAD) was one of them. The MIRAD Directorate was established in DISCOs with approval of Ministry of Energy (Power Division) vide Letter No. PF-05(04)/2012 dated 01.12.2020. The tasks performed by MIRAD are hereunder:

- Demand Forecast
- Secondary Transmission Planning
- Contract Management
- Tariffs and Cost of Service Study
- Regulatory Compliance
- Business Plan (Investment Plans & Power Acquisition Programmes)

Contract Management & Regulatory Affairs Department;

Contract Management & Regulatory Affairs Department (CM & RA) furnished comments with regard to applications filed before NEPRA for grant, modification & extension / renewal in licenses and also submitted application for grant of Electric Power Supply License, UoSC Petition, and Power Acquisition Programme under regulatory requirements / activities.

- Modification in Generation License of WAPDA.
- Grant of new Distribution License by Punjab Industrial Estate Development & Management Company (PIEDMC).
- Grant of System Operator License by National Transmission & Dispatch Company (NTDC).
- Extension / renewal in term of Generation License of Uch Power (Pvt.) Limited.
- Draft of NEPRA Open Access (Interconnection & Wheeling of Electric Power) Regulation, 2022.
- Extension / renewal in term of Generation License of Kundian Hydel Power (Pvt.) Limited.
- Registration of CPPA-G as Special Purpose Agent and Agency Code.
- Grant of new Transmission License by Provincial Grid Company- Punjab Grid Company limited.
- Draft amendments in NEPRA Consumer Eligibility Criteria (Electric Power Supplier) Regulation, 2022.
- Use of System Charges Agreement.
- Determination of Use of System Charges.
- Applied to NEPRA for grant of FESCO Electric Power Supply License under pursuant to Regulation 3(2)(b) of NEPRA (Electric Power Supplier) Regulations, 2022.
- Submitted Combined Power Acquisition Program to NEPRA under pursuant to Regulation 6 and 7 of the NEPRA (Electric Power Procurement) Regulations, 2022 for approval.
- NEPRA granted Distribution License to FESCO for a term of Twenty (20) years on 09.05.2023.

Review Petitions

- Review Petition filed against NEPRA determination dated 31.12.2022 before Appellate Tribunal (NEPRA) Islamabad.
- Review Petition filed against NEPRA determination dated 09.05.2022 before Appellate Tribunal (NEPRA) Islamabad.
- Review Petition filed against NEPRA determination dated 20.04.2023 in the matter of Distribution Integrated Investment Plan before NEPRA Islamabad.

Transmission Planning & Demand Forecast:

- Transmission Planning & Demand Forecast Department submitted Distribution Integrated Investment Plan under regulatory requirements / activities during FY-2022-23 and NEPRA approved FESCO Distribution Integrated Investment Plan for the control period of 2023-24 to 2027-28.
- Coordination with Office of GM (Planning) NTDCL along with other DISCOs for preparation of Transmission System Expansion Plan (TSEP).
- FESCO Electricity demand forecast report, base year 2022-23 has been prepared.

NET METERING CONNECTIONS INSTALLED BY FESCO IN FY-2022-23

PROMOTION OF NET METERING (07/2023) IN RESPECT OF FESCO										
FESCO	Total nos. of Application		Total capacity of net metering system against (a)&(b) kW (c)	Total no. of connections to be installed (Nos) (f)=(a)+(b)	Distributed Generation facility provided against (f) in (Nos)		Distributed Generation (kW)			Connections yet to be installed (Nos) (i)=(f) -(g)
	≤ 25 kW (a)	> 25 kW (b)			Installed (g)	Billing started (h)	Ending 06/2023	Added during current Month	Ending 07/2023 against (h)	
TOTAL	6057	591	124118.381	6648	5412	4675	92109	2881.48	94989.98	759
TOTAL IN MW										

Power Market Survey Load Forecast

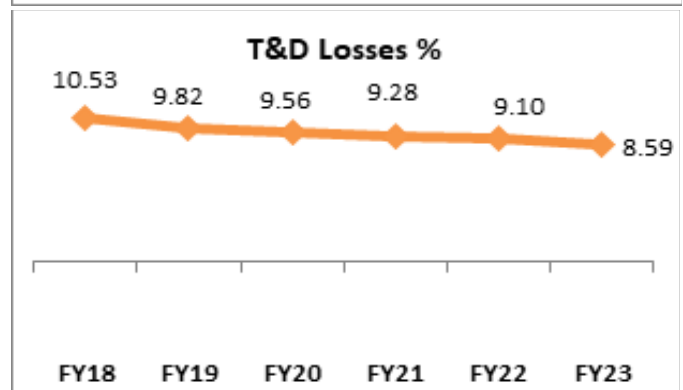
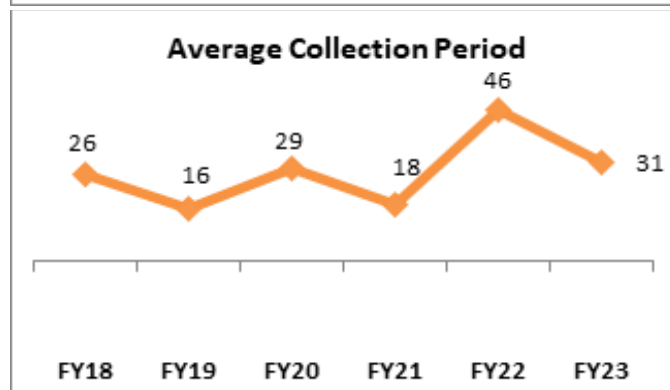
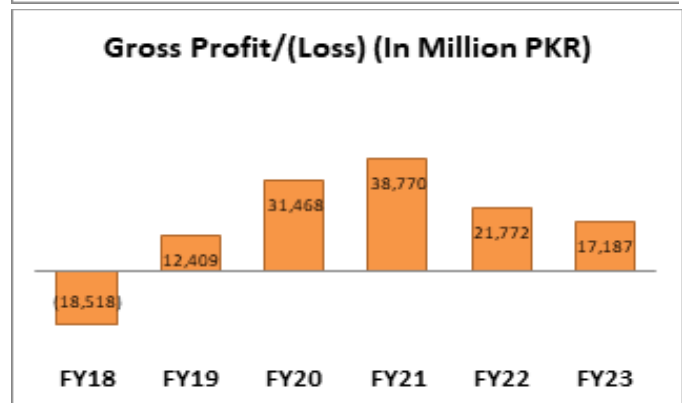
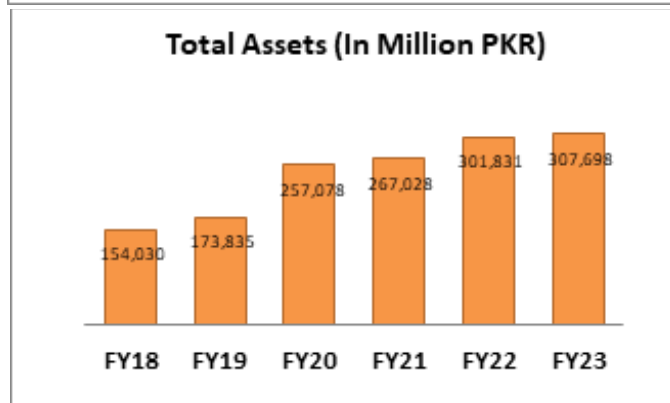
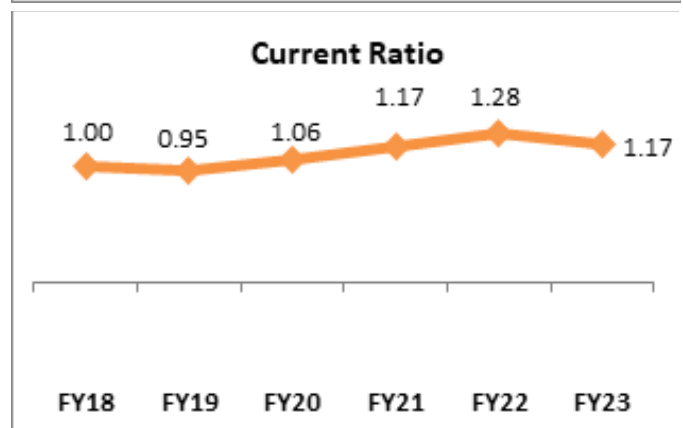
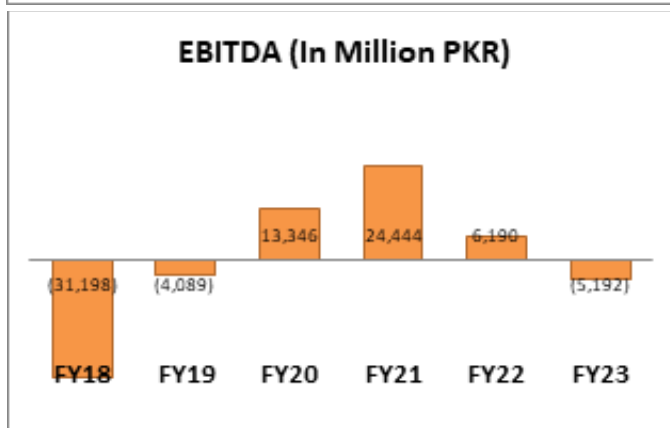
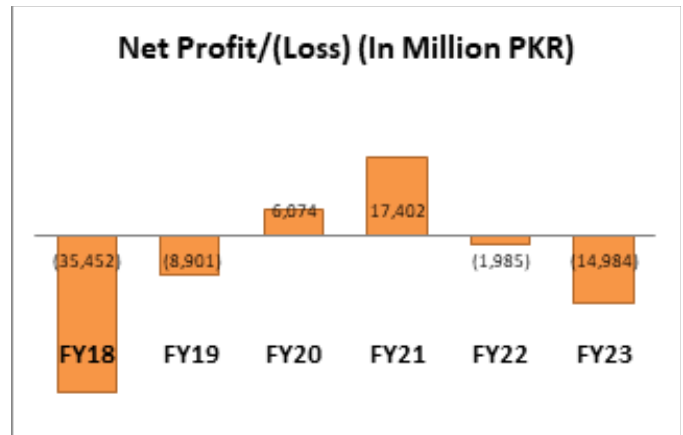
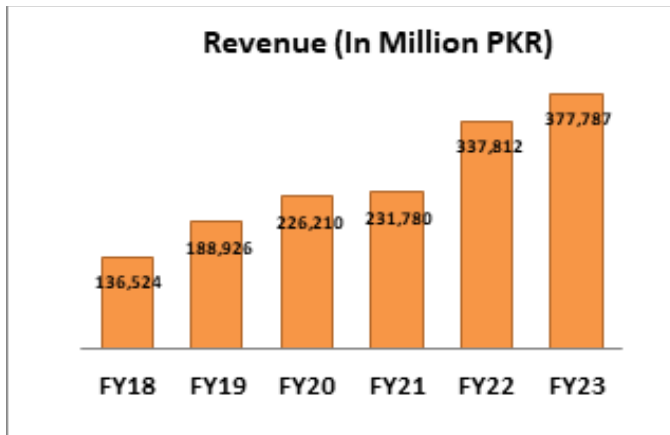
YEARS	DEMAND (MW)	ENERGY (GWH)
2021-22	3802	16835
2022-23	4039	17761
2023-24	4313	18826
2024-25	4515	19625
2025-26	4714	20465
2026-27	4950	21429
2027-28	5194	22429
2028-29	5450	23483
2029-30	5756	24722
2030-31	6076	26018
2031-32	6415	27397

FINANCIAL HIGHLIGHTS

<i>FAISALABAD ELECTRIC SUPPLY COMPANY LIMITED (FESCO)</i>							
DESCRIPTION	UNIT	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
OPERATIONAL PERFORMANCE		Restated	Restated				
Units Purchased	MKWh	14,446	14,970	14,510	15,985	17,512	16,041
Units Sold	MKWh	12,925	13,500	13,123	14,501	15,919	14,663
T&D Loss	%	10.53	9.82	9.56	9.28	9.10	8.59
SUMMARY OF PROFIT & LOSS ACCOUNT							
Revenue	Rs. Million	136,524	188,926	226,210	231,780	337,812	377,787
Power Purchase Cost	Rs. Million	(155,042)	(176,517)	(194,742)	(193,010)	(316,040)	(360,600)
Gross profit/(loss)	Rs. Million	(18,518)	12,409	31,468	38,770	21,772	17,187
O&M Expenses	Rs. Million	(20,239)	(25,786)	(29,512)	(25,491)	(28,092)	(38,989)
Financial Charges	Rs. Million	(154)	(309)	(895)	(494)	(470)	(882)
Other Income	Rs. Million	4,252	5,747	7,221	6,943	8,054	11,561
Profit/ (loss) before taxation	Rs. Million	(34,659)	(7,939)	8,282	19,728	1,264	(11,123)
Tax	Rs. Million	(793)	(962)	(2,208)	(2,326)	(3,249)	(3,861)
Profit/ (Loss) after taxation	Rs. Million	(35,452)	(8,901)	6,074	17,402	(1,985)	(14,984)
SUMMARY OF BALANCE SHEET							
Non-Current Assets	Rs. Million	94,733	98,005	126,898	133,502	144,105	161,841
Current Assets	Rs. Million	59,297	75,830	130,180	133,526	157,726	145,857
Total Assets	Rs. Million	154,030	173,835	257,078	267,028	301,831	307,698
Share Capital & Reserves	Rs. Million	(26,328)	(43,407)	(10,534)	(862)	3,713	(9,201)
Long-term Liabilities	Rs. Million	121,089	137,463	144,220	153,391	174,709	192,518
Current Liabilities	Rs. Million	59,269	79,779	123,391	114,499	123,409	124,381
Total Equity & Liabilities	Rs. Million	154,030	173,835	257,078	267,028	301,831	307,698

KEY FINANCIAL INDICATORS (KFIs)							
DESCRIPTION	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	
Profitability Ratios							
Gross Profit/[Loss] Ratio	-13.56%	6.57%	13.91%	16.73%	6.45%	4.55%	
Net Profit to Sales	-25.97%	-4.71%	2.69%	7.51%	-0.59%	-3.97%	
EBITDA Margin to Sales	-22.85%	-2.16%	5.90%	10.55%	1.83%	-1.37%	
Return on Capital Employed	-36.58%	-8.44%	6.20%	12.93%	0.71%	-6.07%	
Liquidity Ratios							
Current Ratio	1.00	0.95	1.06	1.17	1.28	1.17	
Quick/Acid Test Ratio	0.60	0.51	0.56	0.62	0.92	0.75	
Cash to Current Liabilities	0.29	0.26	0.21	0.24	0.25	0.20	
Activity/Turnover Ratio							
Inventory Turnover Days							
Average Collection Period	26	16	29	18	46	31	
Capital Structure Ratios							
Debt Equity Ratio	-17.32%	-10.33%	-39.01%	-433.18%	90.44%	-33.06%	

GRAPHICAL ANALYSIS



HORIZONTAL ANALYSIS BASED ON PRECEDING YEAR

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
BALANCE SHEET						
Non-Current Assets	4.6%	3.5%	29.5%	5.2%	7.9%	12.3%
Current Assets	5.9%	27.9%	71.7%	2.6%	18.1%	-7.5%
TOTAL ASSETS	5.1%	12.9%	47.9%	3.9%	13.0%	1.9%
Share Capital & Reserves	-190.4%	64.9%	-75.7%	-91.8%	530.7%	-347.8%
Long-term Liabilities	27.3%	13.5%	4.9%	6.4%	13.9%	10.2%
Current Liabilities	165.9%	34.6%	54.7%	-7.2%	7.8%	0.8%
TOTAL EQUITY AND LIABILITIES	5.1%	12.9%	47.9%	3.9%	13.0%	1.9%
PROFIT & LOSS ACCOUNT						
REVENUE	23.9%	38.4%	19.7%	2.5%	45.7%	11.8%
Purchase of Electricity	40.9%	13.9%	10.3%	-0.9%	63.7%	14.1%
GROSS PROFIT/(LOSS)	-11530.9%	-167.0%	153.6%	23.2%	-43.8%	-21.1%
O&M Expenses	17.1%	27.4%	14.4%	-13.6%	10.2%	38.8%
Other Operating Income	24.3%	35.2%	25.6%	-3.8%	16.0%	43.5%
OPERATING LOSS	150.2%	-77.1%	204.3%	138.2%	-93.6%	-980.0%
Finance Cost	2.7%	100.8%	189.5%	-44.8%	-4.9%	87.7%
PROFIT/ (LOSS) BEFORE TAXATION	150.2%	-77.1%	204.3%	138.2%	-93.6%	-980.0%
Taxation	-62.2%	21.3%	129.5%	5.3%	39.7%	18.8%
PROFIT/ (LOSS) AFTER TAXATION	122.3%	-74.9%	-168.2%	186.5%	-111.4%	-654.9%

VERTICAL ANALYSIS

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
BALANCE SHEET						
Non-Current Assets	61.5%	56.4%	49.4%	50.0%	47.7%	52.6%
Current Assets	38.5%	43.6%	50.6%	50.0%	52.3%	47.4%
TOTAL ASSETS	100%	100%	100%	100%	100%	100%
Share Capital & Reserves	-17.1%	-25.0%	-4.1%	-0.3%	1.2%	-3.0%
Long-term Liabilities	78.6%	79.1%	56.1%	57.4%	57.9%	62.6%
Current Liabilities	38.5%	45.9%	48.0%	42.9%	40.9%	40.4%
TOTAL EQUITY AND LIABILITIES	100%	100%	100%	100%	100%	100%
PROFIT & LOSS ACCOUNT						
REVENUE	100%	100%	100%	100%	100%	100%
Purchase of Electricity	113.6%	93.4%	86.1%	83.3%	93.6%	95.5%
GROSS PROFIT/ (LOSS)	-13.6%	6.6%	13.9%	16.7%	6.4%	4.5%
O&M Expenses	14.8%	13.6%	13.0%	11.0%	8.3%	10.3%
Other Operating Income	3.1%	3.0%	3.2%	3.0%	2.4%	3.1%
OPERATING PROFIT/ (LOSS)	-25.4%	-4.2%	3.7%	8.5%	0.4%	-2.9%
Finance Cost	0.1%	0.2%	0.4%	0.2%	0.1%	0.2%
PROFIT/ (LOSS) BEFORE TAXATION	-25.4%	-4.2%	3.7%	8.5%	0.4%	-2.9%
Taxation	0.6%	0.5%	1.0%	1.0%	1.0%	1.0%
PROFIT/ (LOSS) AFTER TAXATION	-26.0%	-4.7%	2.7%	7.5%	-0.6%	-4.0%



FESCO
PHONE # 041-9220247
FAX # 041-9220233
<http://www.fesco.com.pk>

Faisalabad Electric Supply Company Limited

HUMAN RESOURCES & ADMN
DIRECTORATE

NO 5682 /

Dated 30-9-2021

OFFICE ORDER

BOD FESCO in its meeting 221st / 15th held on 17.09.2021, notified vide Company Secretary FESCO Memo No. 754 dated 30.09.2021 under agenda-4, has resolved and approved to enhance the remuneration package for BOD & BOD Committees meetings as under:-

- Payment of Rs. 60,000/- (Sixty Thousands only) inclusive of all taxes, for attending duly convened meetings of;
 - a. Board of Directors and
 - b. Committee of Board of Directors constituted by Board of Directors
- Hotel claim with receipt amount to Rs. 25,000/- (Twenty Five thousands only) per night and hotel claim without receipt amounting to Rs. 15,000 per night, for a maximum of Two (02) nights for one meeting, will be allowed. This will include meal charges but exclude the taxes. In case of stay in Capital cities, the Chairman Board is authorized to approve hotel bill as per actual.
- 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 FESCO.

