2024

Annual Report

Quaid-e-Azam Solar Power (Pvt.) Limited

Quaid-e-Azam Solar Power (Pvt.) Ltd.

www.qasolar.com

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CORPORATE INFORMATION

Board Of Directors

Mr. Zaheer Ahmed Ghanghro - Chairman Board
Chairman Planning & Development Board
Secretary Finance, Government of the Punjab
Secretary Industries, Government of the Punjab
Secretary Energy, Government of the Punjab
Chairman Punjab Board of Investment and Trade
Khawaja Khawar Rashid
Mr. Muhammad Ali Latif
Prof. Dr. Suhail Aftab Qureshi
Ms. Lubna Pathan
Mr. Ahmad Shahzeb Malik
Mr. Kamran Khursheed

Audit committee

Mr. Muhammad Ali Latif- Chairman Committee
Secretary Energy, Government of the Punjab
Secretary Finance, Government of the Punjab
Mr. Ahmad Shahzeb Malik
Khawaja Khawar Rashid

HR Committee

Prof. Dr. Suhail Aftab Qureshi- Chairman Committee
Secretary Energy, Government of the Punjab
Secretary Industries, Government of the Punjab
Mr. Zaheer Ahmed Ghanghro
Mr. Ahmad Shahzeb Malik
Mr. Kamran Khursheed

Finance & Procurement and CSR Committee

Mr. Zaheer Ahmed Ghanghro - Chairman Committee
Secretary Energy, Government of the Punjab
Secretary Finance, Government of the Punjab
Prof. Dr. Suhail Aftab Qureshi
Mr. Ahmad Shahzeb Malik
Mr. Kamran Khursheed

Nomination Committee

Mr. Zaheer Ahmed Ghanghro - Chairman Committee
Khawaja Khawar Rashid
Secretary Energy, Government of the Punjab

CORPORATE INFORMATION

Risk Management Committee	Mr. Kamran Khursheed - Chairman Committee Secretary Energy, Government of Punjab Miss. Lubna Pathan
Grievance Redressal Committee	Mr. Zaheer Ahmed Ghanghro - Chairman Committee Secretary Energy, Government of the Punjab Mr. Kamran Khursheed
Chief Executive Officer	Mr. Muhammad Badar Ul Munir
Chief Financial Officer	Mr. Salman Javed Hashmi
Company Secretary	Mr. Salman Javed Hashmi
Tax Advisors	KPMG Taseer Hadi & Co.
Auditors	BDO Ibrahim Chartered Accountants
Legal advisor	M/s Saqlain & Husnain Advocates and Corporate Counsels
Bankers	The Bank of Punjab
Registered office	3rd Floor, 83 A/E-1, Main Boulevard, Gulberg III, Lahore Tel: 042-35790363 Tel: 042-35790364 Tel: 042-35790365 Fax: 042-35790366
Power Plant	Quaid-e-Azam Solar Park, Lal Sohanara Park, Bahawalpur, Tel:062-2002343
Email	info@qasolar.com
Website	www.qasolar.com

Corporate Profile

Quaid-e-Azam Solar Power (Pvt.) Limited is a public-sector for profit company established by the Government of the Punjab. The company has been established for the setting up of renewable energy projects in general and Solar Energy Power Projects in particular. Quaid-e-Azam Solar Power (Pvt.) Limited is the first ever utility scale solar power plant in the country. It aims to initiate solar energy programs and research projects with respect to Solar Energy power generation plants. The company achieved Commercial Operations Date ('COD') on July 15, 2015. National Electric Power Regulatory Authority ('NEPRA') has granted generation license to the company which is valid till December 30, 2039. Plant is under continuous successful operation for more than 5.5 years. Power Plant has exceeded NEPRA Generation Targets consistently.

QASP power plant is first and only Solar Power Plant of Pakistan to achieve registration with CDM-UNFCCC in 2018. Contributing towards SDG No. 7 (Affordable and Clean Energy) and Tons of CO_2 being reduced annually.

Mission Statement

Quaid-e-Azam Solar aims to take on the responsibility of bridging gap between electricity demand and supply through clean renewable sources. Our mission is to achieve the role of producing electricity by utilizing renewable solar energy and fulfil the expectations of our employees, consumers and shareholders. Quaid-e-Azam Solar Power (Pvt.) Limited aspires to become Pakistan’s pioneering organization by taking the first major step towards the new generation of sustainable development.

Vision Statement

Our vision is to witness our nation free from the grappling energy crisis it is facing at the moment

CODE OF CONDUCT POLICY

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1. PREAMPLE

Whereas it is expedient to define and to formulate the Code of Conduct for the directors (including Chief Executive Officer), officers and employees of Quaid-e-Azam Solar Power (Pvt) Limited (the **"Company"**);

Whereas the Board of Directors of the Company in compliance with sub-rule 5(4) of the Public Sector Companies (Corporate Governance) Rules, 2013 (the **"Rules"**) have unanimously adopted this Code of Conduct (the **"Code"**) for the purpose of:

- Encouraging honest and ethical conduct including fair dealing and ethical handling of conflicts of interest;
- Encouraging full, fair, accurate, timely and understandable disclosure;
- Encouraging compliance with applicable laws and governmental rules and regulations;
- Ensuring the Company's legitimate business interest including corporate opportunities, assets and confidential information and

Whereas all directors (including the Chief Executive Officer), officers and employees of the Company are expected to be familiar with the Code and to adhere to the principles and procedures mentioned herein.

2. DEFINITIONS

2.1 Board:

"Board" means Board as defined under clause 2(a) of the Rules;

2.2 Code of Conduct:

The definition of the term 'Code of Conduct' is same as provided under sub-rule 5(4) of the Rules;

2.3 Public Sector Company:

"Public Sector Company" means Public Sector Company as defined under section 2(g) of the Rules;

2.4 Member:

"Member" means a member of the Board;

2.5 Employee:

"Employee" means any officer or employee of the Company.

3. BASIS OF THE CODE

The Code is based on the principles of ethics and set of associated values. This Code sets standards of conduct for the Company based on the following ideals:

i. Integrity and Impartiality;
ii. Promotion of the public good; and
iii. Transparency and Accountability.

4. SCOPE OF THE CODE

The Code describes the conduct of the Board in delivering services to the community and will ensure the promotion of the ethical culture in the Company. An ethical culture in public sector companies is initiated at directors' level (including Chief Executive Officer(s)) and is demonstrated through Company's officers and all employees.

4.1 Chief Executive Officer(s) and Directors

a) Chief Executive Officer(s) and Directors have a responsibility to visibly demonstrate and uphold the principles and values of the ethical conduct in public sector. Chief Executive Officer(s) and Directors' roles are to promote an organizational culture that values high ethical standards and behavior.

b) Chief Executive Officer(s) and Directors openly demonstrate their conscious commitment to ethics communicating the importance of ethical decision-making in the workplace and promoting ethics in day-to-day action.

c) Chief Executive Officer(s) and Directors shall ensure that employees have access to training in the operation of this Code.

4.2 Managers and Officers

a) Managerial behavior sets the tone for the conduct of all employees. Managers and Officers of the company have a responsibility to model and promote this Code.

b) Managers and Officers have the ability to influence others by fostering an ethical environment and demonstrating this awareness in performing their duties and in making decisions.

c) Managers and Officers of the Company shall ensure that public service employees understand the Code and any other relevant legislation, delegations, policies or other information required to satisfactorily perform their duties. Managers and Officers of the Company shall also ensure that appropriate development and training is provided to public service employees to perform their duties.

4.3 Employees

a) Employees of the company shall take full responsibility to uphold this Code and follow the principles of ethics and ensure that they will not participate or take a part in any unethical/unacceptable activities in the company.

b) Each employee must act with integrity, including being honest and ethical, while still maintaining the confidentiality of information where required or consistent with the Company's policies.

c) Each employee shall observe both the form and spirit of laws and governmental rules and regulations and accounting standards.

d) Each employee shall not accept improper or undisclosed material personal benefits from third parties as a result of any transaction or transactions of the Company.

e) Each employee shall adhere to a higher standard of business and moral ethics.

4.4 Honest and Ethical Conduct

Each director, manager, officer and employee owes a duty to the Company to act with integrity. Integrity requires, among other things, being honest and ethical. This includes the ethical handling of actual or apparent conflicts of interest between personal and professional relationships. Deceit and subordination of principle are inconsistent with integrity.

4.5 Conflict of Interest

A "conflict of interest" may exist whenever the interests of a Director, Chief Executive, manager, officer and/or any employee conflict in any way (or even appear to conflict) with the interests of the Company. While Director, Chief Executive Officer, manager, officer and/or any employee should be free to make personal investments and enjoy social relations and normal business courtesies, however, they must not have any interests that adversely influence the performance of their responsibilities. A conflict of interest may arise when a Director, Chief Executive, manager, officer and/or any employee takes actions or has interests that may cause a difficulty in performance of his or her

Company responsibilities objectively. A conflict of interest may also arise when a Director, Chief Executive Officer, manager, officer and/or any employee of his or her family, receives improper personal benefits as a result of his or her position with the Company, whether received from that Company or a third party. Gifts above a *de minimis* value to, loans to, or guarantees of obligations of, Director, Chief Executive, manager, officer and/or any employee, or their respective family members may create conflicts of interests.

Although it is not always possible to avoid conflicts of interest, it is each Company's policy to prohibit such conflicts when possible. Conflicts of interest may not always be clear-cut. If Director, Chief Executive, manager, officer and/or any employee have a question, they are expected to consult with the Chairman of the Board. Any Director, Chief Executive, manager, officer and/or any employee who becomes aware of a conflict or potential conflict of interest is expected to bring it to the attention of the Chairman of the Board.

4.6 Confidentiality

All directors, chief executive officers, managers, officers and/or employees must maintain confidentiality of the confidential information entrusted to them by the Company except such disclosure is authorized by the Company or required by any law, regulation, or legal proceeding. The term "confidential information" includes, but is not limited to, non-public information that might be of use to competitors of the Company or harmful to the Company or its customers if disclosed. Directors are expected to consult the Chairman of the Board or the compliance officer if they believe they have a legal obligation to disclose confidential information.

4.7 Fair Dealing

Each director, chief executive officer, manager, officer and/or any employee is expected to deal fairly with the Company's customers, suppliers, competitors, officers and employees. None should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair dealing practice. Inappropriate use of proprietary information, misusing trade secret information that was obtained without the owner's consent or inducing such disclosures by past or present employees of other companies is prohibited.

Core Values

Quaid e Azam Solar Power (Private) Limited is committed to be an ethical and a responsible member of the business communities in which it operates. The Company always endeavours to ensure that highest standards of honesty, integrity and ethics are maintained.

Respect and Integrity

Respect is a key requirement for a healthy work environment.

Integrity means truthfulness and sincerity, acting with honesty behaving professionally and righteously.

Passion

Working hard for something we love is called passion.

Ownership

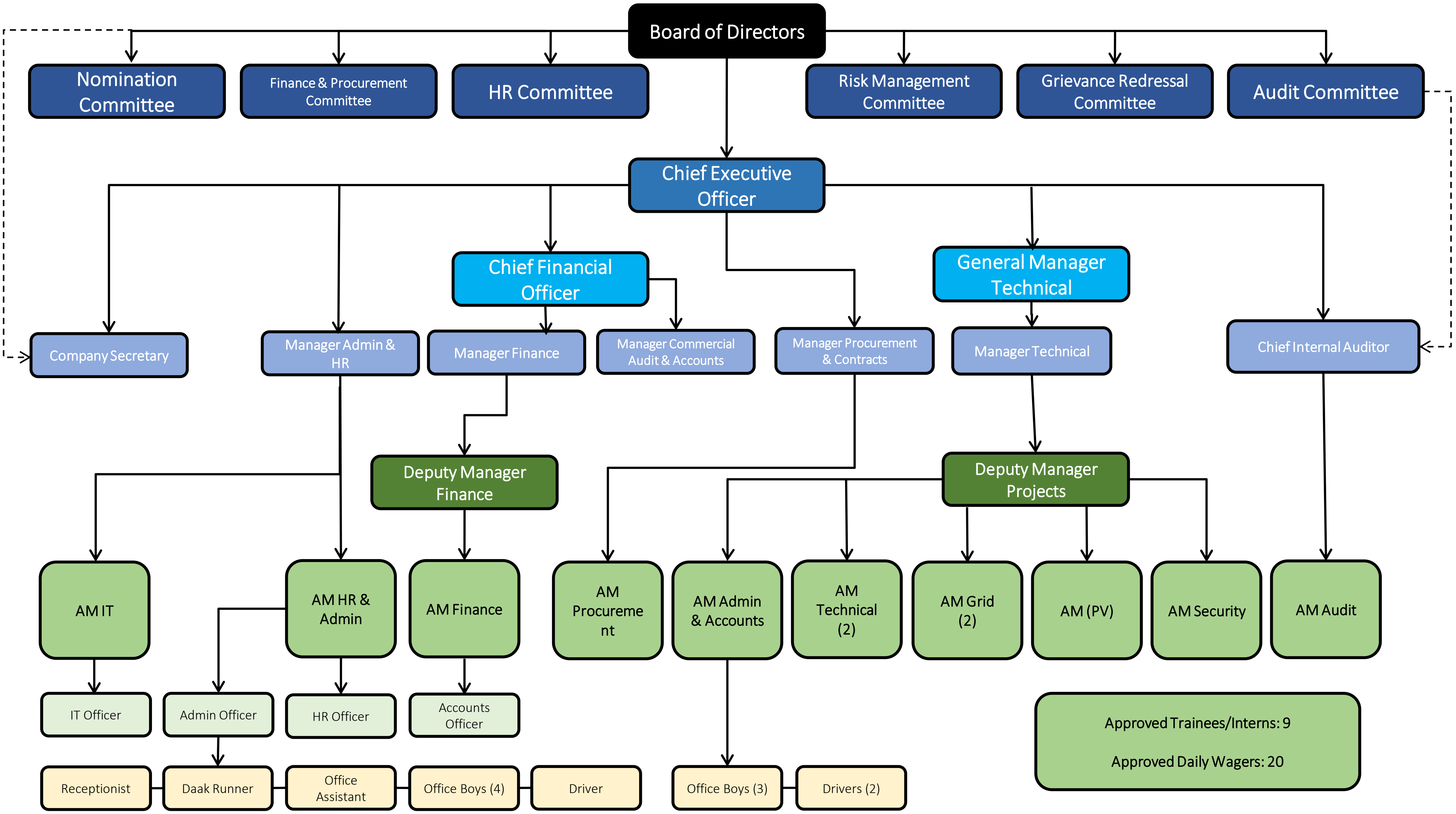
When a team takes ownership of its problems, the problem gets solved. It is true on the battlefield, it is true in business, and it is true in life

Work-Life Balance

You will never be truly satisfied by work until you are satisfied by life

Excellence

Excellence is not a skill, it's an attitude!!


Board of Directors
Nomination Committee
Finance & Procurement Committee
HR Committee
Risk Management Committee
Grievance Redressal Committee
Audit Committee
Chief Executive Officer
Chief Financial Officer
General Manager Technical
Company Secretary
Manager Admin & HR
Manager Finance
Manager Commercial Audit & Accounts
Manager Procurement & Contracts
Manager Technical
Chief Internal Auditor
Deputy Manager Finance
Deputy Manager Projects
AM IT
AM HR & Admin
AM Finance
AM Procureme nt
AM Admin & Accounts
AM Technical (2)
AM Grid (2)
AM (PV)
AM Security
AM Audit
IT Officer
Admin Officer
HR Officer
Accounts Officer
Receptionist
Daak Runner
Office Assistant
Office Boys (4)
Driver
Office Boys (3)
Drivers (2)
Approved Trainees/Interns: 9
Approved Daily Wagers: 20

Quaid-e-Azam Solar Power (Pvt) Limited

Quaid-e-Azam Solar Power (Pvt.) Limited

Ref: QAS-24/10/07-02

October 07, 2024

To:

1. Dr. Naeem Rauf - Secretary Energy — Member/Shareholder
2. Mr. Nabeel Ahmed Awan - Chairman P&D Board — Member/Shareholder
3. Mr. Mujahid Sherdil - Secretary Finance — Member/Shareholder
4. Mr. Ehsan Bhutta - Secretary Industries — Member/Shareholder

SUBJECT: **NOTICE OF 11th ANNUAL GENERAL MEETING (AGM) OF QASPL**

Respected Members,

This is to inform that the 11th Annual General Meeting (AGM) of Quaid-e-Azam Solar Power (Pvt) Limited (QASPL) is scheduled to be held on **Monday, October 28, 2024 at 1:30 p.m.** in the Committee Room of QASPL Head Office located at 3rd Floor, 83-A, E-1, Main Boulevard, Gulberg - III, Lahore, as per the enclosed Agenda and Working Papers.

2. All respected Members/Shareholders are requested to kindly make it convenient to attend the Meeting on the scheduled date and time. The members who cannot travel/attend the meeting in person may please join through following Zoom video-link:

Topic:	**11th Annual General Meeting (AGM) of QASPL (28-10-2024)**
Zoom Link:	**https://us02web.zoom.us/j/3560223401**
Meeting ID:	356 022 3401
Passcode:	281 024

(SALMAN JAVED HASHMI)
Chief Financial Officer/
Company Secretary

CC:

i) Chief Executive Officer, QASPL.
ii) PS to Secretary Energy
iii) M/s BDO Ibrahim & Co. (Chartered Accountants)
iv) All concerned Officers at QASPL.
v) Office Copy.

DIRECTORS' REPORT

The Board of Directors of Quaid-e-Azam Solar Power (Pvt.) Limited ("the Company") is pleased to present the Audited Financial Statements together with the Auditors' Report thereon for the year ended June 30, 2024.

PRINCIPAL ACTIVITY OF THE COMPANY

The principal activity of the Company is to build, own, operate and maintain a solar power plant having a total capacity of 100 MW in Lal Sohanra, Cholistan, Bahawalpur (the main business unit of the Company). The Company continues to sell the electrical energy produced from its power plant to its single customer, Central Power Purchasing Agency (Guarantee) Limited (CPPA-G).

FINANCIAL HIGHLIGHTS:

155,315,463 units were produced during the year with total production since Commercial Operations Date (COD) being 1,452,497,951 units. Consequently, total sales booked during the year were Rs. 5,238.40 million, an increase of 9.22% as compared with the previous year. The corresponding cost of sales increased by 5.53% to Rs. 1,095.31 million, resulting in a gross profit of Rs. 4,143.09 million, an increase of 10.23%.

The operating profit and profit before tax of QASPL increased by 21.02% and 30.32%, respectively amounting to Rs. 4,987.29 and Rs. 4,271.52 million. During the FY 2021-22, the Company initiated six development schemes funded through the Punjab Annual Development Plan (ADP) out of which four schemes have been completed. Since these schemes are fully funded, they have no financial impact on the financial statements of QASPL.

Overall, the net profit after tax of QASPL for the Financial Year 2023-24 increased by 31.97%, as compared to last year, to Rs. 3,943.90 million. Current year's head-wise comparison with last year along with detail of major expenses is tabulated below:

SUMMARY - CURRENT YEAR COMPARISON WITH LAST YEAR				
Description	2023-24	2022-23	VARIANCE	
	RUPEES (M)			%
Sales	5,238.40	4,796.36	442.04	9.22
Cost of Sales	(1,095.31)	(1,037.92)	57.39	(5.53)
Gross Profit	**4,143.09**	**3,758.45**	**384.64**	**10.23**
Admin expenses	(178.34)	(159.98)	18.36	(11.48)

Corporate social responsibilities expenses	(15.09)	(4.12)	10.97	(266.24)
Other Charges	(111.45)	(117.32)	(5.87)	5.00
Other Income	1,149.09	643.86	505.23	78.47
Operating Profit	**4,987.30**	**4,120.89**	**866.41**	**21.02**
Amortization of ADP project funds	(7.47)	(200.56)	-	-
Expenses incurred during the year	7.47	200.56	-	-
Finance Cost	(715.78)	(843.17)	(127.39)	15.11
Profit before Tax	**4,271.52**	**3,277.72**	**993.80**	**30.32**
Taxation	(327.62)	(289.13)	38.49	(13.31)
Profit after Tax	**3,943.90**	**2,988.60**	**955.30**	**31.96**
Earning per share	10.35	7.84	2.51	32.02
Capital expenditure	(100.18)	(410.30)	(310.12)	75.58

Almost 89% of the cost of sales comprises of Operation and Maintenance (O&M) payments made to Contractor/Consultant and depreciation of plant and machinery. The remaining 11% comprises of salaries and wages of site/technical staff, site security expenses, plant insurance premium and other operational expenditures directly related to the running and maintenance of the plant. No major variations were seen in the cost of sales as compared with the previous year.

Administrative expenses, which relate to head office expenses and other costs incurred that are not directly attributable to the production, increased from Rs. 159.98 million to Rs. 178.34 million during the year. Salaries and wages increased by Rs. 6.35 million and no other major variations were seen in the administrative expenses as compared with the previous year.

Other charges include contributions against Worker's Profit Participation Fund (WPPF) and Workers' Welfare Fund (WWF), while actual contributions made during the year amounted to Rs. 163.89 million and Rs. 72.04 million towards WPPF and WWF respectively. In addition, the Company provided for an amount of Rs. 30.70 million in other charges for doubtful contract assets and other receivables. This includes a provision of Rs. 29.949 million as a result of the revision in the debt service component by NEPRA from October 2015 to March 2018 which resulted in decrease in approved tariff rate of the said period. Resultantly, mark-up charged for late payment of that period also reduced. However, accrued markup booked was not adjusted already which has been recognized and adjusted in the current year.

Other income significantly increased during the year from Rs. 643.86 million to Rs. 1,149.09 million (78.47% increase); this increase is both due to record collections from CPPA (Rs. 8.48 billion) and increase in mark-up from 19.50% to 20.50% during the year. In addition, foreign currency exchange gain of Rs.8.41 million was booked due to strengthening of the Pakistani Rupee against the Dollar; this relates to off-shore payments and liabilities to foreign contractor and consultant.

During the year significant additions were made in operating fixed assets, including construction of boundary wall at the plant site (Rs. 20.99 million), solarization of the site building (Rs. 41.42 million), construction of rooms for rangers (Rs. 6.89 million) and laying of cable for site energization (Rs. 16.93 million).

CORPORATE SOCIAL RESPONSIBILITY:

During the year, Rs. 2.76 million were paid to the Sports Board Punjab as sponsorship for organizing a national chess tournament in Multan. Another important social initiative taken by the management during the year was a plantation drive undertaken at the plant site under which 1000 plants were planted at the plant site.

DIVIDEND:
During the year, an amount of Rs. 1 billion was disbursed as interim dividend to shareholders for the FY 2023-24. Total dividends disbursed since incorporation stood at Rs. 5.7 billion as of June 30, 2024, which is Rs. 1.89 billion more than the total equity injected by the Government of the Punjab at the time of incorporation. In addition, the Company has paid an amount of Rs. 1 billion as further dividend in the first quarter of FY 2024-25.

EARNING PER SHARE
Earnings per share were Rs. 10,350 as at June 30, 2024.

ANNUAL DEVELOPMENT PLAN (ADP) SCHEMES:
On the request of the Energy Department, Government of the Punjab, the Company initiated the execution of six ADP schemes during the financial year 2021-22 valuing Rs. 980 million. Four schemes have since been completed. Rs. 15.96 million (2023: Rs. 375 million) was received in the FY 2023-24 against four schemes, net of surrenders, and the same was utilized. Detail of utilization is provided at Note-17 to the Financial Statements and briefs on the schemes are provided below:

1. Off-grid/Poor-grid village solarization program: This project was initiated in Bahawalpur and Dera Ghazi Khan districts and aimed to install solar plants (total capacity: 351 kW) for the provision of uninterrupted electricity to certain off-grid/poor-grid villages selected through a third-party survey and feasibility report. Civils works have been completed, while installation of panels and control room is partially complete.

2. Converting three cities of the Punjab into solar smart cities: This project envisioned the solarization of sixteen public buildings located in Multan, Mianwali and Gujranwala (total capacity: 2300 kW).

3. Distribution of 1-kW solar systems to poor population of Punjab based on BISP data: Under this project, more than 400 poor families were to be provided a solar home solution (1-kW each) from five districts of the Punjab i.e., Rajanpur, Dera Ghazi Khan,

Muzaffargarh, Bahawalpur and Multan. 196 system have been handed over to the poor families till date.

4. Provision of electricity to communities using indigenous resources: The scope of this project covered six districts of the Punjab i.e., Rajanpur, Rahim Yar Khan, Muzaffargarh, Bahawalnagar and Multan where solar plants were to be installed in various villages (total capacity: 600 kW). This included 6 sites of 100kW each. Out of the total six sites, four sites (400kW) have been completed, while two sites (Muzaffargarh and Bahawalnagar) are in process.

CORPORATE AND FINANCIAL REPORTING FRAMEWORK:

As required by the Code of Corporate Governance for public sector companies, we are pleased to report the following:

a) The board has complied with the relevant principles of corporate governance, with the following three exceptions:
    i. Two of our ex-officio directors are serving as members of the Board in more than five public sector companies;
    ii. Performance evaluation of the members of the Board has not been undertaken by the Government; and
    iii. Position of CIA remained vacant during the year.

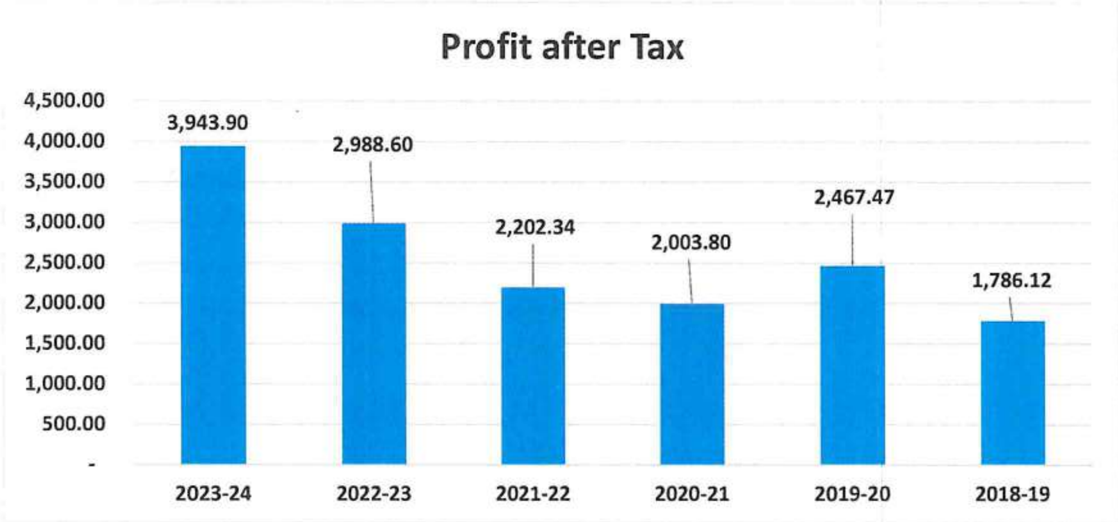
b) The financial statements, prepared by the management of the Company, present fairly its state of affairs, the results of its operations, cash flows and changes in equity.
c) Proper books of accounts of the Company have been maintained.
d) Appropriate accounting policies have been consistently applied in preparation of financial statements and any changes in accounting policies have been disclosed in the financial statements. The accounting estimates are based on reasonable and prudent judgment.
e) Management has established and maintained sound system of internal control, which is regularly reviewed and monitored by the management of the company.
f) Directors are appointed according to the directions of the Energy Department with the approval of the Government of the Punjab. No remuneration has been paid to the Non-Executive Directors (NEDs) except meeting fee.
g) International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of these financial statements and any departure there-from has been adequately disclosed and explained.

OPERATIONAL HIGHLIGHTS:

During the year, the Company sold 155.315 GWh of electricity to Central Power Purchasing Agency (Guarantee) Limited against benchmark energy 153.3 GWh. This generation represented a capacity factor of 17.66% against NEPRA's target of 17.5% with overall commercial availability of 100%. The Company's power plant is being maintained in accordance with the recommendations of the Original Equipment Manufacturer at the highest internal standards. Moreover, during the year, the Company achieved 76.11% Annual Performance Ratio (APR) against the benchmark APR of 72.98% and produced excess energy of 6,292.94 MWh units.

KEY OPERATIONAL AND FINANCIAL DATA OF THE LAST SIX YEARS:

COMPARATIVE OPERATIONAL & FINANCIAL DATA						
Description	FY 2023-24	FY 2022-23	FY 2021-22	FY 2020-21	FY 2019-20	FY 2018-19
	RUPEES (M)					
Units Sold GWh	155.32	160.96	163.68	165.75	165.05	164.47
Sales	5,238.40	4,796.36	3,992.26	3,570.84	4,335.21	3,623.16
Cost of Sales	(1,095.31)	(1,037.92)	(938.84)	(893.56)	(901.42)	(888.05)
Gross Profit	**4,143.09**	**3,758.45**	**3,053.43**	**2,677.29**	**3,433.79**	**2,735.11**
Admin expenses	(178.34)	(159.98)	(131.83)	(88.27)	(80.59)	(80.00)
Corporate social responsibility expenses	(15.09)	(4.12)	(4.34)	-	-	-
Other Income	1,149.09	643.86	176.92	354.31	367.97	150.61
Other Charges	(111.45)	(117.32)	(50.49)	(88.49)	(1.58)	(12.42)
Profit before Interest & Tax	**4,987.30**	**4,120.89**	**3,043.69**	**2,854.83**	**3,719.59**	**2,793.30**
Amortization of ADP project funds	(7.47)	(200.56)	(663.96)	-	-	-
Expenses incurred during the year	7.47	200.56	663.96	-	-	-
Finance Cost	(715.78)	(843.17)	(698.55)	(713.05)	(1,235.82)	(1,065.52)
Profit before Tax	**4,271.52**	**3,277.72**	**2,345.15**	**2,141.78**	**2,483.77**	**1,727.78**
Taxation	(327.62)	(289.13)	(142.81)	(137.99)	(16.30)	58.34
Profit after Tax	**3,943.90**	**2,988.60**	**2,202.34**	**2,003.80**	**2,467.47**	**1,786.12**
Earning per share	10.35	7.84	5.78	5.26	6.48	4.69
Capital expenditure	(100.18)	(410.30)	(255.20)	(17.20)	(27.92)	(1.54)



KEY PERFORMANCE INDICATORS:

The performance of QASPL remained outstanding during the year in managing the contractors, consultants and lenders. The Company worked hard to cut down its costs, actively pursued its outstanding matters with relevant stakeholders, raised all invoices in a timely manner and made its loan/principal repayments on time. The Company managed to make the best possible use of its human resource and continued on its mission to provide electricity to its consumers at affordable costs.