In case of other visits performed / workshops & seminars etc. attended by the Board Members (in pursuance of Rule-11 of Public Sector Companies, Corporate Governance) Rules, 2013 amended upto April 2017, on behalf of the company, duly approved the Chairman BOD, following out of pocket expenses will be paid / reimbursed by the Company:-

- Payment of Fee for attending workshop (if applicable)
- Hotel claim with receipt amounting to Rs. 25,000/- per night and hotel claim without receipt amounting to Rs. 15,000/- per night, for a maximum of 02 nights for one meeting, will be allowed. This will include meal charges but exclude the taxes. In case of stay in Capital cities, the Chairman Board is authorized to approve the hotel bill as per actual.
- 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 FESCO.

CC:-

1. Chief Financial Officer FESCO Faisalabad.
2. DG (IT) FESCO Computer Centre Faisalabad.
3. Addl: DG (Admn) FESCO Faisalabad.
4. Company Secretary FESCO
5. SO to Chief Executive Officer FESCO.
6. Dy Director (A&S) FESCO Faisalabad.
7. Cashier Headquarters FESCO Faisalabad.
8. Master file.


Nasar Hayat Maken
Director General (HR&Admn)



DETAIL OF DIRECTOR'S FEE FOR FY 2022-23

Vender No.	Name of Director	Designation	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	TOTAL
50021231	Muhammad Tehseen Alvi	Chairman					218,400	72,800	424,000	424,000	205,600	132,800	278,400	265,600	2,021,600
50010373	Bashir Ahmad	Chief Executive Officer	300,000	240,000	480,000	540,000	180,000	60,000	660,000	420,000	480,000	420,000	540,000	480,000	4,800,000
50020890	Syed Hasnain Haider	Chairman	120,000	240,000	240,000	300,000									900,000
50020892	Barrister Dr. Irfan Ahmad Chartha	Director	318,000	378,000	498,000	486,000			120,000						1,800,000
50020893	Suleman Naib Khan	Director	360,000	372,000	546,000	600,000									1,878,000
50020891	Rana Atif	Director	420,000	420,000	540,000	600,000									1,980,000
50020897	Muhammad Saqlain	Director	60,000	60,000											120,000
50021088	Lubna Usman	Director	180,000	180,000	300,000	360,000	180,000	60,000	300,000	240,000	180,000	120,000	240,000	240,000	2,580,000
50021116	Hassan Raza Saeed	Director										60,000	240,000	240,000	540,000
50020870	Muhammad Anwar Sheikh	Director	180,000	360,000	360,000	420,000	180,000		240,000	236,254	120,000				2,096,254
50021212	Sulman Qayyum	Director			300,000	180,000									480,000
50021232	Muhammad Baber Ikram	Director					180,000	60,000	300,000	240,000	180,000	300,000	240,000	240,000	1,740,000
50021233	Ameer Hamza Khan	Director					180,000	60,000	600,000	420,000	420,000	360,000	480,000	420,000	2,940,000
50021234	Ifthikhar Ahmad Ansari	Director					120,000	60,000	360,000	300,000	360,000	240,000	300,000	300,000	2,040,000
50021235	Nouman Khalid	Director					188,400	62,800	557,800	373,400	370,600	314,000	374,000	431,200	2,672,200
50021236	Muhammad Moini Junaid	Director					198,000	66,000	426,000	366,000	240,000	300,000	300,000	300,000	2,196,000
50021237	Muhammad Ali	Director					192,000	64,000	308,000	192,000	256,000	256,000	319,050	252,000	1,839,050
50021238	Mizan Farukh Iqbal	Director					180,000	60,000	180,000	240,000	240,000	360,000	180,000	120,000	1,560,000
50021227	Mahfouz Ahmed Bhani	Director				180,000	180,000	60,000	372,800	300,000	240,000	180,000			1,512,800
50021252	Malik Rab Nawaz	Director					123,200	61,600	368,000	369,600	364,800	368,000	368,000	243,200	2,266,400
50021251	Muhammad Humair Hayat Khan Nizai	Director					130,000	70,000	308,240	430,840	201,680	330,400	351,000	260,400	2,082,560
	Qamar Sarwar Abbasi	Director										60,000	180,000	120,000	360,000
	TOTAL		1,938,000	2,250,000	3,264,000	3,666,000	2,430,000	817,200	5,524,840	4,552,094	3,858,680	3,801,200	4,390,450	3,912,400	40,404,864

Assistant Manager Accounts
O/o Chief Financial Officer
FESCO Faisalabad.



Salary Detail of Chief Executive Officer FESCO for FY 2022-23

Name of CEO	Mr. Bashir Ahmed	Grand Total											
Description	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Total
Basic Pay	217,670	217,670	217,670	217,670	217,670	217,670	217,670	217,670	217,670	217,670	217,670	217,670	2,612,040
Personal Pay	59,360	59,360	59,360	59,360	59,360	66,780	66,780	66,780	66,780	66,780	66,780	66,780	764,260
Adhoc 2016 Relief													-
Adhoc 2017 Relief													-
HQ Allowance	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	144,000
Adhoc 2018 Relief													-
House Rent 45%	17,469	17,469	17,469	17,469	17,469	17,469	17,469	17,469	17,469	17,469	17,469	17,469	209,628
Adhoc 2019 Relief 5%													-
ERP Allowance	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	36,000
Sr. Post Allowance	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350	16,200
Appointment Allowance	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	120,000
Orderly Allowance	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500	210,000
Transports Subsidy	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	300,000
Entrainment Allowance	700	700	700	700	700	700	700	700	700	700	700	700	8,400
Dual/Additional charge	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	144,000
Special Allowance	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	120,000
Adoc. Qualification	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	18,000
Disparity Allowance 25%	43,205	43,205	43,205	43,205	43,205	43,205	43,205	43,205	43,205	43,205	43,205	43,205	518,460
Disparity Allowance 15%			28,008	28,008	28,008	28,008	28,008	28,008	28,008	28,008	28,008	28,008	280,080
Adhoc Relief 2021													-
Adhoc Relief 2022	28,008	28,008	28,008	28,008	28,008	28,008	28,008	28,008	28,008	28,008	28,008	28,008	336,096
Revise Scale 2022 Arrear													-
CEO Allowance	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	2,100,000
TOTAL (Salary)	633,762	633,762	661,770	661,770	661,770	669,190	669,190	669,190	669,190	669,190	669,190	669,190	7,937,164

Honarium / Bonus	384,450
TA/DA & other Benefits	1,427,439
Medical Reimbursement	51,253
Grand Total	9,800,306

Assistant Manager/ Accounts
O/o Chief Financial Officer
FESCO Faisalabad.



Pattern of Shareholding as at ending June 2022-23

Form 34

THE COMPANIES ACT, 2017
THE COMPANIES (GENERAL PROVISIONS AND FORMS) REGULATIONS,
2018[Section 227(2)(f)]

PATTERN OF SHAREHOLDING

PART-I

(Please complete in typescript or in bold block capitals.)

1.1 Name of the Company **Faisalabad Electric Supply Company Ltd**

PART-II

2.1. Pattern of holding of the shares held by the shareholders as at **30 06 2022**

2.2. No of shareholders	Shareholdings	Total shares held
---	shareholding from 1 to 100 shares	---
---	shareholding from 101 to 500 shares	---
---	shareholding from 501 to 1000 shares	---
---	shareholding from 1001 to 5000	---
---	shareholding from 5001 to 10000	---
President of Pakistan	shareholding from 1 to 1000 shares (Add appropriate slabs of shareholdings)	1000
	Total 1000	1000

2.3 Categories of shareholders	share held	Percentage
2.3.1 Directors, Chief Executive Officer, and their spouse and minor children.	---	---
2.3.2 Associated Companies, undertakings and related parties.	---	---
2.3.3 NIT and ICP	---	---
2.3.4 Banks Development Financial Institutions, Non Banking Financial Institutions.	---	---
2.3.5 Insurance Companies	---	---
2.3.6 Modarabas and Mutual Funds	---	---
2.3.7 Share holders holding 10%	---	---
2.3.8 General Public	---	---
a. Local	---	---
b. Foreign	---	---
2.3.9 President of Pakistan	1000	100%

Note: In case there are more than one class of shares carrying voting rights, the information regarding each such class shall be given separately.


Company Secretary
FESCO Faisalabad

CHALLENGES

Key Challenges

1. Transformation of FESCO into a well-run Corporate

FESCO and other DISCOs operate in a bigger eco-system which is the power sector. Holistic power sector reforms have been under way. On its part, FESCO has taken a number of steps and a number of them are underway to transform FESCO into a customer friendly, efficient and profitable corporate. Fruits of the same are already visible, but it is important that this process continues until FESCO achieves this important most goal.

2. Customer Services

FESCO is an electric power utility and quality service at affordable tariff rates to its customers is key to its long term success. FESCO fully understands that the same requires investment in its HR capital, upgradation of its processes and last but not the least investment in technology and infrastructure. Various steps have already been initiated to enhance =Customer Service including, activation of 118 telephone number for lodging complaints and other customer related services throughout FESCO, upgradation and modernization of all Customer Services Centers of FESCO, training and mentoring of Customer Service Staff etc and we are gradually seeing the results of these efforts unfold in front of our eyes. However, in this case as well, it is important that FESCO continues its march with determination to achieve its key long term goal of a very high level of customer satisfaction and engagement.

3. Technical Matters

1. Reliability and Continuity of Supply

Reliability and continuity of supply is dependent on supply of power by NTDC and FESCO's ability to distribute it efficiently i.e; expansion of network and removal of network constraints. Whilst supply of power from NTDC has largely been over-come, but a well designed and implemented generation expansion plan and NTDC network expansion plan are key requisites to enable us and other DISCOs not to become deficient in supplies to our consumers.

On its part FESCO has implemented a number of projects to expand its network especially new Transmission Lines for power evacuation from 500 KV West Faisalabad and 220 KV Lalian newly constructed Grid Stations and overcome network constraints like overloading of 500 KV Gatti Grid Station and 220 KV Transmission Lines. FESCO has also taken various steps at grass root levels like addition of new Power and Distribution Transformers, up-gradation and Preventive Maintenance of Distribution System and installation of Capacitors to improve reliability of supply. Upgradation of our system is a continuous process, the same requires system studies, investment in infrastructure and professional implementation of these projects to ensure their timely and within budget completion.

4. Recovery

FESCO's recovery from the private sector has been 100%, but recovery from public sector institutions and realization of the subsidies from Govt. Sector exposes our operations to challenges arising from the same.

5. Tariff Matters

1. Tariff Determination for QTA, FPA etc

Delayed tariff determination and subsequently delay in passing on its impact to the consumers, although a factor beyond our control, is adversely reflected in profit and loss account of the Company.

2. Net-Metering and Associated Tariff

The tariff issues especially capacity payments, due to the expected decrease in demand on account of solarization may become very challenging for which NEPRA's role will be very vital.

6. **Readiness for CTBCM**

The Government of Pakistan has approved the road map for opening the whole sale power supply market and although its real impact may be felt after some time but nevertheless, it exposes FESCO to challenges from independent suppliers directly supplying to our large consumers thus taking away our more reliable consumers. FESCO is working closely with CPPA and NEPRA to implement the CTBCM.

7. **Safety**

FESCO has made concerted efforts to create a self-sustaining safety culture in the Company. As a result, Fatal /Non-Fatal accidents of line staff and consequently, the trend of Fatal / Non- Fatal accidents has been decreased as compared to the last year in FESCO and will insha Allah be zero in future. Amongst the numerous steps taken by us include, the reporting line of Safety Directorate has been elevated to that reporting directly to the CEO, establishment of HSE Directorate, creation of the seat of DG HSE and Director HSE, establishment of Circle level Safety Teams, Train the Trainer program through leading 3rd Party Consultants, Certificates for Best Lineman in recognition Safety measures on a quarterly basis etc.

8. **HR Capital**

The key to FESCO's success is the development HR Capital.

1. Investment in Senior, Middle and Junior level

After carrying out detailed assessment, BOD FESCO has decided to upgrade the skills set available at senior level. In this regards, a three pronged strategy as follows is being implanted

- (i) Hiring at C-level positions namely, Chief Financial Officer, Chief Internal Auditor, DG (HR), Company Secretary, DG (Automation & Digitalization), DG (HSE&QA), Director (HR) including Chief Law Officer from open market – However, as MOE has recently imposed a ban on hirings in all DISCOs, given the importance that a skilled team plays vital role in managing corporate entity we have requested the MOE to allow us to complete the hiring process as soon as possible.
- (ii) Training of our existing senior team in leadership development, managing high powered teams, strategy, critical thinking at LUMS, NUST PIM & ICMA etc
- (iii) Creation of a powerful senior team through a judicious blend of the above two serial No. Strategic gains.

- Middle management team is also going through FESCO designed Management & Professional Development Programme.
- FESCO has also taken lead in helping improve the curriculum of WAPDA Training Academy and has had such courses as HSE & QA, Corporate Governance, PPRA Rules and CTBCM etc added in the curriculum.
- In addition, a comprehensive Training & Development (T&D) Policy is also under execution.
- Although WAPDA E&D Rules are already in place in FESCO, but the same is under review to bring them in line with the corporate best practices and draft policies from PPMC.
- T&D is important element for ensuing high performance, in a well-designed and implemented way.
- Draft Performance Management System to align the reward with performance of employees.

2. **Manpower Shortage**

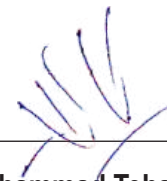
After carrying out detailed review, BOD FESCO has approved to fill 1434 x posts of staff categories along with 3377 x critically required posts of ALM to address the acute shortage of manpower. FESCO has requested Ministry of Energy (Power Division) Government of Pakistan to allow to initiate the recruitment against critically required posts including ALMs.

Signature _____



Mr. Bashir Ahmad
CHIEF EXECUTIVE OFFICER, FESCO

Signature _____



Mr. Muhammad Tehseen Alvi
CHAIRMAN, BOD FESCO



FESCO

FINANCIAL STATEMENT 2022-23





INDEPENDENT AUDITOR'S REPORT

To the members of Faisalabad Electric Supply Company Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Faisalabad Electric Supply Company Limited (the Company), which comprise the statement of financial position as at 30 June 2023, 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 a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2023 and of the loss, other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Emphasis of Matter

We draw attention to the following matters:

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



Riaz Ahmad & Company

Chartered Accountants

- (i) Supplementary charges, being the mark-up charged on CPPA-G by Independent Power Producers (IPPs) on account of delayed payments, aggregating to Rupees 13,694.27 million.
 - (ii) an amount of Rupees 7,922.53 million regarding the credit notes against tariff differential subsidy withdrawn by CPPA-G
- b) Note 14.1.3 to the financial statements, which states that provision for Workers' Profit Participation Fund (WPPF) amounting to Rupees 2,707 million relating to financial years ended 30 June 2009, 30 June 2010, 30 June 2013, 30 June 2014 and 30 June 2015 and for the total interest accrued on outstanding WPPF thereon was not accounted for by the Company. Moreover, WPPF of previous years along with related interest was not paid to the workers due to pending decision of Economic Coordination Committee to exempt the corporatized entities under the umbrella of WAPDA.
- c) Note 14.1.5 to the financial statements describes various matters regarding tax contingencies the ultimate outcome of which cannot be presently determined hence no provision for the same has been made in accompanying financial statements.

Our opinion is not modified in respect of these matters.

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

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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Riaz Ahmad & Company

Chartered Accountants

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Riaz Ahmad & Company

Chartered Accountants

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

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

Report on Other Legal and Regulatory Requirements

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

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

The engagement partner on the audit resulting in this independent auditor's report is Liaqat Ali Panwar.

Riaz Ahmad & Co.
RIAZ AHMAD & COMPANY
Chartered Accountants

Faisalabad

Date: 06 October 2023

UDIN: AR202310184E6LRf90tH



FAISALABAD ELECTRIC SUPPLY COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

	NOTE	2023 RUPEES	2022 RUPEES		NOTE	2023 RUPEES	2022 RUPEES
EQUITY AND LIABILITIES				ASSETS			
SHARE CAPITAL AND RESERVES				NON-CURRENT ASSETS			
Authorized share capital		50,000,000,000	50,000,000,000	Property, plant and equipment	15	161,693,883,649	144,046,144,024
5,000,000,000 (2022: 5,000,000,000) ordinary shares of Rupees 10 each				Intangible assets	16	1,837,465	2,306,605
				Long term advances	17	104,537,732	52,737,253
				Long term deposits	18	40,553,756	4,058,176
Issued, subscribed and paid up share capital	3	10,000	10,000			161,840,812,602	144,105,246,058
Deposit for shares	4	41,556,652,056	34,478,691,078				
Surplus on revaluation of property, plant and equipment - net of deferred income tax	5	46,005,096,651	46,709,166,741				
Accumulated loss		(96,762,692,971)	(77,474,995,875)				
Total equity		(9,200,934,264)	3,712,871,944				
LIABILITIES				CURRENT ASSETS			
NON-CURRENT LIABILITIES				Stores, spares and loose tools	19	5,004,927,377	3,366,236,924
Long term financing	6	3,042,416,823	3,358,578,576	Trade debts	20	68,479,551,056	82,644,146,816
Staff retirement benefits	7	109,949,054,090	100,304,821,118	Loans and advances	21	374,236,998	73,049,817
Long term security deposits	8	11,915,862,061	10,963,989,417	Other receivables	22	31,087,145,503	25,535,189,068
Receipts against deposit works	9	20,199,527,280	18,100,335,897	Sales tax receivable		8,095,458,270	8,425,644,698
Deferred credit	10	40,910,697,913	35,194,177,355	Receivable from the Government of Pakistan	23	6,531,405,095	6,965,309,257
Deferred income tax liability	11	6,500,486,235	6,788,064,159	Accrued interest		870,546,283	247,866,218
		192,518,044,402	174,709,966,522	Cash and bank balances	24	25,413,844,358	30,469,423,825
						145,857,114,940	157,726,866,623
CURRENT LIABILITIES							
Trade and other payables	12	116,126,576,246	116,269,492,182				
Accrued mark-up	13	5,231,507,822	4,351,920,956				
Current portion of long term financing	6	2,498,862,956	2,182,701,203				
Provision for taxation		523,870,380	605,159,874				
		124,380,817,404	123,409,274,215				
TOTAL LIABILITIES		316,898,861,806	298,119,240,737				
CONTINGENCIES AND COMMITMENTS	14						
TOTAL EQUITY AND LIABILITIES		307,697,927,542	301,832,112,681	TOTAL ASSETS		307,697,927,542	301,832,112,681

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

FAISALABAD ELECTRIC SUPPLY COMPANY LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 30 JUNE 2023

	NOTE	2023 RUPEES	2022 RUPEES
SALE OF ELECTRICITY - NET	25	326,543,079,242	279,867,790,025
TARIFF DIFFERENTIAL SUBSIDIES	26	51,244,289,375	57,944,694,157
		<u>377,787,368,617</u>	<u>337,812,484,182</u>
COST OF ELECTRICITY	27	(360,599,527,850)	(316,040,275,362)
GROSS PROFIT		<u>17,187,840,767</u>	<u>21,772,208,820</u>
AMORTIZATION OF DEFERRED CREDIT	10	2,206,904,646	1,929,584,764
		<u>19,394,745,413</u>	<u>23,701,793,584</u>
DISTRIBUTION COST	28	(28,222,734,343)	(22,011,437,199)
ADMINISTRATIVE EXPENSES	29	(4,548,908,583)	(3,505,811,182)
CUSTOMER SERVICES COSTS	30	(6,217,751,731)	(2,574,506,691)
		<u>(38,989,394,657)</u>	<u>(28,091,755,072)</u>
LOSS FROM OPERATIONS		<u>(19,594,649,244)</u>	<u>(4,389,961,488)</u>
OTHER INCOME	31	9,354,457,922	6,124,505,889
FINANCE COST	32	(882,417,807)	(470,354,612)
(LOSS) / PROFIT BEFORE TAXATION		<u>(11,122,609,129)</u>	<u>1,264,189,789</u>
TAXATION	33	(3,860,778,316)	(3,249,034,267)
LOSS AFTER TAXATION		<u>(14,983,387,445)</u>	<u>(1,984,844,478)</u>

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


CHIEF EXECUTIVE OFFICER


DIRECTOR



FAISALABAD ELECTRIC SUPPLY COMPANY LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023

	2023 RUPEES	2022 RUPEES
LOSS AFTER TAXATION	(14,983,387,445)	(1,984,844,478)
OTHER COMPREHENSIVE LOSS		
Items that will not be reclassified subsequently to profit or loss:		
Remeasurements of defined benefit obligations	(5,008,379,741)	(12,276,853,040)
Items that may be reclassified subsequently to profit or loss	-	-
Other comprehensive loss for the year	(5,008,379,741)	(12,276,853,040)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	<u>(19,991,767,186)</u>	<u>(14,261,697,518)</u>

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

FAISALABAD ELECTRIC SUPPLY COMPANY LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023

	SHARE CAPITAL	DEPOSIT FOR SHARES	SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT - NET OF DEFERRED INCOME TAX	ACCUMULATED LOSS	TOTAL EQUITY
	-----RUPEES-----				
Balance as at 01 July 2021	10,000	15,641,656,359	47,433,929,524	(63,938,061,140)	(862,465,257)
Non-cash settlement against deposit for shares	-	18,837,034,719	-	-	18,837,034,719
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred Income tax	-	-	(587,148,972)	587,148,972	-
Transfer from surplus on revaluation of property, plant and equipment on account of transfer of property, plant and equipment - net of deferred income tax	-	-	(137,613,811)	137,613,811	-
Loss for the year	-	-	-	(1,984,844,478)	(1,984,844,478)
Other comprehensive loss for the year	-	-	-	(12,276,853,040)	(12,276,853,040)
Total comprehensive loss for the year	-	-	-	(14,261,697,518)	(14,261,697,518)
Balance as at 30 June 2022	10,000	34,478,691,078	46,709,166,741	(77,474,995,875)	3,712,871,944
Non-cash settlement against deposit for shares	-	7,077,960,978	-	-	7,077,960,978
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	(561,925,044)	561,925,044	-
Transfer from surplus on revaluation of property, plant and equipment on account of transfer of property, plant and equipment - net of deferred income tax	-	-	(142,145,046)	142,145,046	-
Loss for the year	-	-	-	(14,983,387,445)	(14,983,387,445)
Other comprehensive loss for the year	-	-	-	(5,008,379,741)	(5,008,379,741)
Total comprehensive loss for the year	-	-	-	(19,991,767,186)	(19,991,767,186)
Balance as at 30 June 2023	10,000	41,556,652,056	46,005,096,651	(96,762,692,971)	(9,200,934,264)

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

CHIEF EXECUTIVE OFFICER

DIRECTOR



FAISALABAD ELECTRIC SUPPLY COMPANY LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023

	NOTE	2023 RUPEES	2022 RUPEES
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	34	19,133,776,535	15,701,079,681
Income tax paid		(4,229,645,734)	(2,791,264,023)
Finance cost paid		(2,830,941)	(2,822,764)
Staff retirement benefits paid		(7,991,185,721)	(6,279,845,912)
Payment for fund contribution regarding pension obligation		(3,913,000,000)	(4,700,000,000)
Net (increase) / decrease in long term advances		(57,039,953)	47,963,965
Net increase in long term deposits		(36,495,580)	(322,511)
Net cash generated from operating activities		<u>2,903,578,606</u>	<u>1,974,788,436</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment and intangible assets		(22,696,344,054)	(14,520,032,683)
Profit received from bank deposits and term deposit receipts		3,762,696,750	2,593,136,121
Net cash used in investing activities		<u>(18,933,647,304)</u>	<u>(11,926,896,562)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term security deposits received - net		951,872,644	1,108,878,626
Receipts against deposit works - net		10,022,616,587	11,429,498,825
Net cash from financing activities		<u>10,974,489,231</u>	<u>12,538,377,451</u>
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		<u>(5,055,579,467)</u>	<u>2,586,269,325</u>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		30,469,423,825	27,883,154,500
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (NOTE 24)		<u>25,413,844,358</u>	<u>30,469,423,825</u>

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

FAISALABAD ELECTRIC SUPPLY COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

1. LEGAL STATUS AND OPERATIONS

- 1.1** Faisalabad Electric Supply Company Limited (the Company) is a public limited company incorporated on 21 March 1998 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The Company was established to take over all the properties, rights, assets, obligations and liabilities of Faisalabad Area Electricity Board (FAEB) owned by Pakistan Water and Power Development Authority (WAPDA) and such other assets and liabilities as agreed. The registered office of the Company is located at West Canal Road, Abdullahpur, Faisalabad. While the Company has various 132-KV and 66-KV grid stations along with other offices located in 08 districts of Central Punjab including Faisalabad, Jhang, Toba Tek Singh, Chiniot, Sargodha, Mianwali, Khushab and Bhakkar. The principal activity of the Company is distribution and supply of electricity to public within defined geographical boundaries.
- 1.2** The Council of Common Interest (CCI) in its meeting held on 12 September 1993 approved the privatization of thermal power generation units (GENCOs) and power distribution companies (DISCOs) in a phased program. Cabinet Committee on Privatization (CCOP) in its meeting held on 17 February 2009 approved privatization of certain GENCOs and DISCOs, this decision was ratified by Federal Cabinet in its meeting, held on 06 January 2010. President and Prime Minister of Pakistan also approved privatization of GENCOs and DISCOs including the Company during a presentation given to them by Ministry of Privatization on 22 November 2010. Decision of President and Prime Minister had also been subsequently ratified by the CCI during its meeting held on 28 April 2011. Since October 2013, the CCOP approved 68 Public Sector Enterprises (PSEs) for inclusion in the privatization program. The Company had been approved by CCOP for early implementation. The Privatization Commission (PC) on behalf of the Government of Pakistan (GoP) invited Expression of Interest (EOI) from prospective private sector strategic partner(s) to acquire seventy-four percent (74%) shareholding in the Company, currently owned by the GoP, together with management control on 02 November 2015. However, protests against privatization were started by the opposition parties and by labour unions. In order to give the union a chance to perform, the GoP has reconsidered the privatization mode of the power sector by shifting it from strategic sale to divestment through capital markets. CCOP in its meeting held on 14 July 2016 considered proposals regarding divestment of Power Sector Entities and PC to initiate process for listing of shares of the Company on the stock exchange through Initial Public Offering (IPO). It was also decided that GoP would retain the control of FESCO as well as management. The PC in its meeting held on 02 October 2017, had discussion on volume of circular debt and nature of losses being accrued in GENCOs and DISCOs and decided that the PC would seek approval of the Government to privatize the Company as strategic sale. The matter is now with the GoP.
- 1.3** Ministry of Energy (Power Division), Government of Pakistan vide S.R.O. 1932(1)/2022 dated 20 October 2022 notified periodic adjustment of Rupees 11,226 million for fourth quarter of financial year 2021-22. The above quarterly adjustment is fully recovered during the year. Moreover vide S.R.O. 488(1)/2023 dated 13 April 2023, periodic adjustment of Rupees 4,574 million for the second quarter of financial year 2022-23 was announced from which Rupees 3,444 million recovered in financial year 2022-23 and Rupees 1,130 million will be recovered in financial year 2023-24. Further periodic adjustment of Rupees 10,138 million for third quarter and Rupees 22,022 million for fourth quarter of financial year 2022-23 was notified vide S.R.O. 885(1)/2023 dated 04 July 2023 and vide notification No. 33892-94 dated 22 September 2023 respectively, subsequent to the reporting period, which will be recovered in 3 months from July 2023 to September 2023 and 6 months from October 2023 to March 2024 respectively. Had the remaining amount of Rupees 1,130 million for second quarter of financial year 2022-23 and total amount of Rupees 32,160 million for the third and fourth quarters adjustments of financial year 2022-23 were recovered in financial year 2022-23, the revenue for the financial year 2022-23 would have been increased by Rupees 33,290 million. Consequently, accumulated loss for the year ended 30 June 2023 would have been reduced by Rupees 22,064 million after adjusting the previous years effect of Rupees 11,226 million which was recovered during the current year.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

a) Statement of compliance

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

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

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

b) Accounting convention

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

c) Critical accounting estimates and judgments

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

Useful lives, patterns of economic benefits and impairment

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

Provision for obsolescence of stores, spares and loose tools

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

Taxation

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. Instances where the Company's views differ from the views taken by the income tax department at the assessment stage and where the Company considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

Allowance for expected credit losses

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

Provisions

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

Contingencies

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

Revenue from contracts with customers involving sale of goods

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

Tariff adjustment determination

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

Staff retirement benefits

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

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

Following amendments to published approved accounting standards are mandatory for the Company's accounting periods beginning on or after 01 July 2022:

- Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts – Cost of Fulfilling a Contract amends IAS 1 'Presentation of Financial Statements'
- Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before Intended Use'
- Annual improvements to IFRS standards 2018-2020 which amended IFRS 9 'Financial Instruments' and IFRS 16 'Leases'

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

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

There are amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2022 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

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

Following amendments to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 01 July 2023 or later periods:

Classification of liabilities as current or non-current (Amendments to IAS 1 'Presentation of Financial Statements') effective for the annual period beginning on or after 01 January 2023. These amendments in the standards have been added to further clarify when a liability is classified as current. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity shall apply these amendments retrospectively in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'.

Disclosure of Accounting Policies (Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice Statement 2 'Making Materiality Judgement') effective for annual periods beginning on or after 01 January 2023. These amendments are intended to help preparers in deciding which accounting policies to disclose in their financial statements. Earlier, IAS 1 stated that an entity shall disclose its 'significant accounting policies' in their financial statements. These amendments shall assist the entities to disclose their 'material accounting policies' in their financial statements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 'Income taxes') effective for annual periods beginning on or after 01 January 2023. These amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations.

Change in definition of Accounting Estimate (Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors') effective for annual periods beginning on or after 01 January 2023. This change replaced the definition of Accounting Estimate with a new definition, intended to help entities to distinguish between accounting policies and accounting estimates.

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

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

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

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

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

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

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

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

2.3 Staff retirement benefits

2.3.1 Defined benefit plans

The Company provides funded pension scheme, a funded free electricity scheme and a funded free medical facility scheme for all its regular employees. Further, the Company's employees are also entitled for accumulated compensated absences which are encashed at the time of retirement upto maximum limit of 365 days. The Company's obligations under these schemes are determined annually by a qualified actuary using Projected Unit Credit Actuarial Cost Method. Latest actuarial valuations have been carried on 30 June 2023. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. Past service cost is recognized immediately in the statement of profit or loss.

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

2.3.2 General / Employees' Provident Fund

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



2.4 Taxation

Current

Provision for current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year, if enacted. The charge for current tax also includes adjustments including tax credits and exemptions available, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

Deferred

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

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

2.5 Property, plant and equipment

2.5.1 Operating fixed assets and depreciation

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

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

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

Depreciation

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

De-recognition

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

2.5.2 Capital work-in-progress

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

2.6 Intangible assets and amortization

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

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

2.7 Stores, spares and loose tools

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

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

2.8 Cash and cash equivalents

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

2.9 Revenue from contracts with customers

i) Revenue recognition

Sale of electricity

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

Tariff differential subsidies

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

Rental and service income

Meter rentals are recognized on time proportion basis.

Interest income

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

Late payment surcharge

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

Fuel price adjustment

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

Gain on installation of new connections

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

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

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

Other revenue

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

ii) Contract assets

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

iii) Contract liabilities

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

2.10 Financial Instruments

i) Classification and measurement of financial instruments

Financial assets

a) Classification

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

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that the solely payments of principal and interest on the principal amount outstanding.

b) Measurement

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

Financial liabilities

Classification and measurement

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

ii) Impairment of financial assets

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

iii) De-recognition

Financial assets

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

Financial liabilities

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

iv) Offsetting of financial assets and financial liabilities

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

2.11 Deferred credit

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

2.12 Borrowings

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

2.13 Borrowing cost

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

2.14 Trade debts and other receivables

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

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

Expected credit losses are recognized as follows:

- a) No expected credit loss on Government institutions balances, being not subject to risk of default.
- b) Expected credit loss of whole amount receivable from permanently disconnected consumers, exceeding one year;
- c) Expected credit loss on whole arrears from private consumers, exceeding one year; and
- d) Expected credit loss on all deferred arrears.

2.15 Share capital

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

2.16 Trade and other payables

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

2.17 Impairment of non-financial assets

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

2.18 Provisions

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

2.19 Contingent assets

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

2.20 Contingent liabilities

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

3. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

2023 NUMBER OF SHARES	2022 NUMBER OF SHARES		2023 RUPEES	2022 RUPEES
1 000	1 000	Ordinary shares of Rupees 10 each fully paid in cash to Government of Pakistan (GoP)	10,000	10,000

- 3.1** This represents 1 000 (2022: 1 000) ordinary shares of Rupees 10 each fully paid up in cash issued in the name of President of Islamic Republic of Pakistan.

4. DEPOSIT FOR SHARES

This represents credit of Rupees 41,556.652 million (2022: Rupees 34,478.691 million) received by the Company in financial year 2014 from Central Power Purchase Agency (Guarantee) Limited (CPPA-G) in pursuance of letter No. F.1(5)-CF-1/2012-13/1017 dated 02 July 2013 from Ministry of Finance as GoP investment against circular debt of Rupees 341 billion and equity injection by the Ministry of Finance as mark up on syndicated loans. Hence this was treated as GoP equity investment in the Company. During the year the Company has made a non-cash adjustment in deposit for shares amounting to Rupees 7,077.961 million as intimated vide various letters received from CPPA-G on the directions of Ministry of Energy, Power Division, GoP.