The Company maintained a healthy Current Ratio of 3.49:1 as of June 30, 2024 with an equally impressive Debt to Equity ratio and Debt Service Ratio of 11:89 and 2.25 respectively; whereas, Return on Equity was recorded at 23%.

PACRA CREDIT RATING:

Credit rating of the Company was reassessed by Pakistan Credit Rating Agency (PACRA) which reaffirmed QASPL's rating at 'AA/A-1+' (Double A /A-One Plus), while the outlook on the assigned rating was 'Stable.' This is a sign of high credit quality, strong protection factors and modest risk, which can be susceptible to slight variations from time to time due to adverse economic conditions.

BOARD OF DIRECTORS:

The composition of the Board of Directors as at June 30, 2024 was as follows:

1. Mr. Zaheer Ahmed Ghanghro (Chairman)
2. Chairman, Planning and Development Board, Punjab (Member)
3. Secretary Energy, Government of the Punjab (Member)
4. Secretary Finance, Government of the Punjab (Member)
5. Secretary Industries, Government of the Punjab (Member)
6. Mr. M. Ali Latif (Member)
7. Mr. Kamran Khurshid (Member)
8. Mr. Khwaja Khawar Rashid (Member)

9. Engr. Prof. Dr. Suhail Aftab Qureshi (Member)
10. Mr. Ahmed Shahzeb Malik (Member)
11. Ms. Lubna Pathan (Member)

NUMBER OF BOARD MEETINGS HELD:

During the year, twelve (12) meetings of the Board of Directors were held. Attendance of the Directors was as follows:

Sr. #	Name	Category	No. of Meetings Attended
1	Mr. Zaheer Ahmed Ghanghro	Chairman	12
2	Secretary Energy, Government of the Punjab	Director	12
3	Chairman, Planning and Development Board	Director	11
4	Secretary Finance, Government of the Punjab	Director	-
5	Secretary Industries, Government of the Punjab	Director	11
6	Mr. M. Ali Latif	Director	6
7	Mr. Kamran Khurshid	Director	12
8	Mr. Khwaja Khawar Rashid	Director	12
9	Engr. Prof. Dr. Suhail Aftab Qureshi	Director	12
10	Mr. Ahmed Shahzeb Malik	Director	12
11	Ms. Lubna Pathan	Director	12

AUDIT COMMITTEE MEETING:
During the year, eight (08) meetings of the Audit Committee were conducted. Attendance of meetings is as follows:

Sr. #	Name	Category	Meetings Attended
1	Mr. M. Ali Latif	Convener	08
2	Secretary Energy, Government of the Punjab	Director	08
3	Secretary Finance, Government of the Punjab	Director	-
4	Mr. Ahmad Shahzeb Malik	Director	08
5	Mr. Khawaja Khawar Rashid	Director	08

FINANCE AND PROCUREMENT COMMITTEE MEETING:
During the year, ten (10) meetings of the Finance and Procurement Committee were conducted. Attendance of meetings is as follows:

Sr. #	Name	Category	Meetings Attended
1	Mr. Zaheer Ahmed Ghanghro	Convener	10
2	Secretary Energy, Government of the Punjab	Director	10
3	Secretary Finance, Government of the Punjab	Director	-
4	Engr. Prof. Dr. Suhail Aftab Qureshi	Director	10
5	Mr. Ahmad Shahzeb Malik	Director	10
6	Mr. Kamran Khursheed	Director	10

HUMAN RESOURCE (HR) COMMITTEE MEETING:
During the year, three (03) meetings of the HR Committee were conducted. Attendance of meetings is as follows:

Sr. #	Name	Category	Meetings Attended

1	Engr. Prof. Dr. Suhail Aftab Qureshi	Convener	03
2	Secretary Energy, Government of the Punjab	Director	03
3	Secretary Industries, Government of the Punjab	Director	03
4	Mr. Ahmad Shahzeb Malik	Director	03
5	Mr. Kamran Khursheed	Director	03

CSR COMMITTEE MEETING:

During the year, four (04) meetings of the CSR Committee were conducted. Attendance of meetings is as follows:

Sr. #	Name	Category	Meetings Attended
1	Mr. Zaheer Ahmed Ghanghro	Convener	04
2	Secretary Energy, Government of the Punjab	Director	04
3	Secretary Finance, Government of the Punjab	Director	-
4	Engr. Prof. Dr. Suhail Aftab Qureshi	Director	04
5	Mr. Ahmad Shahzeb Malik	Director	04
6	Mr. Kamran Khursheed	Director	04

GRIEVANCE REDRESSAL COMMITTEE MEETING:

During the year, four (04) meeting of the Grievance Redressal Committee was conducted. Attendance of meeting is as follows:

Sr. #	Name	Category	Meetings Attended
1	Mr. Zaheer Ahmed Ghanghro	Convener	04
2	Secretary Energy, Government of the Punjab	Director	04
3	Mr. Kamran Khursheed	Director	04

MEETING FEE PAID TO BOARD OF DIRECTORS AND ITS COMMITTEES:

Detail of meeting fee paid to the directors for attending Board and Committee meetings is as follows:

Sr. #	Name	Category	Meetings Fee paid (Rs.)
1	Mr. Zaheer Ahmed Ghanghro	Chairman	2,183,390
2	Chairman, Planning and Development Department	Director	718,250
3	Secretary Energy, Government of the Punjab	Director	3,095,635
4	Secretary Finance, Government of the Punjab	Director	-
5	Secretary Industries, Government of the Punjab	Director	1,134,880
6	Mr. M. Ali Latif	Director	1,005,550

7	Mr. Kamran Khurshid	Director	2,391,705
8	Mr. Khwaja Khawar Rashid	Director	1,436,500
9	Engr. Prof. Dr. Suhail Aftab Qureshi	Director	2,104,405
10	Mr. Ahmed Shahzeb Malik	Director	2,679,005
11	Ms. Lubna Pathan	Director	861,900

AUDITORS:

The existing auditors of the Company BDO Ebrahim (Chartered Accountants), in their independent auditor's report on the financial statements of the Company for the year have given an unqualified opinion on the state of affairs of the Company. The Auditors shall retire on the conclusion of 11th Annual General Meeting (AGM), by which time a fresh procurement process would have been completed for the hiring of external auditors for the year ending June 30, 2025 and the appointment would be finalized in the AGM on the recommendations of the Audit Committee and the Board of Directors.

PATTERN OF SHAREHOLDING:

100% shares are owned by Energy Department, Govt. of Punjab.

APPRECIATION:

We take this opportunity to thank the employees of the Company and other stakeholders for making this one of the most successful years for the Company.

On Behalf of the Board

Mr. Muhammad Badar-ul-Munir
Chief Executive Officer

Mr. Zaheer Ahmad Ghanghro
Chairman Board of Directors

Lahore: 04-10-2024

ڈائریکٹرز رپورٹ

قائداعظم سولر (پرائیوٹ) لمیٹڈ

2023-24

ڈائریکٹرز رپورٹ

بورڈ آف ڈائریکٹرز نہایت مسرت کے ساتھ آڈٹ شدہ مالیاتی گوشوارے مع آڈیٹرز رپورٹ قائداعظم سولر پاور (پرائیوٹ) لمیٹڈ کے ساتھ مطابقتی جائزہ رپورٹ، برائے سال مختتمہ 30 جون 2024 پیش کر رہے ہیں۔

کمپنی کی بنیادی سرگرمی:

کمپنی لال سوہانرہ، چولستان، بہاولپور (کمپنی کے مرکزی کاروباری یونٹ) میں واقع 100 میگاواٹ پاور پلانٹ کی تعمیر، آپریشنز، ملکیت اور مرمت کی ذمہ دار ہے۔ کمپنی اپنے پاور پلانٹ سے اپنے واحد خریدار، سینٹرل پاور پرچیزنگ ایجنسی لمیٹڈ (CPPA-G) کو برقی توانائی کی فروخت جاری رکھے ہوئے ہے۔

مالیاتی خلاصہ:

اس سال 155,315,463 یونٹس پیدا کیے گئے جبکہ کاروباری سرگرمیوں کی تاریخوں میں مجموعی طور پر 1,452,497,951 یونٹس کی پیداوار ہوئی جس کے نتیجے میں اس سال کے دوران فروخت پچھلے سال کے مقابلہ میں 9.22 فیصد اضافے کیساتھ 5,238.4 ملین روپے رہی۔ فروخت سے متعلقہ لاگت 5.53 فیصد اضافے کیساتھ 1,095.31 ملین روپے رہی جس کے نتیجے میں مجموعی منافع 10.23 فیصد اضافے کیساتھ 4,143.09 ملین روپے رہا۔

QASPL کا آپریٹنگ منافع اور ٹیکس سے قبل منافع بالترتیب 21.02 فیصد اور 30.32 فیصد اضافے کیساتھ 4,987.29 ملین روپے اور 4,271.52 ملین روپے رہا۔ کمپنی نے مالی سال 22-2021 کے دوران پنجاب سالانہ ترقیاتی پلان (ADP) کے تعاون سے 6 سکیموں کا آغاز کیا تھا، جس میں سے 4 اسکیموں کو مکمل کر لیا گیا ہے۔ یہ ترقیاتی سکیمیں مکمل طور پر بیرونی سرمایہ کاری سے شروع کی گئی اس لئے ان کا رواں سال میں QASPL کی مالیاتی رپورٹس پر کوئی مالی اثر نہیں ہوا۔

مالی سال 24-2023 میں ٹیکس کے بعد QASPL کے مجموعی منافع میں گذشتہ برس کی نسبت 31.97 فیصد کا شاندار اضافہ ہوا جو کہ 3,943.90 ملین روپے ہے۔ اس سال کے منافع و اخراجات کا گذشتہ سال سے موازنہ ٹیبل میں درج ذیل ہے۔

تفصیل	2023-24 (ملین روپے)	2022-23 (ملین روپے)	فرق (ملین روپے)	فرق (فیصد %)
فروخت	5,238.40	4,796.36	442.04	9.22
سیلز کی لاگت	(1,095.31)	(1,037.92)	57.39	(5.53)
مجموعی منافع	4,143.09	3,758.45	384.64	10.23
انتظامی اخراجات	(178.34)	(159.98)	18.36	(11.48)
سماجی ذمہ داری کے اخراجات	(15.09)	(4.12)	10.97	(266.24)
دیگر اخراجات	(111.45)	(117.32)	(5.87)	5.00
دیگر آمدن	1,149.09	643.86	505.23	78.47
آپریٹنگ منافع	4,987.30	4,120.89	866.41	21.02

قرضہ جات کی واپسی (ADP فنڈ)	(7.47)	(200.56)		-
دوران سال اخراجات	7.47	200.56		-
مالی لاگت	(715.78)	(843.17)	(127.39)	15.11
ٹیکس سے پہلے منافع	4,271.52	3,277.72	993.80	30.32
ٹیکسیشن	(327.62)	(289.13)	38.49	(13.31)
ٹیکس کے بعد منافع	3,943.90	2,988.60	955.30	31.96
فی حصص آمدن	10.35	7.84	2.51	32.02
سرمائے کے اخراجات	(100.18)	(410.30)	(310.12)	75.58

فروخت کا تقریباً 89 فیصد حصہ آپریشنز و مرمتی کاموں (O & M)، کنٹریکٹر/کنسلٹنٹ کی ادائیگیوں اور پلانٹ و مشینری کی قیمت میں کمی پر مشتمل ہے جبکہ بقیہ 11 فیصد سائٹ/تکنیکی عملہ کی تنخواہوں، سیکیورٹی کے اخراجات، پلانٹ کی انشورنس، پلانٹ کو چلانے اور مرمت سے متعلقہ براہ راست اخراجات پر مبنی ہے۔ پچھلے سال کے موازنہ میں فروخت کی لاگت کے حوالے سے کوئی بڑی تبدیلی دیکھنے میں نہیں آئی۔

ہیڈ آفس سے متعلقہ انتظامی اخراجات اور وہ اخراجات جو براہ راست پیداوار سے منسوب نہیں ہیں، رواں سال میں 159.98 ملین روپے سے بڑھ کر 178.34 ملین روپے تک پہنچ گئے ہیں۔ تنخواہوں اور ادائیگیوں میں 6.35 ملین روپے اضافہ ہوا ہے۔ پچھلے سال کے موازنہ میں انتظامی اخراجات کے حوالے سے کوئی بڑی تبدیلی دیکھنے میں نہیں آئی۔

دیگر چارجز میں ملازمین کے WPPF اور WWF فنڈز کی مد میں مالی معاونت شامل ہے جبکہ اس سال کے دوران کی جانے والی حقیقی مالی معاونت WPPF اور WWF کیلئے بالترتیب 163.89 ملین روپے اور 72.04 ملین روپے ہے۔ مزید یہ کہ مشکوک قرض کی مد میں 30.70 ملین روپے کی معاہدے کے اثاثوں اور دیگر قابل وصول رقم میں سے کٹوتی کی گئی ہے، جس میں NEPRA کی جانب سے اکتوبر 2015 سے مارچ 2018 تک قرض میں نظرثانی کے فیصلے کے بعد 29.949 ملین روپے شامل ہیں۔ اس کی نتیجے میں مذکورہ مدت کے منظور شدہ ٹیرف میں کمی واقع ہوئی ہے۔ مذکورہ مدت کے دوران تاخیر سے ادائیگی پر کیا جانے والا مارک اپ بھی کم کر دیا گیا، تاہم جمع شدہ مارک اپ کو پہلے سے ایڈجسٹ نہیں کیا گیا تھا جبکہ اس سال اسکو تسلیم کر کے ایڈجسٹ کر دیا گیا ہے۔

سال کے دوران دیگر آمدن نمایاں اضافے کیساتھ 643.86 ملین روپے سے بڑھ کر 1,149.09 ملین روپے تک پہنچ گئی (78.47 فیصد اضافہ) یہ اضافہ دوران سال CCPA سے ریکارڈ وصولیوں (8.48 بلین روپے) اور مارک اپ کے 19.50 فیصد سے بڑھ کر 20.50 فیصد ہونے کے باعث ہوا ہے۔ مالی سال کے دوران ڈالر کے مقابلہ میں روپے کی قیمت مستحکم ہونے سے 8.41 ملین روپے کا فائدہ ہوا، یہ فائدہ غیر ملکی کنٹریکٹرز اور کنسلٹنٹس کو ادائیگیوں سے متعلقہ تھا۔

رواں مالی سال کے دوران طے شدہ آپریٹنگ اثاثہ جات میں خاطر خواہ اضافہ کیا گیا ہے۔ پلانٹ سائٹ پر باؤنڈری وال کی تعمیر (20.99 ملین روپے) سائٹ عمارت کی شمسی توانائی پر منتقلی (41.42 ملین روپے) رینجرز کیلئے کمروں کی تعمیر (6.89 ملین روپے) اور سائٹ پر برقی تار بچھانے کا کام (16.93 ملین روپے) بھی مکمل کیا گیا۔