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

As at 01 July	46,709,166,741	47,433,929,524
Less:		
Incremental depreciation charged during the year transferred to accumulated loss - net of deferred income tax	561,925,044	587,148,972
Adjustment of deferred income tax liability on transfer of property, plant and equipment - net of deferred income tax	142,145,046	137,613,811
	704,070,090	724,762,783
As at 30 June	46,005,096,651	46,709,166,741

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

6. LONG TERM FINANCING
Secured
From Asian Development Bank - Relent by the GoP

- Tranche I (Note 6.1)	832,226,142	832,226,142
- Tranche II (Note 6.2)	1,000,702,296	1,000,702,296
- Tranche III (Note 6.3)	2,260,911,648	2,260,911,648
- Tranche IV (Note 6.4)	1,447,439,693	1,447,439,693
	5,541,279,779	5,541,279,779
Less:		
Current portion shown under current liabilities	316,161,754	375,606,486
Overdue portion shown under current liabilities	2,182,701,202	1,807,094,717
	2,498,862,956	2,182,701,203
	3,042,416,823	3,358,578,576

- 6.1** This represents re-lent portion of loan obtained by GoP from Asian Development Bank (ADB) for Power Distribution Enhancement Investment Program which is secured against the guarantee by GoP, pursuant to the re-lent agreement between GoP and the Company. This facility carries interest at the rate of 17% inclusive of relending interest of 11% per annum plus exchange risk component of 6% per annum which shall be charged both on principal amount and interest amount separately and commitment charges at the rate of 0.15% per annum on the un-disbursed amount of loan. Repayment of principal has to be made on half yearly basis within maximum period of 15 years including grace period of 2 years starting from February 2011. The overdue amounts of principal and mark-up aggregate to Rupees 772.781 million (2022: Rupees 653.892 million) and Rupees 960.556 million (2022: Rupees 813.585 million) respectively.
- 6.2** This represents re-lent portion of loan obtained by GoP from ADB for Power Distribution Enhancement Investment Program which is secured against the guarantee by GoP, pursuant to the re-lent agreement between GoP and the Company. This facility carries interest at the rate of 15% inclusive of relending interest of 8.2% per annum plus exchange risk component of 6.8% per annum which shall be charged both on principal amount and interest amount separately and commitment charges at the rate of 0.15% per annum on the un-disbursed amount of loan. Repayment of principal has to be made on half yearly basis within maximum period of 17 years excluding grace period of 3 years starting from June 2014. The overdue amounts of principal and mark-up aggregate to Rupees 469.665 million (2022: Rupees 398.860 million) and Rupees 903.023 million (2022: Rupees 747.338 million) respectively.
- 6.3** This represents re-lent portion of loan obtained by GoP from ADB for Power Distribution Enhancement Investment Program which is secured against the guarantee by GoP, pursuant to the re-lent agreement between GoP and the Company. This facility carries interest at the rate of 15% inclusive of relending interest of 8.2% per annum plus exchange risk component of 6.8% per annum which shall be charged both on principal amount and interest amount separately and commitment charges at the rate of 0.15% per annum on the un-disbursed amount of loan. Repayment of principal has to be made on half yearly basis within maximum period of 20 years excluding a grace period of 5 years starting from June 2018. The overdue amounts of principal and mark-up aggregate to Rupees 614.581 million (2022: Rupees 501.041 million) and Rupees 1,939.879 million (2022: Rupees 1,588.136 million) respectively.
- 6.4** This represents re-lent portion of loan obtained by GoP from ADB for Power Distribution Enhancement Investment Program which is secured against the guarantee by GoP, pursuant to the re-lent agreement between GoP and the Company. This facility carries interest at the rate of 15% inclusive of relending interest of 8.2% per annum plus exchange risk component of 6.8% per annum which shall be charged both on principal amount and interest amount separately and commitment charges at the rate of 0.15% per annum on the un-disbursed amount of loan. Repayment of principal has to be made on half yearly basis within maximum period of 20 years excluding a grace period of 5 years starting from June 2019. The overdue amounts of principal and mark-up aggregate to Rupees 325.674 million (2022: Rupees 253.302 million) and Rupees 1,314.728 million (2022: Rupees 1,089.541 million) respectively.
- 6.5** These loans have been granted by Asian Development Bank (ADB) to GoP which have been re-lent to the Company on account of Power Distribution Enhancement Investment Program. These loans have been secured against the guarantees provided by GoP.
- 6.6** Pakistan Electric Power Company (Private) Limited (PEPCO) now Power Planning and Monitoring Company (Private) limited (PPMC) vide its letter No. DGCPCC/PEPCO/2152-63 dated 20 February 2017 directed the Company that the payment of debt service on account of foreign relent loans may be withheld till the final decision on the matter that debt service by the WAPDA, GENCOs and DISCOs may be adjusted against their receivable balances from GoP. Resultantly, the Company did not make any payment in respect of foreign relent loans. However, the Economic Affairs Division, GoP in its letter no. 6-16(1) DMR-II/2011 dated 27 March 2023 demanded repayment of principal along with mark-up amounting to Rupees 1,807 million and Rupees 3,354 million respectively.

7. STAFF RETIREMENT BENEFITS

	2023	2022
	RUPEES	RUPEES
Pension obligations (Note 7.1)	95,914,178,428	88,938,166,809
Free medical benefits (Note 7.1)	5,034,717,809	5,386,516,267
Free electricity (Note 7.1)	6,969,330,444	3,964,605,230
Leave encashment (Note 7.1)	2,030,827,409	2,015,532,812
	<u>109,949,054,090</u>	<u>100,304,821,118</u>

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

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

	30 June 2022				
	Pension	Free medical benefits	Free electricity benefits	Leave encashment	Total
	-----RUPEES-----				
Balance as at 01 July 2021	74,067,929,707	7,361,878,341	5,055,546,219	2,437,214,143	88,922,568,410
Charge for the year (Note 7.2)	8,441,642,251	803,626,744	586,625,159	253,351,426	10,085,245,580
Remeasurements recognized in statement of comprehensive income (Note 7.3)	14,560,000,637	(1,366,393,662)	(916,753,935)	-	12,276,853,040
Benefits paid	(5,144,894,545)	(643,887,243)	(204,986,269)	(286,077,855)	(6,279,845,912)
Contribution made	(2,986,511,241)	(768,707,913)	(555,825,944)	(388,954,902)	(4,700,000,000)
Balance as at 30 June 2022	88,938,166,809	5,386,516,267	3,964,605,230	2,015,532,812	100,304,821,118

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

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

	30 June 2022				
	Pension	Free medical benefits	Free electricity benefits	Leave encashment	Total
	-----RUPEES-----				
Present value of defined benefit obligations	96,650,322,782	7,371,573,360	5,399,930,943	3,019,942,514	112,441,769,599
Fair value of plan assets	(7,712,155,973)	(1,985,057,093)	(1,435,325,713)	(1,004,409,702)	(12,136,948,481)
	88,938,166,809	5,386,516,267	3,964,605,230	2,015,532,812	100,304,821,118

7.1.1.1 Change in fair value of plan assets

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

30 June 2022					
Pension	Free medical benefits	Free electricity benefits	Leave encashment	Total	
RUPEES					
Balance as at 01 July	4,051,785,845	1,042,902,433	754,086,462	527,693,297	6,376,468,037
Expected return on plan assets	126,335,254	113,294,559	95,274,396	59,361,012	394,265,221
Cash flows:					
- Total employer's contributions					
(i) Employer's contributions	2,986,511,241	768,707,913	555,825,944	388,954,902	4,700,000,000
(ii) Employer's direct benefit payments	5,144,894,545	643,887,243	204,986,269	286,077,855	6,279,845,912
- Benefit payments from plan	(5,144,894,545)	(643,887,243)	(204,986,269)	(286,077,855)	(6,279,845,912)
Actuarial gain on plan assets	547,523,633	60,152,188	30,138,911	28,400,491	666,215,223
Balance as at 30 June	7,712,155,973	1,985,057,093	1,435,325,713	1,004,409,702	12,136,948,481

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

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

30 June 2022					
Pension	Free medical benefits	Free electricity benefits	Leave encashment	Total	
RUPEES					
Current service cost	824,382,506	88,430,495	96,917,752	56,980,047	1,066,710,800
Interest cost	7,743,594,999	828,490,808	584,981,803	289,241,523	9,446,309,133
Actuarial gains	-	-	-	(5,108,641)	(5,108,641)
Gain on plan assets	(126,335,254)	(113,294,559)	(95,274,396)	(87,761,503)	(422,665,712)
Net charge for the year	8,441,642,251	803,626,744	586,625,159	253,351,426	10,085,245,580

7.3 Remeasurements recognized in statement of comprehensive income:

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

30 June 2022					
Pension	Free medical benefits	Free electricity benefits	Leave encashment	Total	
RUPEES					
Experience adjustments	15,107,524,270	(1,306,241,474)	(886,615,024)	-	12,914,667,772
Gain on plan assets	(547,523,633)	(60,152,188)	(30,138,911)	-	(637,814,732)
	14,560,000,637	(1,366,393,662)	(916,753,935)	-	12,276,853,040

7.4 Reconciliation of present value of defined benefit obligations:

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

30 June 2022					
Pension	Free medical benefits	Free electricity benefits	Leave encashment	Total	
RUPEES					
Balance as at 01 July 2021	78,119,715,552	8,404,780,774	5,809,632,681	2,964,907,440	95,299,036,447
Current service cost	824,382,506	88,430,495	96,917,752	56,980,047	1,066,710,800
Interest cost	7,743,594,999	828,490,808	584,981,803	289,241,523	9,446,309,133
Benefits paid during the year	(5,144,894,545)	(643,887,243)	(204,986,269)	(286,077,855)	(6,279,845,912)
Remeasurements	15,107,524,270	(1,306,241,474)	(886,615,024)	-	12,914,667,772
Actuarial gains	-	-	-	(5,108,641)	(5,108,641)
Balance as at 30 June 2022	96,650,322,782	7,371,573,360	5,399,930,943	3,019,942,514	112,441,769,599

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

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

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

30 June 2022				
Pension	Free medical benefits	Free electricity benefits	Leave encashment	
Discount rate for defined benefit obligation (per annum)	13.50%	13.50%	13.50%	13.50%
Discount rate for statement of profit or loss (per annum)	10.25%	10.25%	10.25%	10.25%
Electricity inflation rate (per annum)	-	-	10.25%	-
Annual medical claim per retired person's family - Rupees	-	13,860	-	-
Salary increase rate (per annum)	9.25%	9.25%	-	9.25%
Pension indexation rate (per annum)	4.25%	-	-	-
Take up rate of allowance-in service of facility	-	11.95%	-	-
Medical inflation rate (per annum)	-	13.50%	-	-
Mortality rates	SLIC 2001-2005 setback 1 year	SLIC 2001-2005 setback 1 year	SLIC 2001-2005 setback 1 year	SLIC 2001-2005 setback 1 year
Withdrawal rates	Low	Low	Low	Low
Expected charge to the statement of profit or loss for the next financial year (Rupees)	13,796,382,644	827,548,308	838,992,325	336,769,283
Duration of scheme (years)	12	9	18	12

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7.7 Sensitivity analysis for actuarial assumptions:

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

30 June 2022				
	Pension	Free medical benefits	Free electricity benefits	Leave encashment
Discount rate	1.00%	1.00%	1.00%	1.00%
Increase in assumption (Rupees)	(10,653,031,301)	(625,402,864)	(827,335,585)	(320,497,098)
Decrease in assumption (Rupees)	13,100,518,911	752,806,847	1,111,951,943	383,256,618
Future salary increase	1.00%	-	-	1.00%
Increase in assumption (Rupees)	3,807,153,810	-	-	384,875,128
Decrease in assumption (Rupees)	(3,316,053,242)	-	-	(327,097,449)
Indexation rate	1.00%	-	1.00%	-
Increase in assumption (Rupees)	9,466,080,853	-	453,426,847	-
Decrease in assumption (Rupees)	(7,270,951,952)	-	(353,650,736)	-
Withdrawal rates	10.00%	10.00%	-	-
Increase in assumption (Rupees)	13,067,593,658	(2,948,629)	-	-
Decrease in assumption (Rupees)	3,837,291,053	2,948,629	-	-
Mortality setback	1 year	1 year	-	-
Increase in assumption (Rupees)	57,990,194	(5,160,101)	-	-
Decrease in assumption (Rupees)	(10,704,629,676)	5,160,101	-	-
Medical inflation rate	-	1.00%	-	-
Increase in assumption (Rupees)	-	667,873,647	-	-
Decrease in assumption (Rupees)	-	(576,510,322)	-	-

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

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

7.8 Risks associated with staff retirement benefits

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

Discount rate risk:

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

Salary increase / inflation risk:

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

Mortality risk

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

Withdrawal Risk:

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

8. LONG TERM SECURITY DEPOSITS

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

	2023 RUPEES	2022 RUPEES
9. RECEIPTS AGAINST DEPOSIT WORKS		
Consumers demand notices awaiting connections (Note 9.1)	497,981,116	694,879,283
Funds received against deposit works (Note 9.2)	19,701,546,164	17,405,456,614
	20,199,527,280	18,100,335,897
9.1 These represent amounts received from consumers through demand notices against which the related works / jobs have not been completed.		
9.2 These represent amounts received directly by the Company for electrification of villages, colonies and other deposit works, mainly provided through Government funding against which the related works / jobs have not been completed.		
10. DEFERRED CREDIT		
Balance as at 01 July	55,130,993,252	49,888,747,814
Additions during the year	7,923,425,204	5,242,245,438
	63,054,418,456	55,130,993,252
Less: Accumulated amortization		
Balance as at 01 July	19,936,815,897	18,007,231,133
Amortization for the year	2,206,904,646	1,929,584,764
	22,143,720,543	19,936,815,897
Balance as at 30 June	40,910,697,913	35,194,177,355

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

	2023 RUPEES	2022 RUPEES
11. DEFERRED INCOME TAX LIABILITY		
Balance as at 01 July	6,788,064,159	7,084,094,028
Less:		
Deferred income tax liability on incremental depreciation transferred to the statement of profit or loss	229,518,680	239,821,411
Deferred income tax liability on assets transferred during the year transferred to the statement of profit or loss	58,059,244	56,208,458
	287,577,924	296,029,869
Balance as at 30 June	<u>6,500,486,235</u>	<u>6,788,064,159</u>
11.1 Deferred income tax effect due to:		
Accelerated tax depreciation on operating fixed assets	19,361,791,345	18,579,328,400
Allowance for expected credit losses	(1,251,130,231)	(412,125,905)
Provision for slow moving and obsolete items of stores, spares and loose tools	(10,944,333)	(11,702,546)
Staff retirement benefits	(31,885,225,686)	(29,088,398,124)
Unused tax losses	(107,435,757,458)	(103,846,363,655)
	<u>(121,221,266,363)</u>	<u>(114,779,261,830)</u>
Unrecognized deferred tax asset	121,221,266,363	114,779,261,830
	<u>-</u>	<u>-</u>
11.2 Deferred income tax liability is created on surplus on revaluation of property, plant and equipment. Other taxable and deductible temporary differences result in deferred income tax asset which has not been recognized in these financial statements due to uncertainty and in availability of sufficient future taxable profits as these temporary differences are not likely to reverse in the foreseeable future.		
12. TRADE AND OTHER PAYABLES		
Creditors	846,387,890	869,168,988
Due to associated companies (Note 12.1)	91,623,032,248	97,858,781,616
Billing related payables (Note 12.2)	14,948,356,132	12,015,081,431
Workers' profit participation fund (Note 12.3 and Note 12.4)	1,650,983,096	1,650,983,096
Excess receipt against deposit work	1,048,519,119	1,169,413,342
Accrued liabilities	644,228,732	493,417,675
Contract liabilities - unsecured (Note 12.5)	953,913,967	587,788,294
Sales tax payable	2,509,983,158	-
Income tax deducted at source	92,860,571	90,579,133
Retention money payable	247,504,770	142,941,027
Other liabilities	1,560,806,563	1,391,337,580
	<u>116,126,576,246</u>	<u>116,269,492,182</u>
12.1 Due to associated companies		
Central Power Purchasing Agency (Guarantee) Limited (CPPA-G)	87,539,690,681	95,273,750,402
National Transmission and Despatch Company Limited (NTDC)	3,437,302,946	1,889,416,839
Due to associated companies on account of free electricity (Note 12.1.1)	587,646,953	613,513,103
Due to associated companies on account of pension (Note 12.1.2)	58,391,668	82,101,272
	<u>91,623,032,248</u>	<u>97,858,781,616</u>
12.1.1 Due to associated companies on account of free electricity		
Lahore Electric Supply Company Limited (LESCO)	583,974,581	611,321,730
Sukkur Electric Power Company Limited (SEPCO)	3,672,371	2,191,373
	<u>587,646,953</u>	<u>613,513,103</u>
12.1.2 Due to associated companies on account of pension		
Peshawar Electric Supply Company Limited (PESCO)	52,414,763	81,171,997
Lahore Electric Supply Company Limited (LESCO)	5,976,905	929,275
	<u>58,391,668</u>	<u>82,101,272</u>



	2023 RUPEES	2022 RUPEES
12.2 Billing related payables		
Equalization surcharge payable (Note 12.2.1)	2,203,140,504	2,203,206,426
Electricity duty payable	190,535,854	297,082,485
TV License fee payable	118,015,783	122,115,480
Neelum Jhelum surcharge (Note 12.2.2)	1,126,504,331	1,125,721,010
Extra / further tax	961,428,830	707,811,756
Income tax	998,387,679	856,567,030
Financing cost surcharge payable	3,724,547,148	1,079,972,981
Tariff rationalization surcharge payable	5,508,476,896	5,552,893,402
General sales tax	117,319,107	69,710,861
	<u>14,948,356,132</u>	<u>12,015,081,431</u>

12.2.1 Equalization surcharge was collected from consumers pursuant to S.R.O. 235(1)2011, dated 15 March 2011 issued by the Ministry of Energy, GoP. The amount was collected from customers during the period from April 2011 to May 2012 but further collection was discontinued on account of a subsequent S.R.O. 505(1)2012, dated 16 May 2012. Payment of this amount to the Federal Government is currently deferred as payment mechanism has not been conveyed to the Company by the GoP. The Company through letter No. 8612/FESCO/CFO/Compilation dated 06 April 2023 requested the PPMC to impart necessary guidelines for adjustment of the equalization surcharge.

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

12.3 Workers' profit participation fund

Balance as at 01 July	1,650,983,096	1,584,446,791
Provision for the year	-	66,536,305
Balance as at 30 June	<u>1,650,983,096</u>	<u>1,650,983,096</u>

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

12.5 The Company has recognized revenue of Rupees 345.734 million (2022: Rupees 314.732 million) from amounts included in contract liabilities at the year end.

13. ACCRUED MARK-UP

Foreign re-lent loans	113,322,002	113,322,002
Overdue mark-up on foreign re-lent loans	5,118,185,820	4,238,598,954
	<u>5,231,507,822</u>	<u>4,351,920,956</u>

14. CONTINGENCIES AND COMMITMENTS

14.1 Contingencies

14.1.1 The Company has received various invoices from CPPA-G representing late payment charges (supplementary charges) being the share of the Company in late payment charges charged to CPPA-G by Independent Power Producers (IPPs) on account of delayed payments aggregating to Rupees 13,694.27 million (2022: Rupees 13,413.92 million) over the years. Moreover, NEPRA has decided that the late payment charges (supplementary charges) recovered from consumers on utility bills shall be offset against the late payment charges (supplementary charges) invoices raised by CPPA and CPPA cannot account for late payment charges (supplementary charges) over and above what is calculated as per agreement. Therefore, the Company has not acknowledged this amount as its liability.

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

- 14.1.3** The Companies Profit (Workers' Participation) Act, 1968 requires payment of the allocated amount to the Workers Profit Participation Fund (WPPF) within nine months of the close of relevant financial year. However, due to pending decision of the Economic Coordination Committee to exempt the corporatized entities under the umbrella of WAPDA from requirements of the said Act, the Company has not made provision of WPPF amounting to Rupees 2,707 million for the financial years ended 30 June 2009, 30 June 2010, 30 June 2013, 30 June 2014 and 30 June 2015 and for the total interest accrued on WPPF thereon as given in Note 12.4.
- 14.1.4** In addition to above-mentioned matters, large number of small cases have been filed against the Company, primarily by the Company's employees, customers and vendors, the quantum of which cannot be estimated reliably. However, the management is of the view that in the overall context of these financial statements, there would be no significant liability of the Company against such cases.
- 14.1.5 Income tax**
- (i)** Additional Commissioner Inland Revenue passed an Order No. 344 dated 07 January 2014 for tax the year 2013 under section 122(5A) of the Ordinance, raising a demand of Rupees 88.769 million, in respect of non payment of minimum tax on subsidy under section 113 of the Income Tax Ordinance, 2001 (the Ordinance). The Company filed an appeal to Appellate Tribunal Inland Revenue (ATIR) against this order. The ATIR decided the case in favour of the Company. The Regional Tax Office filed reference dated 12 May 2016 against the decision before the Lahore High Court, Lahore which is pending for adjudication.
 - (ii)** Additional Commissioner Inland Revenue passed Order No. 8299 dated 06 April 2016 and Order No. 8524 dated 21 June 2016 for tax the years 2014 and 2015 respectively under section 122(5A) of the Ordinance, raising a demand of Rupees 1,574.665 million and Rupees 558.964 million, in respect of non payment of minimum tax on subsidy under section 113 of the Ordinance and alleged incorrect claim of tax credit under section 65B of the Ordinance, respectively. The Company filed an appeal to Appellate Tribunal Inland Revenue (ATIR) against this order. The ATIR decided the case in favour of the Company. The Regional Tax Office has filed reference application on 14 April 2017 against the decision before the Lahore High Court, Lahore which is pending for adjudication.
 - (iii)** Additional Commissioner Inland Revenue passed an Order vide letter No. 539335-1 dated 09 January 2017 under section 122(9) of the Ordinance, raising a demand of Rupees 13.896 million in respect of less depositing of turnover tax under section 113 of the Ordinance in tax year 2011. The Commissioner Inland Revenue (Appeals) has decided the case against the Company. The Company has filed an appeal against the decision before Appellate Tribunal Inland Revenue on 03 December 2020, which is pending for adjudication.
 - (iv)** Additional Commissioner Inland Revenue passed an Order No. 678 dated 23 December 2015 under section 122(5A) raising a demand of Rupees 156.009 million for the tax year 2010, in respect of illegal set off of part of accumulated unabsorbed depreciation against interest from bank deposits / instruments and non-payment of tax on such income. The Company filed to Appellate Tribunal Inland Revenue (ATIR) against this order. The matter has been resolved in favour of the Company by the ATIR. However, Regional Tax Office has filed an appeal on 22 November 2018 before the Lahore High Court, Lahore which is pending for adjudication.
 - (v)** Additional Commissioner Inland Revenue issued a show cause notice No. 438 dated 04 February 2014 for the tax year 2009 under section 122(5A) of the Ordinance, raising a demand of Rupees 122.559 million, in respect of illegal set off of part of accumulated unabsorbed depreciation against interest from bank deposits / instruments and non-payment of tax on such income. The matter has been resolved in favour of the Company by the Appellate Tribunal Inland Revenue (ATIR) on 18 January 2016. However, Regional Tax Office has requested to file reference application before the Lahore High Court, Lahore on 12 May 2016.
 - (vi)** Deputy Commissioner Inland Revenue passed order dated 06 June 2018 under section 205/160 of the Ordinance for the tax years 2016 and 2017 raising a demand of Rupees 67.023 million, in respect of non deduction of withholding tax against payment of use of system charges to NTDC. The Commissioner Inland Revenue (Appeals) (CIR (A)) passed order against the Company. The Company has filed reference application No. 18479 dated 27 February 2021 before the Lahore High Court, Lahore against the order of Appellate Tribunal Inland Revenue dated 11 November 2020, which is pending for adjudication.
 - (vii)** Deputy Commissioner Inland Revenue passed Orders under section 205 of the Ordinance for the tax years 2012, 2013, 2014 and 2015 raising a demand of Rupees 229.280 million, in respect of non deduction of withholding tax against payment of use of system charges to NTDC. The Company filed appeals against these orders before Appellate Tribunal Inland Revenue (ATIR), which were decided against the Company. The Company filed Income Tax Reference Nos. 45069, 45078, 45072 and 45074 dated 10 June 2020 before Lahore High Court, Lahore against the orders of ATIR, which are pending for adjudication.
 - (viii)** Additional Commissioner Inland Revenue passed an Order No. 1758 dated 26 September 2018 under section 161(1) and raised demand of Rupees 46.353 million, in respect of alleged non-payment of withholding tax on various payments, in respect of tax year 2017. The Company has filed reference application on 27 February 2021 before Lahore High Court, Lahore against the orders of Appellate Tribunal Inland Revenue, which is pending for adjudication.
 - (ix)** Additional Commissioner Inland Revenue passed an Order vide bar code No. 100000118080488 dated 22 February 2022 for tax year 2017 under section 122(5A) of the Ordinance, raising a demand of Rupees 422.765 million, in respect of illegal tax credit claimed under section 65B of the Ordinance for the tax year 2017. The Company has filed appeal before Commissioner Inland Revenue (Appeals) on 14 March 2022, which is pending for adjudication.

- (x) Additional Commissioner Inland Revenue passed an Order vide bar code No. 100000115217240 dated 23 December 2021 for tax year 2018 under section 122(5A) of the Ordinance, creating a demand of Rupees 3,699.121 million in respect of non payment of alternative corporate tax. Being aggrieved with the order of Additional Commissioner Inland Revenue, the Company has filed an appeal before Commissioner Inland Revenue (Appeals) on 31 January 2022, the proceedings of which is pending for adjudication.
- (xi) Deputy Commissioner Inland Revenue issued Order vide bar code No. 100000126469023 dated 28 June 2022 for tax year 2016 under section 161(1) of the Ordinance raising a demand of Rupees 485.783 million in respect of tax year 2016 regarding non deduction of withholding tax against payment of salaries, wages and other benefits to employees. The Company has filed an appeal before Commissioner Inland Revenue (Appeals) on 25 July 2022, which is pending for adjudication.
- (xii) Deputy Commissioner Inland Revenue issued Order vide bar code No. 100000115292828 dated 27 December 2021 for tax year 2020 under section 161(1) of the Ordinance raising a demand amounting to Rupees 655.422 million, in respect of non deduction of withholding tax against payment of salaries, wages and other benefits to employees. The Company has filed an appeal before Commissioner Inland Revenue (Appeals) on 26 January 2022, which is pending for adjudication.
- (xiii) Deputy Commissioner Inland Revenue issued Order vide bar code No. 100000126474388 dated 28 June 2022 for tax year 2016 under section 161(1A) raising a demand of Rupees 1,120.707 million, in respect of non-deduction of withholding tax on supply of electricity. The Company has filed an appeal before Commissioner Inland Revenue (Appeals) on 28 July 2022, which is pending for adjudication.

Aggregate provision of Rupees 9,241.316 million regarding the cases stated in paragraph numbers 14.1.5 (i) to 14.1.5 (xiii) has not been accounted for in the books of account of the Company as in the opinion of tax advisors, the favorable outcomes of these cases are expected.

Sales Tax

- (xiv) Assistant Commissioner Punjab Revenue Authority passed an Order No. 1 dated 04 January 2018 raising a demand of Rupees 385.803 million, in respect of non charging of Punjab Sales Tax on various services performed by the Company for the tax period from July 2015 to June 2016 under section 52(1) of Punjab Sales Tax Act, 2012. The Company has filed writ petition dated 05 September 2020 before the Lahore High Court, Lahore against the order of Commissioner Appeals (Punjab Revenue Authority), which is pending for adjudication.
- (xv) Deputy Commissioner Inland Revenue issued show cause notice No. 07 dated 31 December 2011 under section 36(2) of Sales Tax Act, 1990 raising a demand of Rupees 6,888.265 million for the tax period from July 2008 to June 2009 in respect of non-charging and payment of sales tax on subsidy, non-utility operations, new connections awaiting installation, work-in-progress, repair, testing and inspection fee, reconnections, unlawful input tax claim / adjustment against suspended registration and black listed parties. The Appellate Tribunal Inland Revenue has decided the case in favour of the Company. However, Regional Tax Office filed reference application before the Lahore High Court, Lahore on 08 December 2014, which is pending for adjudication.
- (xvi) Assistant Commissioner Inland Revenue issued an Order vide letter No. 1317 dated 05 December 2014 raising a demand of Rupees 3.833 million in respect of non-charging and payment of extra tax and further tax on assessment basis on supply of electricity. The Company has filed an appeal on 14 April 2016 before the Appellate Tribunal Inland Revenue, which is pending for adjudication.
- (xvii) Deputy Commissioner Inland Revenue issued a show cause notice No. 344 dated 09 January 2013 raising a demand of Rupees 6,767.126 million for the tax year 2009-10 in respect of penalty for suppression of sales, inadmissible input tax claimed, non-charging of sales tax on subsidy etc. The Appellate Tribunal Inland Revenue (ATIR) has decided the case in favour of the Company. The Regional Tax Office filed reference application against the decision of ATIR before Lahore High Court, Lahore on 23 December 2019 which is pending for adjudication.
- (xviii) Assistant Commissioner Inland Revenue issued an Order No. 1725 dated 27 February 2019 under section 26 of Sales Tax Act, 1990 raising a demand of Rupees 66.640 million in respect of non-chargeability of sales tax on free supply to Company's employees. The Company has filed an appeal on 13 April 2019 before the Commissioner Inland Revenue (Appeals), who remanded back the case to the Assistant Commissioner Inland Revenue vide Order No. 473 dated 05 November 2019. The Assistant Commissioner Inland Revenue has passed the order against the Company. The Company has filed an appeal dated 29 June 2021 before Commissioner Inland Revenue (Appeals) against the order of Assistant Commissioner Inland Revenue, which is pending for adjudication.
- (xix) Assistant Commissioner Inland Revenue issued show cause notice No. 2565 dated 12 March 2020 under section 3(1) and 3(1)(A) of the Sales Tax Act, 1990 regarding non charging of sales tax on Large Tax Payer and zero rated supplies amounting to Rupees 4,820 million for the period from July 2014 to May 2016. The Company has submitted the reply to Assistant Commissioner Inland Revenue (ACIR). ACIR has reduced the demand to Rupees 2,321 million. The Company has filed an appeal before Appellate Tribunal Inland Revenue on 19 June 2021 against the demand, which is pending for adjudication.
- (xx) The Company has lodged twelve sales tax refund claims amounting to Rupees 7,704 million with Regional Tax Officer from November 2008 to June 2014. Out of these twelve claims, eight refund claims amounting to Rupees 5,224 million have been rejected by Assistant Commissioner Inland Revenue. However, Commissioner Inland Revenue (Appeals) have remanded back the case to Assistant Commissioner Inland Revenue. The Company has filed an appeal before Appellate Tribunal Inland Revenue on 30 April 2021 against the rejection of claims, which is pending for adjudication.



- (xxi) Additional Commissioner Punjab Revenue Authority issued show cause notice No. 11149 dated 30 December 2020 raising a demand of Rupees 1,554.748 million, in respect of non-chargeability of Punjab Sales Tax on various services performed by the Company for the tax period from July 2016 to June 2019. The Company has filed petition No. 19883 dated 15 March 2021 before Lahore High Court, Lahore which is pending for adjudication.
- (xxii) Additional Commissioner Punjab Revenue Authority issued show cause notice No. 12225 dated 14 December 2021 under section 24 and 52 of Punjab Sales Tax Act, 2012 by raising a demand of Rupees 1,131.949 million, in respect of non-chargeability of Punjab Sales Tax on various services performed by the Company for the tax period from July 2019 to June 2021. The Company has filed a writ petition dated 12 January 2022 before Lahore High Court, Lahore which is pending for adjudication.
- (xxiii) Additional Commissioner Punjab Revenue Authority issued show cause notice No. 11376 dated 26 February 2021 raising a demand of Rupees 20.934 million, in respect of default surcharge on non charging of Punjab Sales Tax on services performed by the Company for the tax period from July 2014 to June 2020 under section 52 of Punjab Sales Tax Act, 2012. The Company has filed an appeal before Commissioner (Appeals), Punjab Revenue Authority dated 28 September 2021, which is pending for adjudication.
- (xxiv) Assistant Commissioner Inland Revenue issued show cause notice No. 1305 dated 18 June 2021 raising a demand of Rupees 33.059 million against two times adjustment of input tax. The Company has filed an appeal before the Commissioner Inland Revenue (Appeals), who rejected the appeal in the Order No. 36/2021 dated 30 March 2022. The Company has filed an appeal before Appellate Tribunal Inland Revenue dated 15 June 2022, which is pending for adjudication.
- (xxv) Deputy Commissioner Inland Revenue issued show cause notice under section 11(2) of Sales Tax Act, 1990 for recovery of sales tax amounting to Rupees 17.267 million along with default surcharge and penalty for not disclosing the supply in Annex-C of sales tax return for tax period spanning from January 2020 to June 2020. The Company filed an appeal dated 13 December 2022 before Commissioner Inland Revenue (Appeals), which is pending for adjudication.
- (xxvi) Deputy Commissioner Inland Revenue passed an order No. 17/2022-23 dated 26 June 2023 in respect of non chargeability of sales tax on free supply of electricity to Company's employees during tax period July 2018 to June 2019 and raised demand of Rupees 132.103 million along with default surcharge and penalty amounting to Rupees 6.605 million. An appeal is filed before Commissioner Inland Revenue (Appeals) on 27 May 2021 which is pending for adjudication.
- (xxvii) Deputy Commissioner Inland Revenue issued Order No. 02/2021 dated 26 March 2021 in respect of late filing of sales tax return during tax period August 2019 to June 2020 raising demand of Rupees 263.461 million as penalty and default surcharge. An appeal has been filed against Commissioner Inland Revenue (Appeals) on 14 April 2021 which is pending for adjudication.
- (xxviii) Assistant Commissioner Inland Revenue issued a show cause notice No. 17/145 dated 08 March 2021 in respect of inadmissible adjustments of input tax claimed by the Company in monthly sale tax returns during tax periods June 2016 to September 2017 related to unregistered suppliers raising a demand of Rupees 17.044 million. Appeal filed by the Company was concluded before Appellate Tribunal Inland Revenue on 07 March 2022 who remanded back the case to assessment officer vide STA No. 10/2022 dated 24 May 2022 for fresh adjudication at department level. The proceedings are currently continued.
- (xxix) The Company has claimed input tax adjustment pertaining to the tax periods July 2019 and August 2019 on which show cause notices u/s 11 of the Sales Tax Act, 1990 were issued that input tax was claimed against output tax on purchase of items which were not admissible so the amounts of Rupees 13.757 million and Rupees 19.996 million were ordered to be recovered from Company along with default surcharge and penalty. The Company filed appeal before Commissioner Inland Revenue (Appeals) who confirmed assessing officer orders and dismissed it. The Company filed second appeals before Appellate Tribunal Inland Revenue on 20 January 2023 who submitted that the input tax adjustment claimed is admissible in terms of section 7 of the Act. The case was remanded back to assessing officer vide order STA No. 861 & 862 to obtain necessary evidences from the Company in support of the claim and thereafter decide the issue in accordance with law. The issue is currently pending with assessing officer.