سماجی ذمہ داریاں (CSR):

رواں سال کے دوران پنجاب سپورٹس بورڈ کو ملتان میں قومی شطرنج ٹورنامنٹ منعقد کروانے کیلئے 2.76 ملین روپے ادا کیے گئے۔ مینجمنٹ کی جانب سے رواں سال میں ایک اور اہم قدم پلانٹ کے اطراف میں شجر کاری مہم تھا جس میں 1,000 پودے لگائے گئے۔

منافع:

مالی سال 24-2023 میں منافع کی مد میں شیئر ہولڈرز کو 1 بلین روپے تقسیم کیے گئے ہیں۔ شمولیت (ان کارپوریشن) سے 30 جون 2024 تک تقسیم کیا گیا مجموعی منافع 5.7 بلین روپے ہے جو کہ شمولیت (ان کارپوریشن) کے وقت حکومت کی طرف سے دی گئی مجموعی رقم سے ایک ارب 89 کروڑ روپے زیادہ ہے۔ اس کے علاوہ کمپنی نے 25-2024 کی پہلی سہ ماہی میں مزید منافع کی مد میں 1 بلین روپے تقسیم کیے ہیں۔

فی حصص آمدن:

30 جون 2024 تک فی حصص آمدن 10,350 روپے تھی۔

سالانہ ترقیاتی منصوبہ (ADP سکیمیں)

محکمہ توانائی، حکومت پنجاب کی درخواست پر کمپنی نے مالی سال 22-2021 کے دوران 6 اے ڈی پی سکیموں کا آغاز کیا تھا ان سکیموں کی مجموعی لاگت 980 ملین روپے ہے، ان سکیموں میں سے چار مکمل کر لی گئیں ہیں۔ مالی سال 24-2023 میں چار سکیموں (نیٹ سرینڈر) کی مد میں 15.96 ملین روپے (375 ملین روپے: 2023) وصول کر کے استعمال کیے گئے۔ سکیموں میں رقم کے استعمال کی تفصیل مالیاتی رپورٹ کے نقطہ 17 میں درج ہے۔

1۔ دور افتادہ بجلی سے محروم دیہاتوں کو شمسی توانائی سے بجلی کی فراہمی: یہ منصوبہ ضلع ڈیرہ غازی خان اور بہاولپور میں شروع کیا گیا جس کا مقصد شمسی توانائی کے پلانٹس کی تنصیب تھا (مجموعی پیداواری صلاحیت 351 kW) اس سکیم کا مقصد تھرڈ پارٹی اور فزیبلٹی رپورٹ کے ذریعے منتخب ہونے والے دور افتادہ بجلی سے محروم دیہاتوں کو بجلی کی بلا تعطل فراہمی ہے۔ اس منصوبے کا تمام سول ورک مکمل کر لیا گیا ہے جبکہ کنٹرول روم اور سولر پینلز کی تنصیب کا کام تکمیل کے مراحل میں ہے۔

2۔ پنجاب کے 3 شہروں کو سولر سمارٹ بنانا: اس منصوبے کے تحت پنجاب کے 3 اہم شہروں میانوالی، ملتان اور گوجرانوالا میں 16 اہم عوامی عمارتوں کو شمسی توانائی پر منتقل کیا گیا (مجموعی پیداواری صلاحیت 2300 kW) یہ پراجیکٹ اس سال کے دوران مکمل کیا گیا۔

3۔ BISP ڈیٹا کی بنیاد پر غریب عوام کو 1-kW سولر سسٹمز کی تقسیم: اس پراجیکٹ کے تحت 400 سے زائد غریب خاندانوں میں شمسی توانائی سسٹم تقسیم کیے جائیں گے (ہر گھر کیلئے 1 kW)۔ یہ پراجیکٹ 5 اضلاع راجن پور، ڈیرہ غازی خان، مظفر گڑھ، بہاولپور اور ملتان میں شروع کیا گیا ہے۔ اب تک 196 سولر سسٹمز غریب خاندانوں کے حوالے کیے گئے ہیں۔

4۔ قدیم طریقوں سے روشنی حاصل کرنے والے محروم طبقات کو بجلی کی فراہمی: اس منصوبے کا دائرہ کار پنجاب کے 6 اضلاع تک ہے جن میں راجن پور، رحیم یار خان، مظفر گڑھ، بہاولنگر اور ملتان شامل ہیں (مجموعی پیداواری صلاحیت 600 kW)۔ جس میں 100kW کی 6 مختلف سائٹس شامل

ہیں۔6 سائٹس میں سے 4 سائٹس (400kW) کو مکمل کر لیا گیا ہے جبکہ 2 سائٹس (مظفر گڑھ اور بہاولنگر) تکمیل کے مراحل میں ہیں۔

کارپوریٹ اور مالیاتی رپورٹنگ طریقہ کار:

ہم کارپوریٹ شعبے کے مطلوبہ گورننس قواعد کے مطابق نہایت مسرت کے ساتھ ذیل میں معلومات درج کر رہے ہیں۔

(الف) بورڈ ماسوائے ذیل میں درج تین نکات کے کارپوریٹ گورننس کے متعلقہ تمام قواعد کی پیروی کرتا ہے۔

☆ دو اہم عہدوں پر فائز ہمارے 2 ڈائریکٹرز 5 سے زائد کمپنیوں میں بطور ممبر بورڈ خدمات سرانجام دے رہے ہیں۔

☆ حکومت کی جانب سے بورڈ ممبرز کی کارکردگی کے جائزہ کا آغاز نہیں کیا گیا۔

☆ مالی سال کے دوران سی آئی اے کی آسامی خالی ہے۔

(ب) کمپنی کی مینجمنٹ کی جانب سے تیار کردہ مالیاتی گوشوارے درست طور پر کمپنی کے حالات، آپریشنز کے نتائج، کیش فلوز اور ایکویٹی میں تبدیلیوں کی عکاسی کرتے ہیں۔

(ج) حساب داری کے کھاتوں کو منظم انداز میں مرتب کیا گیا ہے۔

(د) مالیاتی گوشواروں کی تیاری کیلئے مناسب اور متعلقہ اکاؤنٹنگ پالیسیوں پر عمل کیا گیا ہے اور ان میں ہونے والی ہر طرح کی تبدیلی کو مالیاتی رپورٹ میں شامل کیا گیا ہے۔ حسابی تخمینوں کا اطلاق کرنے میں محتاط انداز اپنایا گیا ہے۔

(ر) کمپنی مینجمنٹ نے اندرونی کنٹرول کا مضبوط نظام قائم اور برقرار رکھا ہے جس کا باقاعدگی سے جائزہ لیا جاتا ہے۔

(س) ڈائریکٹرز کی تعیناتی محکمہ توانائی کی ہدایات اور حکومت پنجاب کی منظوری کے بعد عمل میں لائی جاتی ہے۔ نان ایگزیکٹیو ڈائریکٹرز (NEDs) کو میٹنگز کی فیس کے علاوہ کوئی معاوضہ ادا نہیں کیا گیا۔

(ص) مالیاتی رپورٹس کی تیاری کے دوران پاکستان میں لاگو بین الاقوامی مالی رپورٹنگ کے معیارات (آئی ایف آر ایس) کی پیروی کی گئی ہے۔ کسی نقطہ کو نکالنے کی صورت میں اس کی مناسب نشاندہی اور وضاحت کو یقینی بنایا گیا ہے۔

دوران سال اہم سرگرمیاں:

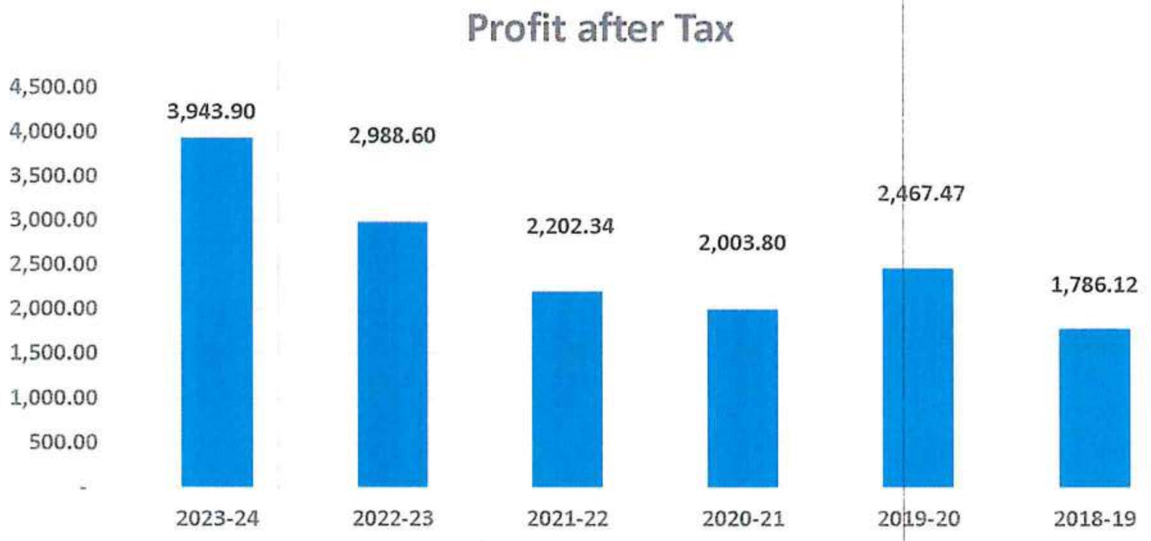
رواں مالی سال کمپنی نے سینٹرل پاور پرچیزنگ ایجنسی لمیٹڈ کو 155.315 GWh بجلی فروخت کی جبکہ ہدف 153.3 GWh توانائی کی فروخت تھا۔ یہ پیداوار 17.66 فیصد صلاحیت کا عنصر ہے جبکہ نیپرا کا پیداواری ہدف 17.5 فیصد ہے، اس کی کمرشل دستیابی 100 فیصد تھی۔ QASPL پاور پلانٹ کی دیکھ بھال اعلیٰ پیمانوں پر کی جاتی ہے جو کہ اصل ایکوپمنٹ تیار کرنے والی کمپنی کی ہدایات کے مطابق ہے۔ دورانِ سال میں مطلوبہ سالانہ کارکردگی کا تناسب (APR) 72.98 فیصد تھا جبکہ کمپنی نے 76.11 فیصد کا ہدف حاصل کیا ہے اور ضرورت سے زیادہ 6,292.94 MWh یونٹس پیدا کیے ہیں۔

گزشتہ 6 سالوں کا آپریشنل اور مالیاتی ڈیٹا:

تفصیل	مالی سال 24-23 (ملین روپے)	مالی سال 23-22 (ملین روپے)	مالی سال 22-21 (ملین روپے)	مالی سال 21-20 (ملین روپے)	مالی سال 20-19 (ملین روپے)	مالی سال 19-18 (ملین روپے)

فروخت شدہ یونٹ GWh	155.32	160.96	163.68	165.75	165.05	164.47
سیلز	5,238.40	4,796.36	3,992.26	3,570.84	4,335.21	3,623.16
سیلز کی لاگت	(1,095.31)	(1,037.92)	(938.84)	(893.56)	(901.42)	(888.05)
مجموعی منافع	**4,143.09**	**3,758.45**	**3,053.43**	**2,677.29**	**3,433.79**	**2,735.11**
انتظامی اخراجات	(178.34)	(159.98)	(131.83)	(88.27)	(80.59)	(80.00)
سماجی ذمہ داری کے اخراجات	(15.09)	(4.12)	(4.34)	-	-	-
دیگر آمدن	1,149.09	643.86	176.92	354.31	367.97	150.61
دیگر اخراجات	(111.45)	(117.32)	(50.49)	(88.49)	(1.58)	(12.42)
انٹرسٹ اور ٹیکس سے قبل منافع	**4,987.30**	**4,120.89**	**3,043.69**	**2,854.83**	**3,719.59**	**2,793.30**
ADP منصوبوں کے فنڈز کی معافی	(7.47)	(200.56)	(663.96)			
دوران سال اخراجات	7.47	200.56	663.96	-	-	-
مالی لاگت	(715.78)	(843.17)	(698.55)	(713.05)	(1,235.82)	(1,065.52)
ٹیکس سے قبل منافع	4,271.52	3,277.72	2,345.15	2,141.78	2,483.77	1,727.78
ٹیکسیشن	(327.62)	(289.13)	(142.81)	(137.99)	(16.30)	58.34

1,786.12	2,467.47	2,003.80	2,202.34	2,988.60	3,943.90	ٹیکس کے بعد منافع
4.69	6.48	5.26	5.78	7.84	10.35	فی حصص آمدن
(1.54)	(27.92)	(17.20)	(255.20)	(410.30)	(100.18)	سرمائے کے اخراجات



کارکردگی کے اہم نکات:

کنٹریکٹرز، کنسلٹنٹس اور قرضہ دینے والوں کے ساتھ معاملات کے حوالے سے QASPL کی کارکردگی بہترین رہی ہے۔ کمپنی نے اپنے اخراجات میں کمی، شراکت داروں کیساتھ تعلقات، رسیدوں کی بروقت تیاری اور قرضہ جات کے شیڈول ولائحہ عمل کے حوالے سے انتھک محنت کی ہے۔ QASPL افرادی قوت کے بہترین استعمال سے اپنے صارفین کو کم قیمت پر بجلی فراہم کرنے کے مشن پر گامزن ہے۔

30 جون 2024 کو کمپنی کا موجودہ تناسب 3.49:1 کی شرح کیساتھ کافی مستحکم رہا۔ اس کے علاوہ قرض ایکویٹی کا تناسب اور قرض کی خدمت کا تناسب بالترتیب 11:89 ور 2.25 رہا۔ ایکویٹی پر واپسی کی شرح 23 فیصد رہی۔

PACRA کریڈٹ ریٹنگ:

پاکستان کریڈٹ ریٹنگ ایجنسی نے QASPL کی ریٹنگ کو دوبارہ assess کرنے کے بعد
'AA/A-1+ (Double A /A-One Plus) کیٹگری میں ریٹ کیا ہے اور کمپنی کو مجموعی طور پر مستحکم قرار دیا ہے۔ یہ تمام اشارے قرض واپسی کے اعلیٰ کے معیار، مضبوط تحفظ کے عنصر اور معمولی خطرے کے عکاس ہیں۔ جن میں وقتاً فوقتاً ناموافق معاشی حالات کی وجہ سے معمولی تبدیلی آسکتی ہے۔

بورڈ آف ڈائریکٹرز:

30 جون 2024 تک بورڈ آف ڈائریکٹرز کی فہرست

نام/عہدہ	بورڈ میں عہدہ
جناب ظہیر احمد گھانگھرو	چیئرمین
چیئرمین پلاننگ اینڈ ڈویلپمنٹ بورڈ، پنجاب	ممبر
سیکریٹری انرجی، حکومت پنجاب	ممبر
سیکریٹری فنانس، حکومت پنجاب	ممبر
سیکریٹری انڈسٹریز، حکومت پنجاب	ممبر
جناب محمد علی لطیف	ممبر
جناب کامران خورشید	ممبر
جناب خواجہ خاور رشید	ممبر
انجینئر پروفیسر ڈاکٹر سہیل آفتاب قریشی	ممبر
جناب احمد شاہزیب ملک	ممبر
محترمہ لبنیٰ پٹھان	ممبر

بورڈ آف ڈائریکٹرز کی میٹنگز کی تعداد

رواں سال کے دوران بورڈ آف ڈائریکٹرز کی 12 میٹنگز کا انعقاد کیا گیا جن میں ممبران کی حاضری کی تعداد ٹیبل میں مندرجہ ذیل ہے۔

نمبر شمار	نام	کیٹیگری	میٹنگز کی تعداد
1	جناب ظہیر احمد گھانگھرو	چیئرمین	12
2	سیکریٹری انرجی، حکومت پنجاب	ڈائریکٹر	12
3	چیئرمین پلاننگ اینڈ ڈویلپمنٹ بورڈ	ڈائریکٹر	11
4	سیکریٹری فنانس، حکومت پنجاب	ڈائریکٹر	-
5	سیکریٹری انڈسٹریز، حکومت پنجاب	ڈائریکٹر	11
6	جناب محمد علی لطیف	ڈائریکٹر	6
7	جناب کامران خورشید	ڈائریکٹر	12
8	جناب خواجہ خاور رشید	ڈائریکٹر	12
9	انجینئر پروفیسر ڈاکٹر سہیل آفتاب قریشی	ڈائریکٹر	12
10	جناب احمد شاہزیب ملک	ڈائریکٹر	12

11	محترمہ لبنیٰ پٹھان	ڈائریکٹر	12

آڈٹ کمیٹی میٹنگ

رواں سال کے دوران آڈٹ کمیٹی کی 08 میٹنگز کا انعقاد کیا گیا جن میں ممبران کی حاضری کی تعداد ٹیبل میں مندرجہ ذیل ہے۔

نمبر شمار	نام	کیٹیگری	میٹنگز کی تعداد
1	جناب محمد علی لطیف	کنوینیئر	08
2	سیکریٹری انرجی، حکومت پنجاب	ڈائریکٹر	08
3	سیکریٹری فنانس، حکومت پنجاب	ڈائریکٹر	-
4	جناب احمد شاہزیب ملک	ڈائریکٹر	08
5	جناب خواجہ خاور رشید	ڈائریکٹر	08

فنانس اور پروکیورمنٹ کمیٹی میٹنگ

رواں سال کے داروان فنانس اور پروکیورمنٹ کمیٹی کی 10 میٹنگز کا انعقاد کیا گیا جن میں ممبران کی حاضری کی تعداد ٹیبل میں مندرجہ ذیل ہے۔

نمبر شمار	نام	کیٹیگری	میٹنگز کی تعداد
1	جناب ظہیر احمد گھانگھرو	کنوینئر	10
2	سیکریٹری انرجی، حکومت پنجاب	ڈائریکٹر	10
3	سیکریٹری فنانس، حکومت پنجاب	ڈائریکٹر	-
4	انجینئر پروفیسر ڈاکٹر سہیل آفتاب قریشی	ڈائریکٹر	10
5	جناب احمد شاہزیب ملک	ڈائریکٹر	10
6	جناب کامران خورشید	ڈائریکٹر	10

ہیومن ریسورس (ایچ آر) کمیٹی میٹنگ

رواں سال کے دوران ہیومن ریسورس (ایچ آر) کمیٹی کی 03 میٹنگز کا انعقاد کیا گیا جن میں ممبران کی حاضری کی تعداد ٹیبل میں مندرجہ ذیل ہے

نمبر شمار	نام	پر کیٹیگری	میٹنگز کی تعداد
1	انجینئر پروفیسر ڈاکٹر سہیل آفتاب قریشی	کنوینئر	03
2	سیکریٹری انرجی، حکومت پنجاب	ڈائریکٹر	03
3	سیکریٹری انڈسٹریز، حکومت پنجاب	ڈائریکٹر	03
4	جناب احمد شاہزیب ملک	ڈائریکٹر	03
5	جناب کامران خورشید	ڈائریکٹر	03

سماجی ذمہ داری (CSR) کمیٹی میٹنگ

رواں سال کے دوران سماجی ذمہ داری (CSR) کمیٹی کی 04 میٹنگز کا انعقاد کیا گیا جن میں ممبران کی حاضری کی تعداد ٹیبل میں مندرجہ ذیل ہے

نمبر شمار	نام	کیٹیگری	میٹنگز کی تعداد
1	جناب ظہیر احمد گھانگھرو	کنوینئر	04
2	سیکریٹری انرجی، حکومت پنجاب	ڈائریکٹر	04
3	سیکریٹری فنانس، حکومت پنجاب	ڈائریکٹر	-
4	انجینئر پروفیسر ڈاکٹر سہیل آفتاب قریشی	ڈائریکٹر	04
5	جناب احمد شاہزیب ملک	ڈائریکٹر	04
6	جناب کامران خورشید	ڈائریکٹر	04

شکایت ازالہ کی کمیٹی میٹنگ

رواں سال کے دوران شکایت ازالہ کی کمیٹی کی 04 میٹنگز کا انعقاد کیا گیا جن میں ممبران کی حاضری کی تعداد ٹیبل میں مندرجہ ذیل ہے

نمبر شمار	نام	کیٹیگری	میٹنگز کی تعداد
1	جناب ظہیر احمد گھانگھرو	کنوینئیر	04
2	سیکریٹری انرجی، حکومت پنجاب	ڈائریکٹر	04
3	جناب کامران خورشید	ڈائریکٹر	04

بورڈ آف ڈائریکٹرز اور ذیلی کمیٹیوں کو کی گئیں ادائیگیاں

رواں سال کے دوران بورڈ آف ڈائریکٹرز اور ذیلی کمیٹیوں کو کی گئیں ادائیگیاں درج ذیل ہیں

نمبر شمار	نام	کیٹیگری	میٹنگز کی ادائیگیاں
1	جناب ظہیر احمد گھانگھرو	چیئرمین	2,183,390
2	چیئرمین پلاننگ اینڈ ڈویلپمنٹ بورڈ	ڈائریکٹر	718,250
3	سیکریٹری انرجی، حکومت پنجاب	ڈائریکٹر	3,095,635
4	سیکریٹری فنانس، حکومت پنجاب	ڈائریکٹر	-
5	سیکریٹری انڈسٹریز، حکومت پنجاب	ڈائریکٹر	1,134,880
6	جناب محمد علی لطیف	ڈائریکٹر	1,005,550
7	جناب کامران خورشید	ڈائریکٹر	2,391,705
8	جناب خواجہ خاور رشید	ڈائریکٹر	1,436,500
9	انجینئر پروفیسر ڈاکٹر سہیل آفتاب قریشی	ڈائریکٹر	2,104,405
10	جناب احمد شاہزیب ملک	ڈائریکٹر	2,679,005
11	محترمہ لبنیٰ پٹھان	ڈائریکٹر	861,900

آڈیٹرز:

کمپنی کے موجودہ آڈیٹرز BDO ابراہیم (چارٹرڈ اکاؤنٹنٹس) نے اپنی آزادانہ آڈیٹر رپورٹ میں کمپنی کی مالیاتی رپورٹ کے بارے رائے دیتے ہوئے کمپنی کی سرگرمیوں کے بارے میں اطمینان کا اظہار کیا ہے۔ موجودہ آڈیٹرز 11 ویں سالانہ عام اجلاس کی اختتام پر ریٹائر ہو جائیں گے، 30 جون 2025 سے قبل بیرونی آڈیٹرز کی دوبارہ تعیناتی کا عمل مکمل کرلیا جائے گا۔ یہ تعیناتیاں بورڈ آف ڈائریکٹرز کی سفارشات پر سالانہ عام اجلاس میں عمل میں لائی جائیں گی۔

حصص داران:

QASPL میں 100 فیصد حصص محکمہ توانائی، حکومت پنجاب کے ہیں۔

بشکریہ:

ہم رواں مالی سال کو کامیاب ترین سالوں میں سے ایک بنانے پر کمپنی کے تمام ملازمین اور شراکت داروں کا شکریہ ادا کرتے ہیں۔

بورڈ آف ڈائریکٹرز کی نمائندگی کرتے ہوئے:

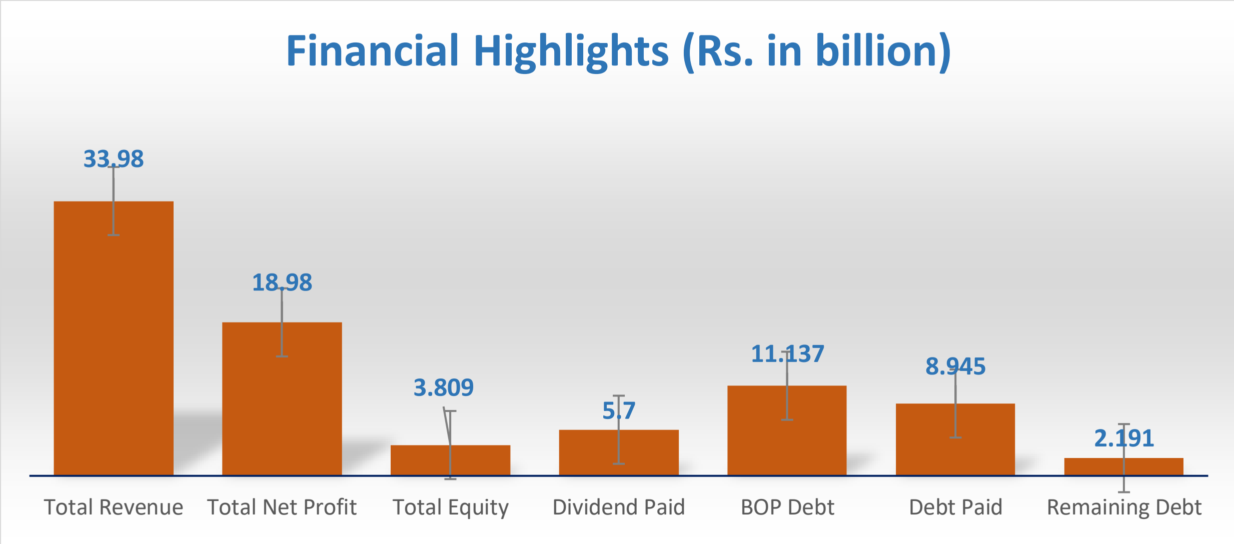
جناب ظہیر احمد گھانگھرو
چیئرمین، بورڈ آف ڈائریکٹرز

جناب محمد بدرالمنیر
چیف ایگزیکٹیو آفیسر

04-10-2024
لاہور

شکریه

Financial Highlights



YEAR AT A GLANCE

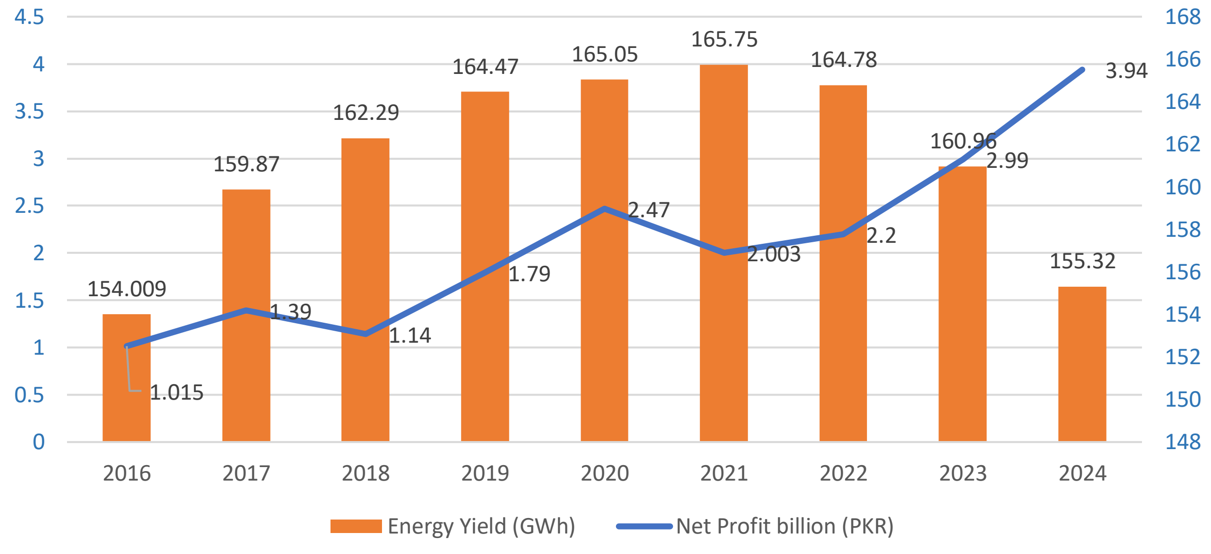
Particulars		2023-24	2022-23
Gross Margin	%	79	78
Net Margin	%	75	62
Current Ratio	X	3.49	3.35
Gearing Ratio	X	0.13	0.26
Debt to Equity Ratio	%	11:89	20:80
Debt servicing coverage Ratio	X	2.25	2.10
Return on Equity	%	23	21
EBITDA to Sales	%	106	98

Key Operating and Financial Data of the Last Eight Operational Years

Financial Year Ending June, 30		2024	2023	2022	2021	2020	2019	2018	2017
Turnover	Rs. in Million	5,011	4,607	3,676	3,571	4,335	3,623	2,920	3,053
Net Profit / Loss		3,944	2,989	2,202	2,004	2,467	1,786	1,139	1,390
Assets		20,564	18,914	18,869	18,130	17,552	15,725	15,594	15,443
Dividends		1,000	2,000	500	-	-	-	600	700
EPS	Rs. in Thousand	10.35	7.84	5.78	5.26	6.48	4.69	2.99	3.65
Net Out Put	(Ghw)	155.32	160.96	164.8	165.8	165.05	164.38	162.22	160.56
Performance Ratio	%	76.11	76.62	75.95	75.64	76.76	76.27	76.25	74.59
Capacity Factor	%	17.73	18.41	18.69	18.89	18.84	18.77	18.52	18.25
Availability	%	99.9	99.9	99.9	99.9	99.9	99.9	99.9	99.9

Operational Highlights

Production and Net Profit of 9 years



Operational data



Rs. Billion 33.98 Electricity Sale Y1-Y9	**Rs. Billion 18.94** Net Profit Y1 - Y9	**1,452.49 GWh** since inception	**AA/A-1+** Credit Rating

BDO

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REVIEW REPORT TO THE MEMBERS ON THE STATEMENT OF COMPLIANCE WITH THE PUBLIC SECTOR COMPANIES (CORPORATE GOVERNANCE) RULES, 2013

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Public Sector Companies (Corporate Governance) Rules, 2013 (the "Rules") for the year ended June 30, 2024 prepared by the Board of Directors of **QUAID-E-AZAM SOLAR POWER (PRIVATE) LIMITED (QASPL)** (the "Company") to comply with the provisions of the Rules.

The responsibility for compliance with the Rules is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Rules and report if it does not and to highlight any non-compliance with the requirements of the Rules. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Rules.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal control, the Company's corporate governance procedures and risks.

The Rules requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Rules as applicable to the Company for the year ended June 30, 2024.

BDO Ebrahim & Co.