Aggregate provision of Rupees 27,347.590 million relating to the above stated paragraph numbers 14.1.5 (xiv) to 14.1.5 (xxix) has not been recorded in the books of accounts of the Company on the advice of tax advisors of the Company, as favourable outcome of these cases are expected.

14.2 Commitments

- 14.2.1 Contracts for capital expenditure are of Rupees 1,546.218 million (2022: Rupees 3,814.899 million).
- 14.2.2 Inland letter of credits in respect of capital expenditure are of Rupees 468.876 million (2022: Rupees 388.499 million).
- 14.2.3 Contracts for other than capital expenditure are of Rupees 46.831 million (2022: Rupees 66.128 million).

15. PROPERTY, PLANT AND EQUIPMENT

	2023 RUPEES	2022 RUPEES
Operating fixed assets (Note 15.1)	135,871,992,836	125,813,104,999
Capital work-in-progress (Note 15.2)	25,821,890,813	18,233,039,025
	161,693,883,649	144,046,144,024



15.1 OPERATING FIXED ASSETS

	RUPEES							
	Freehold land	Buildings on freehold land	Feeders (up to 11 kv)	Grids and equipment	Vehicles	Furniture, fixtures and office equipment	Total	
As at 30 June 2021								
Cost / revalued amount	31,245,628,250	4,412,973,319	84,899,695,241	34,169,272,990	935,489,412	951,793,971	156,614,853,183	
Accumulated depreciation	-	(552,793,856)	(30,147,556,153)	(8,455,263,088)	(796,364,428)	(640,363,551)	(40,592,341,076)	
Impairment loss	-	(453,912,940)	-	-	-	-	(453,912,940)	
Net book value	31,245,628,250	3,406,266,523	54,752,139,088	25,714,009,902	139,124,984	311,430,420	115,568,599,167	
Year ended 30 June 2022								
Opening net book value	31,245,628,250	3,406,266,523	54,752,139,088	25,714,009,902	139,124,984	311,430,420	115,568,599,167	
Additions	-	495,628,577	8,357,948,686	6,420,365,598	388,012,026	137,710,608	15,799,665,495	
Transferred to stores and spares / written off	-	-	(1,490,544,015)	(174,507,281)	(47,450)	(2,793,329)	(1,667,892,075)	
Cost / revalued amount	-	-	497,605,169	68,470,005	1,186	2,530,702	568,607,062	
Accumulated depreciation	-	-	(992,938,846)	(106,037,276)	(46,264)	(262,627)	(1,099,285,013)	
Depreciation charge	-	(80,123,231)	(3,047,439,717)	(1,212,115,286)	(49,720,550)	(66,475,866)	(4,455,874,650)	
Closing net book value	31,245,628,250	3,821,771,869	59,069,709,211	30,816,222,938	477,370,196	382,402,535	125,813,104,999	
As at 30 June 2022								
Cost / revalued amount	31,245,628,250	4,908,601,896	91,767,099,912	40,415,131,307	1,323,453,988	1,086,711,250	170,746,626,603	
Accumulated depreciation	-	(632,917,087)	(32,697,390,701)	(9,598,908,369)	(846,083,792)	(704,308,715)	(44,479,608,664)	
Impairment loss	-	(453,912,940)	-	-	-	-	(453,912,940)	
Net book value	31,245,628,250	3,821,771,869	59,069,709,211	30,816,222,938	477,370,196	382,402,535	125,813,104,999	
Year ended 30 June 2023								
Opening net book value	31,245,628,250	3,821,771,869	59,069,709,211	30,816,222,938	477,370,196	382,402,535	125,813,104,999	
Additions	540,730	468,500,386	11,370,845,440	3,914,995,170	348,329,078	146,414,075	16,249,624,879	
Transferred to stores and spares / written off	-	-	(1,566,986,846)	(129,129,137)	(15,540,097)	(6,973,720)	(1,718,629,800)	
Cost / revalued amount	-	-	538,147,123	54,885,040	15,540,097	74,761	608,647,021	
Accumulated depreciation	-	-	(1,028,839,723)	(74,244,097)	-	(6,898,959)	(1,109,982,779)	
Depreciation charge	-	(90,617,554)	(3,343,206,286)	(1,476,106,008)	(92,934,981)	(77,899,434)	(5,080,754,263)	
Closing net book value	31,246,168,980	4,199,654,701	66,066,508,642	33,180,868,003	732,764,293	444,028,217	135,871,992,836	



	Freehold land	Buildings on freehold land	Feeders (up to 11 kv)	Grids and equipment	Vehicles	Furniture, fixtures and office equipment	Total
-----RUPEES-----							

As at 30 June 2023	Freehold land	Buildings on freehold land	Feeders (up to 11 kv)	Grids and equipment	Vehicles	Furniture, fixtures and office equipment	Total
Cost / revalued amount	31,246,168,980	5,377,102,282	101,570,958,506	44,200,997,340	1,656,242,969	1,226,151,605	185,277,621,682
Accumulated depreciation	-	(723,534,641)	(35,502,449,864)	(11,020,129,337)	(923,478,676)	(782,123,388)	(48,951,715,906)
Impairment loss	-	(453,912,940)	-	-	-	-	(453,912,940)
Net book value	31,246,168,980	4,199,654,701	66,068,508,642	33,180,868,003	732,764,293	444,028,217	135,871,992,836
Annual rate of depreciation (%)	-	2	3.5	3.5	10	10-33.33	

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

15.1.2 Title of freehold land valuing Rupees 18,505.226 million is in the name of WAPDA and title of freehold land valuing of Rupees 9,256.935 million has neither been transferred in the name of WAPDA nor in the name of the Company. The possession of freehold land amounting to Rupees 28 million and buildings thereon amounting to Rupees 1,586 million is not in control of the Company and with some other third parties, therefore, these assets are not revalued. Moreover, the operating fixed assets having book value of to Rupees 686.971 million has not been revalued due to certain inherent limitations.

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

15.1.4 Forced sales value of freehold land was Rupees 26,535 million, buildings on freehold land was Rupees 2,422 million, grids and equipment was Rupees 22,278 million as per the valuation carried on 01 July 2019. Forced sales value of feeders (up to 11 kv) was Rupees 46,118 million as per the valuation carried on 30 June 2020.

15.1.5 Operating fixed assets include assets having cost of Rupees 1,481,099 million (2022: Rupees 1,388,738 million) which are fully depreciated and still in use of the Company.

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

	Cost	Accumulated depreciation	Impairment loss	Net book value
-----RUPEES-----				
Land - freehold	1,156,055,867	-	-	1,156,055,867
Building on freehold land	4,084,513,861	(913,174,701)	(453,912,940)	2,717,426,220
Feeders (up to 11 kv)	89,166,967,526	(29,702,221,429)	-	59,464,746,097
Grids and equipment	27,671,307,299	(8,819,918,043)	-	18,851,389,256
2023	122,078,844,553	(39,435,314,173)	(453,912,940)	82,189,617,440
2022	107,687,315,157	(35,777,300,848)	(453,912,940)	71,456,101,369



	2023 RUPEES	2022 RUPEES
15.1.7 Depreciation charge for the year has been allocated as follows:		
Distribution cost (Note 28)	4,915,904,094	4,317,778,732
Administrative expenses (Note 29)	131,222,881	109,881,586
Customer services costs (Note 30)	1,477,454	1,107,426
Included in capital work-in-progress (Note 15.2.5)	32,149,834	27,106,906
	<u>5,080,754,263</u>	<u>4,455,874,650</u>
15.2 Capital work in progress		
Civil works	230,404,780	179,377,656
Distribution equipment (Note 15.2.1)	24,922,738,180	16,834,989,170
	<u>25,153,142,960</u>	<u>17,014,366,826</u>
Cost of implementation of Enterprise Resource Planning	79,913,507	68,160,833
Mobilization advance to suppliers / contractors	52,778,275	552,205,202
Capital stores (Note 15.2.4)	536,056,071	598,306,164
	<u>25,821,890,813</u>	<u>18,233,039,025</u>
15.2.1 Distribution equipment		
Materials	19,934,579,437	13,493,785,051
Overheads	2,024,597,797	1,403,899,726
Contract work	2,963,560,946	1,937,304,393
	<u>24,922,738,180</u>	<u>16,834,989,170</u>
15.2.2 Borrowing costs capitalized amounting to Rupees Nil (2022: Rupees 576.930) incurred specifically to finance the construction of grid station projects. The capitalization rate used was Nil (2022: 15 percent) per annum.		
15.2.3 Movement in civil works and distribution equipment during the year:		
Balance as at 01 July	17,014,366,826	17,298,471,458
Add: Additions during the year	18,915,781,616	11,866,848,650
	<u>35,930,148,442</u>	<u>29,165,320,108</u>
Less:		
Transferred to buildings on freehold land	(468,500,386)	(495,628,577)
Transferred to feeders, grids and equipment	(10,308,505,096)	(11,655,324,705)
	<u>(10,777,005,482)</u>	<u>(12,150,953,282)</u>
Balance as at 30 June	<u>25,153,142,960</u>	<u>17,014,366,826</u>
15.2.4 These represent items of stores, spares and loose tools held for capitalization.		
15.2.5 Depreciation capitalized related to capital work-in-progress was Rupees 32.150 million (2022: Rupees 27.107 million) as given in Note 15.1.7. Moreover operating expenses of Rupees 1,112.519 million (2022: Rupees 686.906 million) have also been included in capital work-in-progress (Note 28).		
16. INTANGIBLE ASSETS		
Computer softwares		
Cost	213,570,873	213,570,873
Accumulated amortization	(211,733,408)	(211,264,268)
Net book value	<u>1,837,465</u>	<u>2,306,605</u>
Movement during the year		
Opening net book value	2,306,605	27,244,458
Addition during the year	-	2,345,700
Amortization charge for the year (Note 29)	(469,140)	(27,283,553)
	<u>1,837,465</u>	<u>2,306,605</u>
Amortization rate (per annum)	20%	20%
16.1 Intangible assets having cost of Rupees 211.225 million (2022: Rupees 211.225 million) are fully amortised.		
16.2 These include various modules of SAP ERP softwares.		

	2023 RUPEES	2022 RUPEES
17. LONG TERM ADVANCES		
Considered good - secured		
House building / purchase of plot	120,953,566	64,161,351
Vehicles / motor cycles	2,359,996	2,112,258
	<u>123,313,562</u>	<u>66,273,609</u>
Less: Current portion of long term advances (Note 21)	(18,775,830)	(13,536,356)
	<u>104,537,732</u>	<u>52,737,253</u>
17.1	These include advances given to executives amounting to Rupees 14.810 million (2022: Rupees 2.335 million). The maximum aggregate amount due from these executives at the end of any month during the year was Rupees 14.810 million (2022: Rupees 2.449 million)	
17.2	Advances for house building and purchase of plot are repayable in five years and for car and motor cycle loans in three years. As per Company's policy, interest is charged equal to the profit rate applied on 'General Provident Fund' which is 14.22 percent (2022: 12.40 percent) per annum. These are recoverable in equal monthly installments. These advances are secured by mortgage of immovable property and hypothecation of vehicles.	
18. LONG TERM DEPOSITS		
	These represent security deposits with utility companies and an oil company against connections and fuel cards respectively.	
19. STORES, SPARES AND LOOSE TOOLS		
Stores, spares and loose tools	5,042,666,455	3,406,590,529
Less: Provision for slow moving and obsolete items of stores, spares and loose tools (Note 19.1)	(37,739,078)	(40,353,605)
	<u>5,004,927,377</u>	<u>3,366,236,924</u>
19.1 Provision for slow moving and obsolete items of stores, spares and loose tools		
Balance as at 01 July	40,353,605	40,197,988
Add: Provision during the year	-	155,617
	<u>40,353,605</u>	<u>40,353,605</u>
Less: Provision reversed during the year (Note 31)	2,614,527	-
Balance as at 30 June	<u>37,739,078</u>	<u>40,353,605</u>
20. TRADE DEBTS		
Partially secured:		
Considered good (Note 20.1 and Note 20.2)	72,793,793,232	84,065,270,625
Less: Allowance for expected credit losses (Note 20.3)	4,314,242,176	1,421,123,809
	<u>68,479,551,056</u>	<u>82,644,146,816</u>
20.1	Trade debts are partially secured to the extent of corresponding consumers' security deposits. Trade debts as at the reporting date are classified into residential, commercial, industrial, agriculture, public lights, residential colonies and others.	
20.2	CPPA-G vide its Credit Note Nos. PPA-331/FESCO-32 dated 03 July 2023 effective as on 13 June 2023 and PPA-329/FESCO-34, PPA-329/FESCO-34 dated 03 July 2023 effective as on 26 June 2023 directed the Company to adjust Zero Rated Industrial Rebate (ZRIR), included in trade debts amounting to Rupees 7,499.715 million against the amount payable to CPPA-G on account of purchase of electricity. Hence, the Company has adjusted the said amounts as at 30 June 2023 against trade debts.	
20.3 Allowance for expected credit losses		
Balance as at 01 July	1,421,123,809	1,108,784,284
Add: Allowance for expected credit loss-net (Note 30)	2,893,118,367	312,339,525
Balance as at 30 June	<u>4,314,242,176</u>	<u>1,421,123,809</u>
20.3.1	The allowance / reversal of allowance for expected credit loss is made on net basis due to large number of consumers of the Company.	
20.4	As at 30 June, ageing analysis of these trade debts is as follows:	
Not past due yet	26,591,387,670	40,177,888,960
Due up to 1 year	5,131,800,462	2,644,477,075
1 year to 3 years	216,166,118	201,250,588
3 years and above	3,238,371,032	445,195,022
Balances due from Government	36,756,362,924	39,821,780,781
Deferred arrears	859,705,026	774,678,199
	<u>72,793,793,232</u>	<u>84,065,270,625</u>
Less: Allowance for expected credit losses	4,314,242,176	1,421,123,809
	<u>68,479,551,056</u>	<u>82,644,146,816</u>



	2023 RUPEES	2022 RUPEES
21. LOANS AND ADVANCES		
Considered good		
Advances to suppliers	332,951,014	50,424,943
Advances to employees against expenses	22,420,154	8,853,318
Advances to employees for sports	90,000	235,200
Current portion of long term advances (Note 17)	18,775,830	13,536,356
	374,236,998	73,049,817
22. OTHER RECEIVABLES		
Considered good		
Duties, charges and taxes (Note 22.1)	-	-
Sales tax and other taxes receivable from consumers	18,368,113,118	13,771,905,534
Receivable against damaged items during warranty period	75,913,837	79,493,532
Due from associated companies / undertakings (Note 22.2)	12,081,574,831	11,494,893,866
Others (Note 22.3)	561,543,717	188,896,136
	31,087,145,503	25,535,189,068
22.1 Duties, charges and taxes		
Receivables not yet realized:		
Income tax	1,123,681,895	800,794,183
Tariff rationalization surcharge (Note 22.1.2)	97,895,520	53,166,313
Financing cost surcharge (Note 22.1.3)	7,241,961,207	3,704,855,425
Electricity duty	417,222,262	291,623,264
Equalization surcharge	1,406,342	1,398,595
Extra / Further sales tax	992,608,002	729,546,702
PTV license fee	86,994,578	61,444,352
Neelum Jhelum surcharge	449,315,047	450,829,563
	10,411,084,853	6,093,658,397
Payables not yet realized:		
Income tax	1,123,681,895	800,794,183
Tariff rationalization surcharge	97,895,520	53,166,313
Financing cost surcharge	7,241,961,207	3,704,855,425
Electricity duty	417,222,262	291,623,264
Equalization surcharge	1,406,342	1,398,595
Extra / Further sales tax	992,608,002	729,546,702
PTV license fee	86,994,578	61,444,352
Neelum Jhelum surcharge	449,315,047	450,829,563
	10,411,084,853	6,093,658,397
	-	-

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

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

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

	2023 RUPEES	2022 RUPEES
22.2 Due from associated companies / undertakings		
Due on account of free electricity (Note 22.2.1)	1,068,952,285	1,363,254,697
Due on account of pension (Note 22.2.2)	4,207,212,101	4,291,498,805
Due on account of WAPDA welfare fund	485,730,091	489,661,897
Due on account of past service cost of GENCOs employees (Note 22.2.3)	889,298,591	-
Due on account of past service cost of WAPDA employees (Note 22.2.4)	5,317,810,147	5,317,810,147
Due on account of Free Electricity of WAPDA employees	112,571,616	32,668,320
	<u>12,081,574,831</u>	<u>11,494,893,866</u>
22.2.1 Due from associated companies on account of free electricity		
National Transmission and Despatch Company Limited (NTDC)	65,237,152	410,974,701
Islamabad Electric Supply Company Limited (IESCO)	197,331,464	184,762,539
Peshawar Electric Supply Company Limited (PESCO)	67,803,555	85,608,743
Gujranwala Electric Power Company Limited (GEPCO)	43,598,382	37,382,748
Quetta Electric Supply Company Limited (QESCO)	30,439,460	26,004,857
Hyderabad Electric Supply Company Limited (HESCO)	1,596,998	2,286,668
Tribal Areas Electric Supply Company Limited (TESCO)	1,742,078	1,489,193
Jamshoro Power Company Limited (GENCO-I)	1,503,128	783,244
Central Power Generation Company Limited (GENCO-II)	13,780,616	11,139,431
Northern Power Generation Company Limited (GENCO-III)	582,015,592	551,316,956
Multan Electric Power Company Limited (MEPCO)	58,686,256	46,083,522
Lakhra Power Generation Company Limited (GENCO-IV)	2,305,683	2,240,353
Pakistan Electric Power Company (Private) Limited (PEPCO) now (PPMC)	2,911,921	3,181,742
	<u>1,068,952,285</u>	<u>1,363,254,697</u>
22.2.2 Due from associated companies / undertakings on account of pension		
Water and Power Development Authority (WAPDA) (Note 22.2.2.1)	2,925,412,829	2,925,412,829
National Transmission and Despatch Company Limited (NTDC)	577,053,176	551,335,149
Islamabad Electric Supply Company Limited (IESCO)	166,569,095	183,427,521
Gujranwala Electric Power Company Limited (GEPCO)	47,960,462	128,927,917
Quetta Electric Supply Company Limited (QESCO)	40,732,968	26,959,423
Hyderabad Electric Supply Company Limited (HESCO)	15,868,665	10,038,972
Tribal Areas Electric Supply Company Limited (TESCO)	301,591	291,584
Sukkur Electric Power Company Limited (SEPCO)	35,992,802	28,693,273
Multan Electric Power Company Limited (MEPCO)	83,425,353	266,739,970
Jamshoro Power Company Limited (GENCO-I)	1,628,314	2,506,551
Central Power Generation Company Limited (GENCO-II)	12,984,608	27,314,286
Northern Power Generation Company Limited (GENCO-III)	299,282,238	138,418,878
Lakhra Power Generation Company Limited (GENCO-IV)	-	1,432,452
	<u>4,207,212,101</u>	<u>4,291,498,805</u>
22.2.2.1 This includes receivable from WAPDA amounting to Rupees 1,100 million (2022: Rupees 1,100 million) on account of monthly pension payments to retired WAPDA employees who retired on or before 30 June 1998 (ex-WAPDA pensioners). The settlement of the receivable has been contested between the Company and PEPCO now PPMC since 2009, and upon a request raised by PEPCO now PPMC in the past, the Power Division, Ministry of Energy, GoP referred the matter to NEPRA. NEPRA in its tariff determination dated 10 March 2015 has decided that above amount is receivable from the WAPDA.		
22.2.3 Due from associated companies on account of past service cost		
Jamshoro Power Company Limited (GENCO-I)	49,068,192	-
Central Power Generation Company Limited (GENCO-II)	232,027,525	-
Northern Power Generation Company Limited (GENCO-III)	581,548,073	-
Lakhra Power Generation Company Limited (GENCO-IV)	26,654,801	-
	<u>889,298,591</u>	<u>-</u>
22.2.3.1 This represents the balance receivable from GENCOs on account of the past service cost of certain employees related to GENCOs before October 2021 retired from time to time. Related staff retirement benefits are disclosed in Note 7.1.		