LAHORE

DATED: 04 OCT 2024

UDIN: CR202410131s5wRniMlh

BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS
Engagement Partner: Muhammad Imran

BDO

STATEMENT OF COMPLIANCE WITH THE PUBLIC SECTOR COMPANIES (CORPORATE GOVERNANCE) RULES, 2013

Name of Company	Quaid-e-Azam Solar Power (Private) Limited
Name of Department	Energy Department, Government of Punjab
For the year ended	June 30, 2024

I. This statement is being presented to comply with the Public Sector Companies (Corporate Governance) Rules, 2013 (hereinafter called "the Rules") issued for the purpose of establishing a framework of good governance, whereby a public sector company is managed in compliance with the best practices of public sector governance.

II. The company has complied with the provisions of the Rules in the following manner:

<table>
<tr><th rowspan="2">Sr. No.</th><th rowspan="2">Provisions of the Rules</th><th rowspan="2">Rule No.</th><th>Y</th><th>N</th><th rowspan="2">Remarks</th></tr>
<tr><th colspan="2">Tick the relevant box</th></tr>
<tr><td>1.</td><td>The independent directors meet the criteria of independence, as defined under the Rules.</td><td>2(d)</td><td>✓</td><td></td><td></td></tr>
<tr><td>2.</td><td>The Board has at least one third of its total members as independent directors. At present the Board includes:
<table>
<tr><th>Category</th><th>Name</th><th>Date of Joining</th></tr>
<tr><td rowspan="7">Independent Director/Non executives</td><td>Zaheer Ahmed Ghanghro</td><td>July 11, 2019</td></tr>
<tr><td>Khawaja Khawar Rashid</td><td>July 11, 2019</td></tr>
<tr><td>Muhammad Ali Latif</td><td>July 11, 2019</td></tr>
<tr><td>Suhail Aftab Qureshi</td><td>July 11, 2019</td></tr>
<tr><td>Kamran Khursheed</td><td>December 10, 2020</td></tr>
<tr><td>Ahmed Shahzeb Malik</td><td>December 10, 2020</td></tr>
<tr><td>Lubna Pathan</td><td>July 11, 2019</td></tr>
<tr><td>Executive Director</td><td>Muhammad Badar ul Munir</td><td>September 14, 2021</td></tr>
<tr><td rowspan="4">Government nominated/non-executive directors</td><td>Secretary, Energy Deptt.</td><td>July 11, 2019</td></tr>
<tr><td>Secretary, Finance Deptt.</td><td>July 11, 2019</td></tr>
<tr><td>Chairman P&D Board, P&D Deptt</td><td>July 11, 2019</td></tr>
<tr><td>Secretary, Industries Deptt.</td><td>July 11, 2019</td></tr>
</table>
(All the independent directors are also Non-Executive Directors)</td><td>3(2)</td><td>✓</td><td></td><td></td></tr>
<tr><td>3.</td><td>The directors have confirmed that none of them is serving as a director on more than five public sector companies and listed companies simultaneously, except their subsidiaries.</td><td>3(5)</td><td></td><td>✓</td><td>The matter is already in the notice of the Board. The Ex-Officio (Govt.</td></tr>
</table>

					Representatives) directors are nominated by Government of the Punjab and there is no role of the QA Solar Board or its Management to nominate ex-officio directors. Due to resource constraint as well importance of some departments, such as Finance, P&D and Industries Departments etc; Government is bound to nominate the Heads/Secretaries of such departments to serve and give their technical input on various Board of Public Sector Companies. That is the reason, such departments having directorships of more than five (5) number of companies.
4.	The appointing authorities have applied the fit and proper criteria given in the Annexure to the Rules in making nominations of the persons for election as board members under the provisions of the Act.	3(6)	✓		
5.	The chairman of the Board is working separately from the Chief Executive of the Company.	4(1)	✓		
6.	The Chairman has been elected by the Board of Directors except where the Chairman of the Board has been appointed by the Government.	4(4)	✓		
7.	The Board has evaluated the candidates for the position of the chief executive on the basis of the fit and proper criteria as well as the guidelines specified by the Commission.	5(2)	✓		
8.	(a) The company has prepared a "Code of Conduct" to ensure that professional standards and corporate values are in place. (b) The Board has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures, including posting the same on the company's website. (www.qasolar.com) (c) The Board has set in place adequate systems and controls for the identification and redressal of grievances arising from unethical	5(4)	✓		

	practices.				
9.	The Board has established a system of sound internal control, to ensure compliance with the fundamental principles of probity and propriety; objectivity, integrity and honesty; and relationship with the stakeholders, in the manner prescribed in the Rules.	5(5)	✓		
10.	The Board has developed and enforced an appropriate conflict of interest policy to lay down circumstances or considerations when a person may be deemed to have actual or potential conflict of interests, and the procedure for disclosing such interest.	5(5)(b)(ii)	✓		
11.	The Board has developed and implemented a policy on anti-corruption to minimize actual or perceived corruption in the company.	5(5)(b)(vi)	✓		
12.	The Board has ensured equality of opportunity by establishing open and fair procedures for making appointments and for determining terms and conditions of service.	5(5)(c) (ii)	✓		
13.	The Board has ensured compliance with the law as well as the company's internal rules and procedures relating to public procurement, tender regulations, and purchasing and technical standards, when dealing with suppliers of goods and services.	5(5)(c)(iii)	✓		
14.	The board has developed a vision or mission statement and corporate strategy of the company.	5(6)	✓		
15.	The Board developed significant policies of the company. A complete record of particulars of significant policies along with the dates, on which they were approved or amended, has been maintained.	5(7)	✓		
16.	The board has quantified the outlay of any action in respect of any service delivered or goods sold by the Company as a public service obligation, and has submitted its request for appropriate compensation to the Government for consideration.	5(8)	N/A		
17.	The Board has ensured compliance with the policy directions requirements received from the Government.	5(11)	✓		
18.	a)The Board has met at-least four time during the year b) Written notices of the Board meeting along with Agenda and working papers were circulated at-least seven days before the meetings c) The minutes of the meeting were appropriately recorded and circulated.	6(1), 6(2) and 6(3)	✓		
19.	The Performance evaluation of the members of the Board, including the Chairman and Chief Executive shall be undertaken annually by the Government for which the Government shall enter into performance contract with each member of the Board at the time of appointment. The Board has monitored and assessed the performance of senior management on annual basis and held them accountable for accomplishing objective and goals and key performance indicators set for this purpose.	8(1) and 8(2)	✓	✓	Performance evaluation report of CEO and directors have been sent by QASPL to Energy Department dated 9th April 2024 for approval of the Government.
20.	The board has reviewed and approved the related party transactions placed before it after recommendations of the audit committee. A party wise record of transactions entered into with the related parties during the year has been maintained.	9	✓		
21.	(a)The Board has approved the profit and loss account for, and balance sheet as at the end of, the first, second and third quarter of the year as well as the financial year end. (b) The Board has placed the annual financial statements on the company's website.	10	✓ ✓		
22.	All the Board members underwent an orientation course arranged by the company to apprise them of the material developments and information as specified in the Rules.	11	✓		

<table>
<tr><td>23.</td><td>(a) The Board has formed the requisite committees, as specified in the Rules.
(b) The committees were provided with written term of reference defining their duties, authority and composition.
(c) The minutes of the meetings of the committees were circulated to all the Board members.
(d) The committees were chaired by the following non-executive directors:
<table>
<tr><th>Committee</th><th>No. of members</th><th>Name of Chair</th></tr>
<tr><td>Audit Committee</td><td>5</td><td>Muhammad Ali Latif</td></tr>
<tr><td>Risk Management Committee</td><td>3</td><td>Kamran Kurshid</td></tr>
<tr><td>Human Resource Committee</td><td>5</td><td>Engr. Prof. Dr. Sohail Aftab Qureshi</td></tr>
<tr><td>Finance & Procurement Committee</td><td>6</td><td>Zaheer Ahmed Ghanghro</td></tr>
<tr><td>Nomination Committee</td><td>3</td><td>Zaheer Ahmed Ghanghro</td></tr>
<tr><td>Grievance Redressal Committee</td><td>3</td><td>Zaheer Ahmed Ghanghro</td></tr>
<tr><td>CSR Committee</td><td>6</td><td>Zaheer Ahmed Ghanghro</td></tr>
</table></td><td>12</td><td>✓</td><td></td><td></td><td></td></tr>
<tr><td>24.</td><td>The Board has approved appointment of Chief Financial Officer, Company Secretary and Chief Internal Auditor, by whatever name called, with their remuneration and terms and conditions of employment.</td><td>13(1)</td><td>✓</td><td></td><td></td><td></td></tr>
<tr><td>25.</td><td>The Chief Financial Officer and the Company secretary have requisite qualification prescribed in the Rules.</td><td>14</td><td>✓</td><td></td><td></td><td></td></tr>
<tr><td>26.</td><td>The company has adopted International Financial Reporting Standards notified by the Commission in terms of sub-section (1) of section 225 of the Act.</td><td>16</td><td>✓</td><td></td><td></td><td></td></tr>
<tr><td>27.</td><td>The directors' report for this year has been prepared in compliance with the requirements of the Act and the Rules and fully describes the salient matters required to be disclosed.</td><td>17</td><td>✓</td><td></td><td></td><td></td></tr>
<tr><td>28.</td><td>The directors, CEO and executives, or their relatives, are not directly or indirectly, concerned or interested in any contract or arrangements entered into by or on behalf of the company except those disclosed to the company.</td><td>18</td><td>✓</td><td></td><td></td><td></td></tr>
<tr><td>29.</td><td>(a) A formal and transparent procedure for fixing the remuneration packages of individual directors has been set in place and no directors is involved in deciding his own remuneration.
(b) The annual report of the company contains criteria and details of remuneration of each director.</td><td>19</td><td>✓</td><td></td><td></td><td></td></tr>
<tr><td>30.</td><td>The financial statements of the company were duly endorsed by the chief executive and chief financial officer before consideration and approval of the audit committee and the Board.</td><td>20</td><td>✓</td><td></td><td></td><td></td></tr>
<tr><td>31.</td><td>The Board has formed an audit committee, with defined and written
<table>
<tr><th>Name of the member</th><th>Category</th><th>Professional Background</th></tr>
<tr><td>Mr. Muhammad Ali Latif</td><td>Independent</td><td>Chartered Accountant</td></tr>
<tr><td>Mr. Ahmad Shahzeb Malik</td><td>Independent</td><td>Financial Consultant</td></tr>
<tr><td>Mr. Khawaja Khawar Rashid</td><td>Independent</td><td>Business</td></tr>
<tr><td>Secretary Energy</td><td>Ex-Officio</td><td>Government Service</td></tr>
<tr><td>Secretary Finance</td><td>Ex-Officio</td><td>Government Service</td></tr>
</table>terms of reference, and having the following members:

The chief executive and chairman of the Board are not members of the</td><td>21(1) and 21(2)</td><td>✓</td><td></td><td></td><td></td></tr>
</table>

	audit committee.				
32	a) The Chief Financial Officer, the Chief Internal auditors, and a representative of the external auditors attended all meeting of the Audit Committee at which issue relating to accounts and audit were discussed. b) The Audit Committee met the external auditors, at-least once a year, without the presence of Chief Financial Officer, the Chief Internal Auditors and other executives. c) The audit Committee met the chief internal auditors and other members of the internal audit function, at-least once a year, without the presence of chief financial officer and the external auditors.	21(3)	✓ ✓ ✓		
33.	a) The Board has set up an effective internal audit function, which has an audit charter, duly approved by the audit committee. b) The chief internal auditor has requisite qualification and experienced prescribed in the Rules. c) The internal audit reports have been provided to the External auditors for their review.	22	✓ ✓	✓	b) The matter is already in the notice of the Board that position of chief internal auditor is vacant since October 2022 due to ban on new hirings since July 2022.
34.	The external auditors of the company have confirmed that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on Code of Ethics as applicable in Pakistan.	23(4)	✓		
35.	The auditors have confirmed that they have observed applicable guidelines issued by IFCA with regard to provision of non-audit services.	23(5)	✓		

Muhammad Badar Ul Munir
CHIEF EXECUTIVE OFFICER

Zaheer A. Ghaghroo
CHAIRMAN
BOARD OF DIRECTORS

SCHEDULE II

See Paragraph 2(3)

Explanation for Non-Compliance with the Public Sector Companies (Corporate Governance) Rules, 2013

We confirm that all other material requirements envisaged in the Rules have been complied with except for the following, toward which reasonable progress is being made by the company to seek compliance by the end of next accounting year:

Sr. No.	Rule/Sub-Rule No.	Reason for Non-Compliance	Future course of action
1	3 (5)	The matter is already in the notice of the Board. The Ex-Officio (Govt. Representatives) directors are nominated by Government of the Punjab and there is no role of the QA Solar Board or its Management to nominate ex-officio directors. Due to resource constraint as well importance of some departments, such as Finance, P&D and Industries Departments etc; Government is bound to nominate the Heads/Secretaries of such departments to serve and give their technical input on various Board of Public Sector Companies. That is the reason, such departments having directorships of more than five (5) number of companies.	The matter is already in the notice of the Board. The company will try to ensure compliance of this provision of the rules in future.
2	8 (1)	The Govt was requested by QASPL to initiate the process of performance evaluation of the board, however, the Govt replied that a criteria is being devised in this regard and to be finalized soon. However, it has not been completed yet.	The company will follow up with the parent department to resolve the matter.
3	22	Position of CIA is vacant since October 2022 and due to ban on new hirings since July 2022, the post is still vacant.	Hiring will be made after obtaining concurrence from Finance Department (FD). Energy Department, has initiated case for seeking the concurrence of the FD.

Muhammad Badar Ul Munir

CHIEF EXECUTIVE OFFICER

Zaheer A. Ghaghroo

CHAIRMAN
BOARD OF DIRECTORS

FINANCIAL STATEMENTS
OF
QUAID-E-AZAM SOLAR POWER
(PRIVATE) LIMITED
FOR THE YEAR ENDED
JUNE 30, 2024

BDO

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF QUAID-E-AZAM SOLAR POWER (PRIVATE) LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **QUAID-E-AZAM SOLAR POWER (PRIVATE) LIMTED** (the Company), which comprise the statement of financial position as at June 30, 2024, and the statement of profit or loss, the statement of comprehensive income, the statement of cash flows, the statement of changes in equity for the year then ended, and notes to the financial statements, including material 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 cash flows and the statement of changes in equity together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2024 and of the profit and other comprehensive income, its cash flows and the changes in equity 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.

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 directors' 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.

BDO

BDO

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

BDO

- 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 cash flows and the statement of changes in equity 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) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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

LAHORE

DATED: 04 OCT 2024

UDIN: AR202410131OVESBACzG

BDO Ebrahim.

BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

BDO

QUAID-E-AZAM SOLAR POWER (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2024

	Note	2024	2023
		----------(Rupees in 000')----------	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment			
Operating fixed assets	6	9,309,172	9,794,968
Capital work-in-progress	8	2,705	-
Right-of-use assets	9	696	746
Intangible assets	10	15	52
Long term deposits and advances	11	1,456	401
		9,314,044	9,796,167
CURRENT ASSETS			
Trade debts - net	12	2,174,635	3,113,851
Contract assets	13	1,181,893	1,374,353
Short term loans and advances	14	12,666	8,500
Short term deposits and prepayments	15	11,508	5,949
Other receivables	16	306,900	267,829
Receivable from Government of Punjab against Annual Development Program (ADP) projects	17	3,454	11,952
Cash and bank balances	18	7,558,618	4,335,825
		11,249,674	9,118,259
TOTAL ASSETS		20,563,718	18,914,426
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital	19.1	6,000,000	6,000,000
Issued, subscribed and paid up share capital	19.2	3,809,780	3,809,780
Share deposit money		5	5
Revenue reserve - Unappropriated profit		12,897,869	9,967,935
Corporate social responsibility reserves	20	228,143	213,346
TOTAL EQUITY		16,935,797	13,991,066
NON-CURRENT LIABILITIES			
Long term financing	21	372,621	2,180,088
Deferred liabilities	22	33,291	23,719
		405,912	2,203,807
CURRENT LIABILITIES			
Retentions	23	429,780	340,113
Trade and other payables	24	618,135	563,595
Accrued finance cost	25	113,375	189,161
Provision for taxation	26	245,468	203,440
Current portion of long term financing	27	1,815,251	1,423,244
		3,222,009	2,719,553
TOTAL LIABILITIES		3,627,921	4,923,360
TOTAL EQUITY AND LIABILITIES		20,563,718	18,914,426
CONTINGENCIES AND COMMITMENTS	28		

The annexed notes from 1 to 54 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER **DIRECTOR**

QUAID-E-AZAM SOLAR POWER (PRIVATE) LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024	2023
		----------(Rupees in 000')----------	
Sales	30	5,238,401	4,796,364
Cost of sales	31	(1,095,309)	(1,037,918)
Gross profit		4,143,092	3,758,446
Administrative expenses	32	(178,342)	(159,982)
Corporate social responsibility expenses - net	34	(15,089)	(4,116)
Other charges	35	(111,449)	(117,317)
		(304,880)	(281,415)
Other income	36	1,149,087	643,856
Operating profit		4,987,299	4,120,887
Annual development plan (ADP) project funds			
- Amortization of ADP project funds	17	7,465	200,559
- Expenses incurred during the year	33	(7,465)	(200,559)
		-	-
Finance cost	37	(715,779)	(843,166)
Profit before taxation		4,271,520	3,277,721
Taxation	38	(327,617)	(289,126)
Profit for the year		3,943,903	2,988,595
Earnings per share - Basic and diluted (Rupees)	52	10.35	7.84

The annexed notes from 1 to 54 form an integral part of these financial statements.

BDO

CHIEF EXECUTIVE OFFICER **DIRECTOR**

QUAID-E-AZAM SOLAR POWER (PRIVATE) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024	2023
		----------(Rupees in 000')----------	
Profit for the year		3,943,903	2,988,595
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of net defined benefit liability	22.8	828	2,437
Items that will be reclassified subsequently to profit or loss		-	-
Other comprehensive income for the year		828	2,437
Total comprehensive income for the year		3,944,731	2,991,032

The annexed notes from 1 to 54 form an integral part of these financial statements.

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CHIEF EXECUTIVE OFFICER **DIRECTOR**

QUAID-E-AZAM SOLAR POWER (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2024

	Capital reserves		Revenue reserves		
	Issued, subscribed and paid-up share	Share deposit money	Unappropriated profit	Corporate social responsibility reserves	Total
	(Rupees in 000')				
Balance as at July 01, 2022	3,809,780	5	8,994,787	195,462	13,000,034
Total comprehensive income for the year					
Profit for the year	-	-	2,988,595	-	2,988,595
Other comprehensive income for the year	-	-	2,437	-	2,437
Total comprehensive income for the year	-	-	2,991,032	-	2,991,032
Transaction with owners					
Interim cash dividend for the year ended June 30, 2022, on ordinary shares @ Rs. 3,937.24 per share	-	-	(1,500,000)	-	(1,500,000)
Interim cash dividend for the year ended June 30, 2023 on ordinary shares @ Rs. 1,312.41 per share	-	-	(500,000)	-	(500,000)
Allocation of corporate social responsibility reserve for the year ended June 30, 2022	-	-	(22,000)	22,000	-
Transferred to accumulated profit on utilization of corporate social responsibility reserves (Note 34)	-	-	4,116	(4,116)	-
Balance as at June 30, 2023	3,809,780	5	9,967,935	213,346	13,991,066
Total comprehensive income for the year					
Profit for the year	-	-	3,943,903	-	3,943,903
Other comprehensive income for the year	-	-	828	-	828
Total comprehensive income for the year	-	-	3,944,731	-	3,944,731
Transaction with owners					
Interim cash dividend for the year ended June 30, 2024, on ordinary shares @ Rs. 2,624.82 per share	-	-	(1,000,000)	-	(1,000,000)
Allocation of corporate social responsibility reserve for the year ended June 30, 2023	-	-	(29,886)	29,886	-
Transferred to accumulated profit on utilization of corporate social responsibility reserves (Note 34)	-	-	15,089	(15,089)	-
Balance as at June 30, 2024	3,809,780	5	12,897,869	228,143	16,935,797

The annexed notes from 1 to 54 form an integral part of these financial statements.

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CHIEF EXECUTIVE OFFICER **DIRECTOR**

QUAID-E-AZAM SOLAR POWER (PRIVATE) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024	2023
		----------(Rupees in 000')----------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		4,271,520	3,277,721
Adjustments for items not involving movement of funds:			
Depreciation on property, plant and equipment	6.1	578,133	567,231
Depreciation on CSR project assets	6.1	7,845	6,142
Amortization of right-of-use assets	9.1	50	50
Amortization of intangible assets	10	37	46
Exchange (gain) / loss	35	(8,410)	54,516
Finance cost	37	715,779	843,166
Long term deposits and advances	11.2	(1,055)	
Employee benefits	22.6	10,400	10,518
Amortization of ADP project funds	17	(7,465)	(200,559)
Provision for doubtful receivables	35	752	597
Contract assets written off	35	29,949	-
Provision for doubtful debts	34	15,683	-
Provision of WPPF and WWF	35	80,748	45,069
Net cash flow before working capital changes		5,693,966	4,604,497
Decrease / (increase) in current assets			
Trade debts		923,533	621,381
Contract assets		162,510	(343,751)
Short term loans and advances		(4,918)	2,721
Short term deposits and prepayments		(5,559)	611
Other receivables		331,857	393,895
		1,407,423	674,857
Increase / (decrease) in current liabilities			
Retentions		89,667	133,463
Trade and other payables		(17,798)	56,170
		71,869	189,633
Cash generated from operations		7,173,258	5,468,987
Taxes paid		(656,516)	(537,080)
Employee benefits paid		-	(8,217)
Financial charges paid		(778,060)	(804,786)
Net cash generated from operating activities		5,738,682	4,118,904
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to capital work in progress	8	(2,705)	(160,301)
Additions to operating fixed assets	6	(100,182)	(6,716)
Net cash used in investing activities		(102,887)	(167,017)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing - repayment		(1,428,965)	(1,396,224)
Funds received against ADP projects - net		15,963	257,719
Dividend paid		(1,000,000)	(2,000,000)
Net cash used in financing activities		(2,413,002)	(3,138,505)
Net increase in cash and cash equivalents		3,222,793	813,382
Cash and cash equivalents at the beginning of the year		4,335,825	3,522,443
Cash and cash equivalents at the end of the year		7,558,618	4,335,825

The annexed notes from 1 to 54 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER **DIRECTOR**

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 Status of the Company

Quaid-e-Azam Solar Power (Private) Limited ('the Company') was incorporated as a private limited company under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017) on September 16, 2013. The principal activity of the Company is to build, own, operate and maintain a solar power plant having a total capacity of 100 MW in Lal Sohanra, Cholistan, Bahawalpur (the main business unit of the Company).

1.2 Commercial Operations Date (COD)

In accordance with Central Power Purchasing Agency (Guarantee) Limited (CPPA) Letter No. CPPA/(G)L/GM/CE-II/MT-IV/QASPPL/17-38 dated August 07, 2015, the Company achieved Commercial Operations Date (COD) on July 15, 2015. National Electric Power Regulatory Authority (NEPRA) granted generation license to the Company which is valid until December 30, 2039.

1.3 Sale of entire power generation

The Company entered into Energy Purchase Agreement (EPA) with National Transmission and Dispatch Company Limited (NTDC) through Central Power Purchasing Agency (Guarantee) Limited (CPPA) for the sale of its entire power generation for a period of 25 years valid till December 30, 2039.

1.4 Geographical location and addresses of business units

The registered office of the Company is situated at 3rd Floor, 83A-E1, Gulberg III, Main Boulevard, Lahore, Pakistan. The power plant of the Company is located at the following location:

Plant	Plant address
Solar Power Plant	Quaid-e-Azam Solar Park Bahawalpur, Lal Sohanra, Cholistan, Bahawalpur.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

2.2 Accounting convention

These financial statements have been prepared under the historical cost convention unless otherwise stated under the relevant policy note.

The financial statements have been prepared following accrual basis of accounting except for cash flow information.

The preparation of these financial statements, in conformity with accounting and reporting standards, requires the management to exercise its judgment in the process of applying the Company's accounting policies and use of certain critical accounting estimates. The areas involving a higher degree of judgment, critical accounting estimates and significant assumptions are disclosed in note 5.32.

2.3 Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the functional currency). The financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency.

3 APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED AND APPROVED ACCOUNTING AND REPORTING STANDARDS

3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2024

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

	Effective date (annual periods beginning on or after)
Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice Statement 2 Making Materiality Judgements- Disclosure of Accounting Policies	January 01, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of Accounting Estimates	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Deferred Tax related to Assets and Liabilities arising from a single transaction	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes	January 01, 2023

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The Company adopted the narrow-scope amendments to the International Accounting Standard (IAS) 1, Presentation of Financial Statements which have been effective for annual reporting periods beginning on or after 1 January 2023. Although the amendments did not result in any changes to accounting policy themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material' rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting the Company to provide useful entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and updates to the information disclosed in Note 5 Material accounting policies (2023: Significant accounting policies) in certain instances in line with the amendments and concluded that all its accounting policies are material for disclosure.

3.2 New accounting standards, amendments and interpretations that are not yet effective

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

	Effective date (annual periods beginning on or after)
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	January 01, 2024
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 01, 2025
IFRS 17 Insurance Contracts	January 01, 2026

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IFRS 1 'First-time Adoption of International Financial Reporting Standards' has been issued by IASB effective from July 01, 2009. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP).

IFRS 18 'Presentation and Disclosures in Financial Statements' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by SECP.

IFRS 19 'Subsidiaries without Public Accountability: Disclosures' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by SECP.

IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023. However SECP has notified the timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2026.

4 CHANGE IN ACCOUNTING POLICY

During the current year, Institute of Chartered Accountants of Pakistan has withdrawn Technical Release 27 'IAS 12, Income Taxes (Revised 2012)' and issued the 'IAS 12, Application Guidance on Accounting for Minimum Taxes and Final Taxes' (the Guidance). Accordingly, in accordance with the Guidance, the Company has changed its accounting policy to designate the amount calculated on taxable income using the notified tax rate as an income tax expense. Any excess over the amount designated as income tax, is then recognized as a 'Levy' under 'IAS 37, Provisions, Contingent Liabilities and Contingent Assets', which were previously being recognised as 'income tax'. However, no adjustment in this regard has been made in these financial statements for the year ended June 30, 2024, since there is no consequential impact on the Company's current working in this respect.

5 MATERIAL ACCOUNTING POLICIES

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

5.1 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any identified impairment loss.

Depreciation on property, plant and equipment is charged to the statement of profit or loss on the straight line method so as to write off the cost of an asset over its estimated useful life at the annual rates mentioned in note 6 after taking into account their residual values. The assets' residual values and useful lives are reviewed, at the end of each financial year, and adjusted if impact on depreciation is significant. The Company's estimate of the residual value of its property, plant and equipment as at June 30, 2024 has not required any adjustment as its impact is considered insignificant.

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Depreciation on additions to property, plant and equipment is charged from the date when the asset is available for use till its derecognition. The Company assesses at each statement of financial position date whether there is any indication that property, plant and equipment may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount.

Where carrying amounts exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in the statement of profit or loss for the year. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Where an impairment loss is recognized, the depreciation charge is adjusted in the future periods to allocate the asset's revised carrying amount over its estimated useful life.

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 they are incurred.

The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as an income or expense.

5.2 Intangible assets

Expenditure incurred to acquire computer software, is capitalized as intangible assets and stated at cost less accumulated amortization and any identified impairment loss.

Amortization on additions to intangible assets is charged from the date when the asset is available for use till its derecognition. Amortization is charged using straight line method at the rate mentioned in note 10.

The Company assesses at each statement of financial position date whether there is any indication that intangible assets may be impaired. If such indication exists, the carrying amount of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying amounts exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in the statement of profit or loss for the year. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Where an impairment loss is recognized, the amortization charge is adjusted in the future periods to allocate the asset's revised carrying amount over its estimated useful life.

5.3 Capital work-in-progress

Capital work-in-progress are stated at cost less accumulated impairment losses, if any, and consist of expenditure incurred, advances made and other costs directly attributable to operating fixed assets in the course of their construction and installation. Cost also includes applicable borrowing costs. Transfers are made to relevant operating fixed assets category as and when assets are available for their intended use by the management.

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5.4 Leases

Right-of-use assets

The right-of-use asset is initially measured at cost, which comprises of the initial amount of lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct cost incurred and an estimate of cost to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently amortized using straight line method from the date of recognition to the earlier of the end of useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by the impairment losses, if any, and adjusted for certain remeasurement of the lease liability.

Lease liabilities

The lease liability was measured upon initial recognition at the present value of the future lease payments over the lease term, discounted with the rate implicit in the lease contract or a specific incremental borrowing rate if implicit rate is not given. Subsequently lease liabilities are measured at amortized cost using the effective interest rate method.

The Company recognizes leases as a right-of-use asset and corresponding liability at the date at which the leased asset is available for use by the Company, except for the assets under the Energy Purchase Agreement (EPA) which are exempted from the applicability of this standard by SECP through SRO 986(I)/2019 dated September 02, 2019. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the statement of profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on straight line basis.

Subsequently, the lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in the rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or it is recorded in the statement of profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of its assets (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognized as an expense on a straight-line basis over the lease term.

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Significant judgement in determining the lease term of contracts with renewal options

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

5.5 Taxation

Current

Provision of 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 taxable profit for the year if enacted. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

The charge for current tax included in the statement of profit or loss is net of amount recoverable from Central Power Purchasing Agency (Guarantee) Limited (CPPA) as a pass-through item under the terms of the Energy Purchase Agreement (EPA) between the Company and CPPA.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. However, the deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of transaction, neither affects accounting nor taxable profit or loss.

Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized 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 date of statement of financial position. Deferred tax is charged or credited to the statement of profit or loss, except in the case of items credited or charged to equity in which case it is included in equity.

The deferred tax liability in respect of temporary differences is not recognized as the future tax payments on the generation, sale, exportation or supply of electricity are pass-through items and claimable from CPPA in full and the settlement of these temporary differences in future will have no tax consequences for the Company.

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5.6 Levy

The amount calculated on taxable income using the notified tax rate is recognized as current income tax expense for the year in the statement of profit or loss. Any excess of expected income tax paid or payable for the year under the Income Tax Ordinance, 2001 over the amount designated as current income tax for the year, is then recognized as a levy.