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

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

	2023 RUPEES	2022 RUPEES
Upto 6 months	1,469,281,445	231,199,156
6 months to 1 year	574,776,890	4,092,928,900
1 year to 3 years	865,325,403	1,351,861,533
3 years and above	9,172,191,094	5,818,904,277
	<u>12,081,574,832</u>	<u>11,494,893,866</u>

22.2.6 The maximum aggregate amount due from National Transmission and Despatch Company Limited (NTDC) with respect to balances mentioned in Note 22.2.1 and Note 22.2.2, at the end of any month during the year was Rupees 1,085.543 million (2022: Rupees 1,169.604 million).

22.2.7 The maximum aggregate amount due from Islamabad Electric Supply Company Limited (IESCO) with respect to balances mentioned in Note 22.2.1 and Note 22.2.2, at the end of any month during the year was Rupees 423.384 million (2022: Rupees 409.566 million).

22.2.8 The maximum aggregate amount due from Peshawar Electric Supply Company Limited (PESCO) with respect to balance mentioned in Note 22.2.1, at the end of any month during the year was Rupees 85.838 million (2022: Rupees 85.609 million).

22.2.9 The maximum aggregate amount due from Gujranwala Electric Power Company Limited (GEPCO) with respect to balances mentioned in Note 22.2.1 and Note 22.2.2, at the end of any month during the year was Rupees 190.544 million (2022: Rupees 172.050 million).

22.2.10 The maximum aggregate amount due from Quetta Electric Supply Company Limited (QESCO) with respect to balances mentioned in Note 22.2.1 and Note 22.2.2, at the end of any month during the year was Rupees 71.172 million (2022: Rupees 72.435 million).

22.2.11 The maximum aggregate amount due from Hyderabad Electric Supply Company Limited (HESCO) with respect to balances mentioned in Note 22.2.1 and Note 22.2.2, at the end of any month during the year was Rupees 19.338 million (2022: Rupees 23.896 million).

22.2.12 The maximum aggregate amount due from Tribal Areas Electric Supply Company Limited (TESCO) with respect to balances mentioned in Note 22.2.1 and Note 22.2.2, at the end of any month during the year was Rupees 2.056 million (2022: Rupees 2.197 million).

22.2.13 The maximum aggregate amount due from Northern Power Generation Company Limited (GENCO-III) with respect to balances mentioned in Note 22.2.1, Note 22.2.2 and Note 22.2.3 at the end of any month during the year was Rupees 1,571.867 million (2022: Rupees 756.220 million).

22.2.14 The maximum aggregate amount due from Central Power Generation Company Limited (GENCO-II) with respect to balances mentioned in Note 22.2.1, Note 22.2.2 and Note 22.2.3 at the end of any month during the year was Rupees 293.666 million (2022: Rupees 38.454 million).

22.2.15 The maximum aggregate amount due from Lakhra Power Generation Company Limited (GENCO-IV) with respect to balances mentioned in Note 22.2.1, Note 22.2.2 and Note 22.2.3 at the end of any month during the year was Rupees 31.659 million (2022: Rupees 4.468 million).

22.2.16 The maximum aggregate amount due from Jamshoro Power Company Limited (GENCO-I) with respect to balances mentioned in Note 22.2.1, Note 22.2.2 and Note 22.2.3 at the end of any month during the year was Rupees 56.488 million (2022: Rupees 4.747 million).

22.2.17 The maximum aggregate amount due from Sukkur Electric Power Company Limited (SEPCO) with respect to balance mentioned in Note 22.2.2, at the end of any month during the year was Rupees 35.992 million (2022: Rupees 28.693 million).

22.2.18 The maximum aggregate amount due from Multan Electric Power Company Limited (MEPCO) with respect to balances mentioned in Note 22.2.1 and Note 22.2.2, at the end of any month during the year was Rupees 336.317 million (2022: Rupees 326.168 million).

22.2.19 The maximum aggregate amount due from Water and Power Development Authority (WAPDA) current account with respect to balance mentioned in Note 22.2.2 and Note 22.2.4, at the end of any month during the year was Rupees 8,243.223 million (2022: Rupees 8,243.223 million).

22.2.20 The maximum aggregate amount due from Pakistan Electric Power Company (Private) Limited (PEPCO) now Power Planning and Monitoring Cell (PPMC) with respect to balance mentioned in Note 22.2.1, at the end of any month during the year was Rupees 3.468 million (2022: Rupees 3.399 million).

22.2.21 The maximum aggregate amount due from Water and Power Development Authority (WAPDA) welfare fund at the end of any month during the year was Rupees 485.730 million (2022: Rupees 489.662 million).

22.3 These include an amount of Rupees 13.004 million (2022: Rupees 16.582 million) receivable from employees against shortage and theft.

	2023 RUPEES	2022 RUPEES
23. RECEIVABLE FROM GOVERNMENT OF PAKISTAN		
Balance as at 01 July	6,965,309,257	33,614,145,065
Tariff differential and other subsidies recognized during the year (Note 23.1)	51,244,289,375	57,944,694,157
Adjusted against tariff rationalization surcharge and credit notes received from CPPA-G	(51,678,193,537)	(84,593,529,965)
Balance as at 30 June	<u>6,531,405,095</u>	<u>6,965,309,257</u>

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

24. CASH AND BANK BALANCES

Cash in transit (Note 24.1)	362,464,440	115,864,538
Cash with banks on:		
Current accounts	1,572,926,669	3,235,917,293
Deposit accounts (Note 24.2 and Note 24.3)	4,478,453,249	3,617,641,994
Term Deposit Receipts (TDRs) (Note 24.4 and Note 24.5)	19,000,000,000	23,500,000,000
	25,051,379,918	30,353,559,287
	<u>25,413,844,358</u>	<u>30,469,423,825</u>

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

24.2 These carry profit ranging from 12.25% to 21.00% (2022: 5.50% to 15.81%) per annum.

24.3 These include an amount of Rupees 122.238 million (2022: Rupees 66.233 million) kept in separate bank accounts relating to customers' security deposits.

24.4 These represent term deposits receipts placed with different banks having maturity of three months (2022: three months) at profit rates ranging from 15.25% to 21.00% (2022: 7.45% to 15.99%) per annum.

24.5 Term deposit receipts (TDRs) include an amount of Rupees 12,150 million (2022: Rupees 11,170 million) relating to customers' security deposits. The profit earned on the TDRs related to consumers' security deposits is also included therein.

25. SALE OF ELECTRICITY - NET

Gross sales	400,699,102,373	337,118,972,927
Less: Sales tax	74,156,023,131	57,251,182,902
	<u>326,543,079,242</u>	<u>279,867,790,025</u>

25.1 Electricity sales include Rupees 8,210.298 million (2022: Rupees 3,463.822 million) on account of electricity bills for the month of June 2023 billed to consumers in July 2023.

25.2 During the year, the Company sold 14 662.682 million (2022: 15 918.880 million) (Kwh) electricity units to the consumers in different tariff categories.

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

26. TARIFF DIFFERENTIAL SUBSIDIES

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

27. COST OF ELECTRICITY

27.1 The Company purchased electricity from CPPA-G. The electricity purchased during the year has been accounted for according to invoices issued by CPPA-G and adjusted in accordance with monthly fuel price adjustment determined and notified by NEPRA. The average rate for the year was Rupees 22.48 per KWH (2022: Rupees 18.05 per KWH).

27.2 This includes supplemental charges of Rupees 2,681.814 million (2022: Rupees 2,619.697 million) passed on the Company, which comprise re-allocation of mark-up on late payments imposed by Independent Power Producers (IPPs) to CPPA-G on the basis of average outstanding balance.

28. DISTRIBUTION COST

	2023 RUPEES	2022 RUPEES
Salaries, wages and other benefits (Note 28.1)	22,682,962,544	16,472,498,129
Depreciation (Note 15.1.7)	4,915,904,094	4,317,778,732
Repair and maintenance	675,671,237	607,259,943
Rent, rates and taxes (Note 28.2)	22,304,377	24,162,340
Telephone and postage	21,613,410	19,896,933
Power, light and water	57,442,296	45,010,113
Office supplies and other expenses	23,769,671	17,774,201
Travelling and conveyance	289,488,271	278,501,211
Legal and professional	19,227,778	17,136,059
Transportation	531,222,205	347,559,329
Workers' profit participation fund	-	55,210,569
Other charges / expenses	95,647,594	495,555,336
	<u>29,335,253,477</u>	<u>22,698,342,895</u>
Less: Charged to capital work-in-progress (Note 15.2.5)	(1,112,519,134)	(686,905,696)
	<u>28,222,734,343</u>	<u>22,011,437,199</u>

28.1 Salaries, wages and other benefits include staff retirement benefits amounting to Rupees 12,897.572 million (2022: Rupees 8,369 million).

28.2 These include Rupees 22.118 million (2022: Rupees 23.949 million) in respect of short term leases.

29. ADMINISTRATIVE EXPENSES

Salaries, wages and other benefits (Note 29.1)	3,317,258,185	2,620,826,338
Directors' meeting fee	40,404,864	33,905,800
Depreciation (Note 15.1.7)	131,222,881	109,881,586
Amortization (Note 16)	469,140	27,283,553
Repair and maintenance	112,339,168	82,469,750
Rent, rates and taxes (Note 29.2)	909,981	20,088
Power, light and water	75,202,650	54,669,921
Office supplies and other expenses	281,200,904	152,933,337
Travelling and conveyance	75,119,069	64,644,430
Legal and professional	187,632,542	131,700,133
Auditor's remuneration (Note 29.3)	2,283,333	2,080,237
Transportation	133,035,582	84,686,206
Management fees	143,861,748	81,220,361
Telephone and postage	17,301,816	17,882,258
Insurance	3,183,248	3,345,483
Advertisement	14,756,867	14,350,068
Workers' profit participation fund	-	7,792,003
Provision for slow moving and obsolete stores, spares and loose tools	-	155,617
Other charges	12,726,605	15,964,013
	<u>4,548,908,583</u>	<u>3,505,811,182</u>

29.1 Salaries, wages and other benefits include staff retirement benefits amounting to Rupees 1,822.252 million (2022: Rupees 1,181 million).

29.2 These include Rupees 0.880 million (2022: Rupees Nil) in respect of short term leases.

	2023 RUPEES	2022 RUPEES
29.3 Auditor's remuneration		
Audit fee	1,950,000	1,746,904
Reimbursable expenses	333,333	333,333
	<u>2,283,333</u>	<u>2,080,237</u>
30. CUSTOMER SERVICES COSTS		
Salaries, wages and other benefits (Note 30.1)	2,873,412,081	1,816,655,206
Depreciation (Note 15.1.7)	1,477,454	1,107,426
Electricity bills collection charges	386,264,606	389,765,298
Travelling and conveyance	28,225,900	27,195,954
Repair and maintenance	898,635	719,170
Rent, rates and taxes (Note 30.2)	1,920,546	3,313,546
Telephone and postage	2,766,077	2,521,711
Power, light and water	7,485,782	5,411,543
Office supplies and other expenses	17,467,698	7,454,340
Transportation	4,168,095	3,908,668
Allowance for expected credit losses (Note 20.3)	2,893,118,367	312,339,525
Workers' profit participation fund	-	3,533,732
Other charges	546,490	580,572
	<u>6,217,751,731</u>	<u>2,574,506,691</u>
30.1 Salaries, wages and other benefits include staff retirement benefits amounting to Rupees 930.916 million (2022: Rupees 536 million).		
30.2 These include Rupees 1.921 million (2022: Rupees 3.114 million) in respect of short term leases.		
31. OTHER INCOME		
Income from financial assets		
Profit on bank deposits and term deposit receipts	4,385,376,815	2,795,284,791
Late payment surcharge	3,887,085,187	2,358,681,844
	<u>8,272,462,002</u>	<u>5,153,966,635</u>
Income from non-financial assets		
Gain on installation of new connection	317,649,895	441,695,763
Repair, testing and inspection fee	81,622,328	56,513,454
Recovery of late delivery charges	40,038,673	87,320,616
Reversal of provision for slow moving and obsolete stores, spares and loose tools (Note 19.1)	2,614,527	-
Meter / service rent	58,760,966	56,349,920
Reconnection fees	51,060,027	26,678,628
Excess deposit work receipts / credit balances written back	154,330,251	41,504,372
Service charges on collection of PTV license fee and electricity duty	163,469,361	135,985,782
Company's colonies quarter rent	10,240,263	7,274,203
Miscellaneous	202,209,629	117,216,516
	<u>1,081,995,920</u>	<u>970,539,254</u>
	<u>9,354,457,922</u>	<u>6,124,505,889</u>
32. FINANCE COST		
Mark-up on long term financing	879,586,866	302,656,398
Mark-up transferred from GoP	-	164,875,450
Bank charges and commission	2,830,941	2,822,764
	<u>882,417,807</u>	<u>470,354,612</u>
33. TAXATION		
Current:		
- for the year (Note 33.1)	4,146,117,060	3,542,344,092
- for prior year	2,239,180	2,720,044
	<u>4,148,356,240</u>	<u>3,545,064,136</u>
Deferred (Note 11)	(287,577,924)	(296,029,869)
	<u>3,860,778,316</u>	<u>3,249,034,267</u>

33.1 Provision for current taxation represents minimum tax on turnover and tax on other income under relevant provisions of the Income Tax Ordinance, 2001. However tariff differential subsidy from Government of Pakistan is excluded from turnover of the Company as it constitutes exempt income. Tax losses available for carry forward as at 30 June 2023 are of Rupees 370,468.129 million (2022: Rupees 358,090.909 million). The tax losses related to unabsorbed tax depreciation are of Rupees 72,790.124 million and business losses are of Rupees 297,678.005 million. Total minimum tax available for carry forward under section 113 and other provisions of the Income Tax Ordinance, 2001 as at 30 June 2023 is of Rupees 14,772.500 million. Reconciliation of tax expenses and product of accounting profit multiplied by the applicable tax rate is not presented in view of unused tax losses of the Company. The Company has not recognized deferred income tax assets in respect of above losses and minimum tax available for carry forward as sufficient taxable profits would not be available to utilize these in the foreseeable future and would expire as follows:

Accounting year to which the unused tax losses relates	Amount of unused tax losses RUPEES	Accounting year in which unused tax losses will expire
2023	62,199,486,179	2029
2022	54,676,880,923	2028
2021	34,306,907,236	2027
2020	47,626,672,008	2026
2019	46,073,599,598	2025
2018	52,794,458,975	2024
	<u>297,678,004,919</u>	



Accounting year to which the minimum tax relates	Amount of minimum tax	Accounting year in which minimum tax will expire
	RUPEES	
2023	4,143,741,319	2026
2022	3,542,344,092	2025
2021	2,638,704,514	2026
2020	2,554,447,641	2025
2019	1,893,262,865	2024
	14,772,500,431	

34. CASH GENERATED FROM OPERATIONS

	2023 RUPEES	2022 RUPEES
(Loss) / profit before taxation	(11,122,609,129)	1,264,189,789
Adjustments for non-cash charges and other items:		
Depreciation	5,048,604,429	4,428,767,744
Amortization of intangible assets	469,140	27,283,553
Provision for staff retirement benefits	16,540,038,952	10,085,245,580
Amortization of deferred credit	(2,206,904,646)	(1,929,584,764)
Finance cost	882,417,807	470,354,612
Allowance for expected credit losses	2,893,118,367	312,339,525
Profit on bank deposits and term deposit receipts	(4,385,376,815)	(2,795,284,791)
Excess deposit work receipts written back / credit balances written back	(154,330,251)	(41,504,372)
(Reversal of provision) / provision of slow moving, obsolete items of stores, spares and loose tools	(2,614,527)	155,617
Non-cash settlement against deposit for shares	7,077,960,978	18,837,034,719
Working capital changes (Note 34.1)	4,563,002,230	(14,957,917,531)
	19,133,776,535	15,701,079,681

34.1 Working capital changes

(Increase) / decrease in current assets:		
Stores, spares and loose tools	(1,636,075,926)	(124,272,990)
Trade debts	11,271,477,393	(39,406,630,601)
Loans and advances	(295,947,707)	(6,510,814)
Receivable from Government of Pakistan	433,904,162	26,648,835,808
Other receivables	(5,551,956,435)	(8,665,552,588)
Sales tax receivable	330,186,428	(330,186,428)
	4,551,587,915	(21,884,317,613)
Increase in trade and other payables	11,414,315	6,926,400,082
	4,563,002,230	(14,957,917,531)

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

	2023			
	Long term financing	Long term security deposits	Receipt against deposit works and deferred credit	Total
	----- RUPEES -----			
Balance as at 01 July 2022	5,541,279,779	10,963,989,417	53,294,513,252	69,799,782,448
Security deposits received	-	951,872,644	-	951,872,644
Receipts against deposit work received-net	-	-	10,022,616,587	10,022,616,587
Amortization of deferred credit	-	-	(2,206,904,646)	(2,206,904,646)
Balance as at 30 June 2023	5,541,279,779	11,915,862,061	61,110,225,193	78,567,367,033
	2022			
	Long term financing	Long term security deposits	Receipt against deposit works and deferred credit	Total
	----- RUPEES -----			
Balance as at 01 July 2021	5,541,279,779	9,855,110,791	43,794,599,191	59,190,989,761
Security deposits received	-	1,108,878,626	-	1,108,878,626
Receipts against deposit work received-net	-	-	11,429,498,825	11,429,498,825
Amortization of deferred credit	-	-	(1,929,584,764)	(1,929,584,764)
Balance as at 30 June 2022	5,541,279,779	10,963,989,417	53,294,513,252	69,799,782,448

35. TRANSACTIONS WITH RELATED PARTIES

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

Name of related party	Nature of transactions	2023	2022
		RUPEES	RUPEES
Government of Pakistan			
Economic Affairs Division	Finance cost	879,586,866	879,586,866
Ministry of Finance	Subsidies from GOP accrued	51,244,289,375	57,944,694,157
	Non-cash adjustment of deposit for shares	(7,077,960,978)	(18,837,034,719)
Associated companies / undertakings			
National Electric Power Regulatory Authority	Fee paid to NEPRA	132,661,748	50,420,361
National Transmission and Despatch Company Limited	Use of system charges	20,786,040,127	10,000,950,398
	Settlement against use of system charges	1,547,886,105	421,570,639
	Free supply of electricity provided to employees of associated company	65,869,076	106,693,704
	Pension paid to employees of associated company	414,370,952	362,252,549
Central Power Purchasing Agency (Guarantee) Limited	Purchase of electricity	360,599,527,850	316,040,275,362
	Financing cost surcharge	9,154,125,107	5,745,788,479
	Finance cost	-	164,875,450
Northern Power Generation Company Limited	Free supply of electricity provided to employees of associated company	30,698,636	38,756,499
	Pension paid to employees of associated company	379,668,093	331,597,465
Water and Power Development Authority	Free supply of electricity provided to employees of associated company	118,687,419	85,480,043
	Pension paid to employees of associated company	-	87,597,465
Islamabad Electric Supply Company Limited	Free supply of electricity provided to employees of associated company	21,615,555	43,373,914
	Free supply of electricity received by employees of the Company from associated company	9,046,629	4,425,594
	Pension paid to employees of associated company	110,704,153	97,013,771
	Pension received by employees of the Company from associated company	47,562,579	42,966,748
	Sale of material	19,650,000	1,842,000
	Purchase of material	19,650,000	988,174
Peshawar Electric Supply Company Limited	Free supply of electricity provided to employees of associated company	18,977,631	25,777,808
	Free supply of electricity received by employees of the Company from associated company	36,782,820	4,570,679
	Pension paid to employees of associated company	20,112,037	14,405,681

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Name of related party	Nature of transactions	2023	2022
		RUPEES	RUPEES
Gujranwala Electric Power Company Limited	Pension received by employees of the Company from associated company	51,121,454	36,558,154
	Purchase of material	-	35,100,000
	Sale of material	-	3,246,000
Quetta Electric Supply Company Limited	Free supply of electricity provided to employees of associated company	12,295,680	13,215,134
	Free supply of electricity received by employees of the Company from associated company	6,080,046	7,000,928
	Pension paid to employees of associated company	65,266,467	49,976,219
	Pension received by employees of the Company from associated company	45,953,769	29,975,272
	Sale of material	88,765,000	5,137,720
	Purchase of material	168,888,030	22,300,000
Central Power Generation Company Limited	Free supply of electricity provided to employees of associated company	4,927,109	3,235,352
	Free supply of electricity received by employees of the Company from associated company	492,506	350,892
	Pension paid to employees of associated company	28,679,802	32,650,825
	Pension received by employees of the Company from associated company	1,985,977	1,930,726
Hyderabad Electric Supply Company Limited	Sale of material	39,613,500	75,599,400
	Purchase of material	62,809,886	28,524,500
	Free supply of electricity provided to employees of associated company	2,641,185	2,001,389
	Pension paid to employees of associated company	34,878,289	37,136,498
Lakhta Power Generation Company Limited	Free supply of electricity provided to employees of associated company	877,463	744,780
	Free supply of electricity received by employees of the Company from associated company	1,567,133	1,913,836
	Pension paid to employees of associated company	20,398,082	17,892,082
	Pension received by employees of the Company from associated company	2,511,440	900,814
Tribal Areas Electric Supply Company Limited	Purchase of material	23,000,000	-
	Free supply of electricity provided to employees of associated company	65,330	39,602
Jamshoro Power Company Limited	Pension paid to employees of associated company	1,368,542	1,739,305
	Free supply of electricity provided to employees of associated company	252,885	326,569
	Free supply of electricity received by employees of the Company from associated company	-	53,782
Jamshoro Power Company Limited	Pension paid to employees of associated company	192,600	578,298
	Free supply of electricity provided to employees of associated company	719,884	783,244
	Pension paid to employees of associated company	5,907,697	4,666,082

Name of related party	Nature of transactions	2023	2022
		RUPEES	RUPEES
Sukkur Electric Power Company Limited	Free supply of electricity provided to employees of associated company Free supply of electricity received by employees of the Company from associated company Pension paid to employees of associated company	585,911 2,066,909 10,643,705	564,382 1,550,872 9,364,156
Lahore Electric Supply Company Limited	Free supply of electricity provided to employees of associated company Free supply of electricity received by employees of the Company from associated company Pension paid to employees of associated company Pension received by employees of the Company from associated companies Sale of material Purchase of material	37,577,782 10,230,634 105,412,732 110,460,362 29,626,200 81,442,000	26,906,109 17,612,622 98,170,320 102,832,235 -
Multan Electric Power Company Limited	Free supply of electricity provided to employees of associated company Free supply of electricity received by employees of the Company from associated company Pension paid to employees of associated company Pension received by employees of the Company from associated company Sale of material Purchase of material	23,589,527 10,986,793 157,288,382 29,988,925 245,219,100 20,971,130	41,325,648 11,742,671 132,818,649 31,109,070 23,997,500 66,275,720
Pakistan Electric Power Company (Private) Limited now Power Planning and Monitoring Company (Private) limited (PPMC)	Free supply of electricity provided to employees of associated company Management fee	- 11,200,000	140,400,963 30,800,000
Power Information Technology Company (Private) Limited	Consultancy fee and software license fee	92,784,907	73,368,245
Other related parties			
FESCO Employees Pension Fund Trust	Contribution Paid	3,913,000,000	4,700,000,000
35.1	The Company and the above mentioned companies / undertakings are under common control of GOP with the Ministry of Water and Power. While Government of Pakistan is the sovereign authority over all these companies / undertakings.		
35.2	Detail of compensation to key management personnel comprising of Chief Executive officer, directors and executives is disclosed in Note 36.		

36. REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

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

	2023	2022	2023	2022
	Chief Executive Officer		Executives	
	RUPEES			
Basic salary	3,376,300	2,142,970	313,818,406	91,905,480
Conveyance allowance & transport subsidy	300,000	300,000	10,246,169	5,055,996
Honorarium / bonus	384,450	186,720	16,557,706	7,658,790
Utilities and other benefits	4,312,117	4,661,170	211,380,491	104,965,860
Travelling and daily allowance	1,427,439	1,217,720	31,452,274	11,923,682
	9,800,306	8,508,580	583,455,046	221,509,808
Number of persons	1	1	185	65

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

36.2 Aggregate amount charged in the financial statements for meeting fee to 14 (2022: 8) directors including Chief Executive Officer (CEO) was Rupees 40.405 million (2022: Rupees 33.906 million).

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

37. NUMBER OF EMPLOYEES

	2023	2022
Number of employees as on 30 June	13 117	13 590
Average number of employees during the year	13 354	13 865

38. ENTITY - WIDE INFORMATION

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

39. FINANCIAL RISK MANAGEMENT

39.1 Financial risk factors

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

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

(a) Market risk

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

i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions, or receivables and payables that exist due to transactions in foreign currencies. The Company has no receivable / payable balance in foreign currency as at 30 June 2023 (2022: Nil).

ii) Other price risk

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

iii) Interest rate risk

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

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

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

	2023 RUPEES	2022 RUPEES
Fixed rate instruments		
Financial assets		
Long term advances	123,313,562	66,273,609
Term deposit receipts	19,000,000,000	23,500,000,000
Financial liabilities		
Long term financing	5,541,279,779	5,541,279,779



	2023 RUPEES	2022 RUPEES
Floating rate instruments		
Financial assets		
Bank balances - deposit accounts	4,478,453,249	3,617,641,994

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, (loss) / profit after taxation for the year would have been Rupees 44.785 million lower / higher (2022: Rupees 34.368 million higher / lower), mainly as a result of higher / lower interest income on floating rate financial instruments. This analysis is prepared assuming amounts of financial instruments outstanding at reporting date were outstanding for the whole year.

(b) Credit risk

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

Trade debts	68,479,551,056	82,644,146,816
Loans and advances	123,313,562	66,273,609
Accrued interest	870,546,283	247,866,218
Deposits	40,553,756	4,058,176
Other receivables	31,087,145,503	25,535,189,068
Bank balances	25,051,379,918	30,353,559,287
	<u>125,652,490,078</u>	<u>138,851,093,174</u>

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

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

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

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

	Rating			2023	2022
	Short term	Long term	Agency	-----RUPEES-----	
Banks					
National Bank of Pakistan	A1+	AAA	PACRA	524,004,343	108,057,068
Sindh Bank Limited	A-1	A+	VIS	17,158	15,779
The Bank of Khyber	A-1	A+	VIS	7,306	5,111
The Bank of Punjab	A1+	AA+	PACRA	130,547,846	55,424,422
First Women Bank Limited	A2	A-	PACRA	-	19,704
Zarai Taraqiat Bank Limited	A-1+	AAA	VIS	4,673,514,661	234,231,354
Allied Bank Limited	A1+	AAA	PACRA	295,679,890	174,230,990
Askari Bank Limited	A1+	AA+	PACRA	3,801,709,865	486,054
Bank Alfalah Limited	A1+	AA+	PACRA	4,438,115,237	4,721,878,419
Faysal Bank Limited	A1+	AA	PACRA	3,800,862,386	4,714,272,086
Habib Bank Limited	A-1+	AAA	VIS	250,264,502	5,377,543,962
JS Bank Limited	A1+	AA-	PACRA	3,823,062,695	4,700,145,455
MCB Bank Limited	A1+	AAA	PACRA	374,385,896	589,074,560
Telenor Microfinance Bank Limited	A1	A	PACRA	58,179,172	6,702,075
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	17,411	18,267
United Bank Limited	A-1+	AAA	VIS	100,695,686	700,716,384
Bank Al-Habib Limited	A1+	AAA	PACRA	1,363,248,574	663,220,047
Samba Bank Limited	A-1	AA	VIS	11,672	11,665
Dubai Islamic Bank Pakistan Limited	A-1+	AA	VIS	625,618	36,159
Meezan Bank Limited	A-1+	AAA	VIS	403,141	550,450
BankIslami Pakistan Limited	A1	AA-	PACRA	31,192	68,245
Soneri Bank Limited	A1+	AA-	PACRA	297,636,314	4,700,861,315
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	16,521	22,911
AlBaraka Bank (Pakistan) Limited	A-1	A+	VIS	730,341	296,954
Summit Bank Limited		Suspended	VIS	597	-
The Punjab Provincial Co-operative Bank Limited*	N/A	N/A	N/A	7,781,621	36,571
Receivable from General Post Office (GPO)**	N/A	N/A	N/A	1,109,830,273	3,605,633,280
				<u>25,051,379,918</u>	<u>30,353,559,287</u>

* State Bank of Pakistan has exempted the Bank from credit rating requirements till the completion of its restructuring process.

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

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

(c) Liquidity risk

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

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

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

Following are the contractual maturities of financial liabilities as at 30 June 2022:

Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-3 years	More than 3 years	
						RUPEES
Non-derivative financial liabilities:						
Long term financing	5,541,279,779	13,925,911,061	6,520,300,991	459,748,699	1,527,232,796	5,418,628,575
Long term security deposits	10,963,989,417	10,963,989,417	-	-	-	10,963,989,417
Trade and other payables	101,925,060,227	101,925,060,227	101,925,060,227	-	-	-
Accrued mark-up	4,351,920,956	4,351,920,956	4,351,920,956	-	-	-
	122,782,250,379	131,166,881,661	112,797,282,174	459,748,699	1,527,232,796	16,382,617,992

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

(d) Capital risk management

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



39.2 Financial instruments by categories

As at 30 June
Assets as per statement of financial position
Trade debts
Loans and advances
Accrued interest
Deposits
Other receivables
Cash and bank balances

Liabilities as per statement of financial position
Long term financing
Long term security deposits
Trade and other payables
Accrued mark-up

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

	2023			2022		
	Financial assets	Other than financial assets	Total as per statement of financial position	Financial assets	Other than financial assets	Total as per statement of financial position
RUPEES						
Trade debts	68,479,551,056	-	68,479,551,056	82,644,146,816	-	82,644,146,816
Loans and advances	104,537,732	-	104,537,732	52,737,253	-	52,737,253
Accrued interest	18,775,830	355,461,168	374,236,998	13,536,356	59,513,461	73,049,817
Deposits	870,546,283	-	870,546,283	247,866,218	-	247,866,218
Other receivables	40,553,756	-	40,553,756	4,058,176	-	4,058,176
Cash and bank balances	31,087,145,503	-	31,087,145,503	25,535,189,068	-	25,535,189,068
	25,413,844,358	-	25,413,844,358	30,469,423,825	-	30,469,423,825
	126,014,954,519	355,461,168	126,370,415,687	138,966,957,712	59,513,461	139,026,471,173
RUPEES						
2023						
Financial liabilities		Other than financial liabilities	Total as per statement of financial position	Financial liabilities	Other than financial liabilities	Total as per statement of financial position
Long term financing	5,541,279,779	-	5,541,279,779	5,541,279,779	-	5,541,279,779
Long term security deposits	11,915,862,061	-	11,915,862,061	10,963,989,417	-	10,963,989,417
Trade and other payables	95,970,479,322	20,156,096,924	116,126,576,246	101,925,060,227	14,344,431,955	116,269,492,182
Accrued mark-up	5,231,507,822	-	5,231,507,822	4,351,920,956	-	4,351,920,956
	118,659,128,984	20,156,096,924	138,815,225,908	122,782,250,379	14,344,431,955	137,126,682,334

39.4 Offsetting financial assets and financial liabilities

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

40. 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.

41. RECOGNIZED FAIR VALUE MEASUREMENTS - NON-FINANCIAL ASSETS
(i) Fair value hierarchy

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

As at 30 June 2023	RUPEES			Total
	Level 1	Level 2	Level 3	
Land - freehold	-	31,246,168,980	-	31,246,168,980
Buildings on freehold land	-	4,199,654,701	-	4,199,654,701
Feeders (up to 11 kv)	-	66,068,508,642	-	66,068,508,642
Grids and equipment	-	33,180,868,003	-	33,180,868,003
Total non-financial assets	-	134,695,200,326	-	134,695,200,326
As at 30 June 2022	RUPEES			Total
	Level 1	Level 2	Level 3	
Land - Freehold	-	31,245,628,250	-	31,245,628,250
Buildings on freehold land	-	3,821,771,869	-	3,821,771,869
Feeders (up to 11 kv)	-	59,069,709,211	-	59,069,709,211
Grids and equipment	-	30,816,222,938	-	30,816,222,938
Total non-financial assets	-	124,953,332,268	-	124,953,332,268



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

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

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

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

42. CORRESPONDING FIGURES

Corresponding figures have been re-arranged and re-classified, wherever necessary, for the purpose of better presentation and for comparison. However, no significant re-arrangements have been made.

43. DATE OF AUTHORIZATION

These financial statements were authorized for issue on 05 OCT 2023 by the Board of Directors of the Company.

44. GENERAL

Figures have been rounded off to the nearest Rupee.

CHIEF EXECUTIVE OFFICER

DIRECTOR



FESCO Annual Report 2022-23 Committee



Mr. Farrukh Aftab

Director General (HR)

Position: *Convener*



Mr. Abid Rashid

Company Secretary

Position: *Member*



Mr. Tahir Mehmood Sheikh

Addl. DG (Public Relations)

Position: *Member*



Mr. Muhammad Irfan

Deputy Director (CA-I)

Position: *Member*



Proof Reading / Edited By:

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Deputy Company Secretary