5.7 Trade debts

Trade debts are recognized and carried at the original invoiced amount which is the fair value of the consideration to be received in future for units sold less provision for doubtful debts. The Company holds trade debts with the objectives to collect contractual cash flows and, therefore, measures them subsequently at amortized cost using the effective interest method. Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

5.8 Loans, advances and other receivables

These are recognized at cost, which is the fair value of the consideration given.

5.9 Operating leases

Short term leases are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of profit or loss on a straight-line basis over the lease term.

5.10 Impairment

Financial assets

As explained in note 5.11.4, amounts due from the Government of Pakistan are assessed in accordance with the provisions of IAS 39 at each reporting date to determine whether there is any objective evidence that one or more events have had a negative effect on the estimated future cash flows of these receivables.

The Company recognizes loss allowance for Expected Credit Losses (ECLs) on financial assets measured at amortized cost and contract assets. The Company measures loss allowances at an amount equal to lifetime ECLs.

Lifetime ECLs are those that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

At each reporting date, the Company assesses whether the financial assets carried at amortized cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have occurred.

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Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. The gross carrying amount of a financial asset is written off when the Company has no reasonable expectation of recovering a financial asset in its entirety or a portion thereof.

Non-financial assets

The carrying amount of the Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less cost to sell. In assessing value in use, the estimated future cash flows are discounted to their present values using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

An impairment loss is recognized if the carrying amount of the assets or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of profit or loss. Impairment losses recognized in respect of cash generating units are allocated to reduce the carrying amounts of the assets in a unit on a pro-rata basis. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount after the reversal does not exceed the carrying amount that would have been determined, net of depreciation and amortization, if no impairment loss had been recognized.

5.11 Financial instruments

5.11.1 Financial assets other than those due from the Government of Pakistan

The Company classifies its financial assets in the following categories: at fair value through profit or loss and at amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at the time of initial recognition.

a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. A financial asset is classified as held for trading if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets.

b) Financial assets at amortized cost

Financial assets at amortized cost are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than twelve months after the reporting date, which are classified as non-current assets. These comprise of loans, deposits, other receivables and cash and bank balances in the statement of financial position.

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All financial assets are recognized at the time the Company becomes a party to the contractual provisions of the instrument. Regular purchases and sales of investments are recognized on trade-date – the date on which the Company commits to purchase or sell the asset. Financial assets are initially recognized at fair value plus transaction costs for all financial assets except those that are carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value and transaction costs are expensed in the statement of profit or loss. Financial assets are de-recognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. Financial assets at fair value through profit or loss are subsequently carried at fair value. Financial assets at amortized cost are measured using the effective interest rate method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the statement of profit or loss in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognized in the statement of profit or loss as part of other income when the Company's right to receive payment is established. The Company applies simplified approach, as allowed under IFRS 9, for measuring expected credit losses which uses a lifetime expected loss allowance for all the financial assets. It assesses, on a forward-looking basis, the expected credit losses associated with its financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

5.11.2 Financial liabilities

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

A financial liability is de-recognized when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognized in the statement of profit or loss.

5.11.3 Offsetting of financial assets and financial liabilities

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

5.11.4 Financial assets due from the Government of Pakistan

Financial assets due from the Government of Pakistan include trade debts and other receivables due from CPPA under EPA, and also include accrued amounts. SECP through S.R.O. 67 (I)/2023 dated January 20, 2023 has notified that, in respect of companies holding financial assets due from the Government of Pakistan in respect of circular debt, the requirements contained in IFRS 9 with respect to application of Expected Credit Losses method shall not be applicable till December 31, 2024 and that such companies shall follow relevant requirements of IAS 39 in respect of above referred financial assets during the exemption period. Accordingly, the same continue to be reported as per the following accounting policy:

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Trade debts and other receivables are recognized initially at the invoice value, which approximates fair value, and subsequently measured at amortized cost using the effective interest rate method, less provision for impairment.

A provision for impairment is established when there is objective evidence that the Company will not be able to collect all the amount due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments are considered indicators that the trade debt is impaired. The provision is recognized in the statement of profit or loss. When a trade debt is uncollectible, it is written off against the provision. Subsequent recoveries of amounts previously written off are credited to the statement of profit or loss. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the reversal of the previously recognized impairment loss is recognized in the statement of profit or loss.

5.12 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of statement of cash flow, cash and cash equivalents comprise of cash in hand, cheques in hand, demand deposits and other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value and finances under mark-up arrangements.

5.13 Borrowings

Borrowings are recognized initially at fair value (proceeds received), net of transaction costs incurred, and are subsequently carried at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the statement of profit or loss over the period of the borrowings using the effective interest method.

Fee paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a pre-payment for liquidity services and amortized over the period of the facility to which it relates.

Finance costs are accounted for on accrual basis and are shown as accrued finance cost to the extent of the amount remaining unpaid.

5.14 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time that the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

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All other borrowing / finance costs are recognized in the statement of profit or loss in the period in which they are incurred.

5.15 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Liabilities against creditors and other costs payable are initially recognized at the fair value of the consideration to be paid in future for goods and / or services, whether or not billed to the Company, and subsequently measured at amortized cost using the effective interest rate method.

5.16 Revenue recognition

Revenue shall be recognized when (or as) the entity satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset and thus has the ability to direct the use and obtain the benefits from the good or service.

- Revenue on account of energy is recognized on transmission of electricity to CPPA through the grid system on monthly basis.
- Non-Project Missed Volume is recognized when these are invoiced, and underlying data is available and the same has been acknowledged by CPPA.
- Income on bank deposits and delayed payment mark-up on amounts due under the Energy Purchase Agreement are accrued on a time proportion basis with reference to the principal / amount outstanding and the applicable rate of return.
- Other income is recorded on accrual basis.

ADP project funds

ADP project funds are recognized where there is reasonable assurance that the funds will be received and all attached conditions will be complied with.

Deferred capital funds

ADP project funds received for purchase of fixed (if operated and maintained by the Company) assets with limited life are initially recorded as deferred income upon receipt. When the assets are actually purchased they are capitalized and are amortized as income on a systematic basis over the periods necessary to match them with carrying amount of the related assets. If the assets are not retained and handed over to the Government, these are charged to statement of profit or loss.

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Amortization of ADP Project Funds

ADP project funds of non-capital nature are recognized as deferred income at the time of their receipt. Subsequently, these are recognized in the statement of profit or loss to the extent of the actual expenditure incurred. Expenditure incurred for ADP projects against funds that are not received, is recognized directly in statement of profit or loss and reflected as receivable from the Energy Department of the Government of Punjab.

5.17 Related party transactions

Transactions with related parties are based on the policy that all transactions between the Company and the related parties are carried out at agreed terms.

5.18 Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses including revenues and expenses that relate to transactions with any of the Company's other components. All operating segments' results are reviewed regularly by the Company to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. The Company has only one reportable segment.

5.19 Contingencies

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

5.20 Ijarah

Ijarah in which a significant portion of the risks and rewards of ownership are retained by the Muj'ir (lessor) are classified as Ijarah. Payments made during the period are charged to the statement of profit or loss on a straight-line basis over the period of the Ijarah. The SECP has issued a directive (vide S.R.O. 431(I)/2007 dated May 22, 2007) that Islamic Financial Accounting Standard 2 (IFAS-2) shall be followed in preparation of the financial statements by companies while accounting for Ijarah (lease) transactions as defined in the said standard. The Company has adopted the said standard.

5.21 Derivative financial instruments

An embedded derivative is a component of a hybrid contract that also includes a non-derivative host with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative.

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When the Company becomes a party to a hybrid contract with a host that is not an asset within the scope of IFRS 9, the Company is required to identify any embedded derivative, assess whether it is required to be separated from the host contract and, for those that are required to be separated, measure the derivatives at fair value at initial recognition and subsequently at fair value through profit or loss.

Embedded derivatives are separated and accounted for as stand-alone derivatives if these are not 'closely related' to the host contract, that is, if their economic characteristics and risks are different from those of the rest of the contract. If the embedded derivative cannot be measured separately either at acquisition or subsequently, the Company designates the entire hybrid contract as fair value through profit or loss.

The Company's tariff, like other power companies, comprises of various price components with indexations falling within the ambit of embedded derivatives. Such embedded derivatives, as per IFRS 9 "Financial Instruments", need to be separated from the host contract and accounted for as derivatives if economic characteristics and risks of the embedded derivatives are not closely related to the host contract.

The SECP, through its S.R.O. 986(1)2019 dated September 02, 2019 (in partial modification of its previously issued S.R.O. 24/(1)2012 dated January 16, 2012) has allowed companies not to recognize embedded derivative under IFRS 9 if they have chosen to capitalize exchange differences as permitted under the notification. Accordingly, the Company has not recognized embedded derivatives in these financial statements.

However, for reasons explained in note 7, derivatives embedded in the Energy Purchase Agreement (EPA), have not been separated from the host contract and accordingly have not been recognized in these financial statements.

5.22 Contract liabilities

Contract liability is the obligation of the Company to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract. It also includes liabilities arising out of customers' right to claim amounts from the Company on account of contractual delays in delivery of performance obligations and incentives on target achievements.

5.23 Contract assets

A contract asset represents the Company's right to consideration in exchange for goods that the Company has transferred to a customer that is not yet unconditional. In contrast, a receivable represents the Company's unconditional right to consideration, i.e. only passage of time is required before payment of that consideration is due.

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5.24 Deferred liabilities

The Company operates an unfunded gratuity scheme covering all permanent employees who complete the prescribed qualifying period of service.

The latest actuarial valuation for the gratuity scheme was carried out as at June 30, 2024. Projected unit credit method, using the following significant assumptions, was used for the valuation of this scheme:

- Discount rate 14.75 percent per annum (2023: 16.25 percent per annum);
- Expected rate of increase in salary level 13.75 percent per annum (2023: 15.25 percent per annum); and
- Expected mortality rate as per SLIC (2001-2005) Mortality Table, with one year setback.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. Past service costs are recognized immediately in income.

5.25 Foreign currencies

Transactions and balances

Foreign currency transactions are translated into Pak Rupees using the 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 the statement of profit or loss.

5.26 Share capital

Ordinary shares are classified as equity and recognized at their face value. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, if any.

5.27 Dividend

Dividend distribution to the Company's shareholders is recognized as a liability in the period in which the dividends are approved.

5.28 Provisions

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

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5.29 Earnings per share

The Company presents basic and diluted Earnings Per Share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

5.30 Corporate social responsibility reserves and related assets

This represents a reserve created for Corporate Social Responsibility (CSR) activities under general order (Ref/No/S.R.O.983(I)/2009) issued by SECP in 2009 titled "the Companies (Corporate Social Responsibility) General Order, 2009" and NEPRA letter no. NEPRA/Consultants (CSR)/LAG-30/31999. Funds allocated for the purchase of fixed assets (if operated and maintained by the Company/risk and rewards are retained) with limited life are initially recorded under the reserves. When the assets are purchased they are capitalized and amortized as income in the statement of profit or loss on a systematic basis over the periods necessary to match them with the carrying amount of the related assets.

Funds of non-capital nature are recognized in the statement of profit or loss to the extent of the actual expenditure incurred. Subsequently, the net income/expense is transferred to reserves from accumulated profits directly in the statement of changes in equity. The income from CSR project assets is recongised based on the delivery of the energy to MEPCO. Impairment is charged if the invoice is not accepted by MEPCO and charged under the head CSR income/expense -net.

5.31 Sharing of carbon credit

As per clause 8.3.3 of the Policy for Development of Renewable Energy for Power Generation, 2006, the annual carbon revenues realized subsequently shall be divided in the following manner:

- an up-front, nominal deduction shall be made against the administrative costs incurred for the joint Certified Emission Reduction (CER) management mechanism
- an amount not exceeding that required to bring the Independent Power Purchaser's (IPP's) Return on Equity (ROE) to the level allowed by NEPRA shall be payable to the power producer and
- the remaining revenues shall be divided in equal proportion between the IPP and the power purchaser

5.32 Use of estimates and judgments

The preparation of financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. 300

The estimates and underlying assumptions are reviewed on an ongoing basis. A change in accounting estimate may effect only the current period of the statement of profit or loss or the statement of profit or loss of both current and future years.

Judgments and estimates made by management in the application of approved accounting standards that may have significant effect on the financial statements and estimates with a significant risk of material adjustments in the next years as follows:

a) Property, plant and equipment

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

b) Impairment of assets

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment loss. If any such indication exists, recoverable amount is estimated using the criteria given in respective accounting standards to determine the extent of impairment loss, if any.

c) Taxation

The Company takes into account the current income tax laws and decisions taken by appellate authorities. Instances where the Company's view differs from that 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.

d) Provision for doubtful debts

The Company uses a provision matrix to calculate Expected Credit Losses (ECLs) for trade receivables (other than receivable from Government) and other receivables. The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

e) Provision and contingencies

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

f) Financial instrument

The fair value of financial instruments that are not traded in the active market is determined by using valuation techniques based on assumptions that are dependent on conditions existing at the statement of financial position date.

g) Defined benefit plan

Certain actuarial assumptions have been adopted by an external professional valuer (as disclosed in note 22.11) for the valuation of present value of defined benefit obligations. Any changes in these assumptions in future years might affect unrecognized gains and losses of those years.

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6 OPERATING FIXED ASSETS

The following is the statement of operating fixed assets classified under property, plant and equipment:

Description	Owned assets							CSR project assets	Grand total
	Building on leasehold land	Plant and machinery	IT equipment	Furniture and fixture	Electric equipment	Vehicles	Sub total		
	(Rupees in 000')								
Net carrying value basis									
Year ended June 30, 2024									
Opening net book value	263,496	9,327,846	3,560	656	4,633	4,805	9,604,996	189,972	9,794,968
Transfer (note 6.8)	2,132	(2,132)	-	-	-	-	-	-	-
Additions (at cost)	28,869	59,393	5,000	575	4,649	213	98,699	1,483	100,182
Depreciation charge	(12,744)	(558,430)	(3,268)	(403)	(1,867)	(1,421)	(578,133)	(7,845)	(585,978)
Closing net book value	281,753	8,826,677	5,292	828	7,415	3,597	9,125,562	183,610	9,309,172
Gross carrying value basis									
Year ended June 30, 2024									
Cost	322,337	13,837,179	15,797	22,811	16,805	26,248	14,241,177	197,597	14,438,774
Transfer (note 6.8)		-							
Cost	2,208	(2,208)	-	-	-	-	-	-	-
Accumulated depreciation	(76)	76	-	-	-	-	-	-	-
	2,132	(2,132)	-	-	-	-	-	-	-
Accumulated depreciation	(42,716)	(5,008,370)	(10,505)	(21,983)	(9,390)	(22,651)	(5,115,615)	(13,987)	(5,129,602)
Net book value	281,753	8,826,677	5,292	828	7,415	3,597	9,125,562	183,610	9,309,172
Net carrying value basis									
Year ended June 30, 2023									
Opening net book value	71,493	9,872,719	5,418	868	1,520	6,026	9,958,044	-	9,958,044
Additions (at cost)	-	2,109	119	100	4,208	180	6,716	-	6,716
Transfer from CWIP	196,535	10,932	-	-	-	-	207,467	196,114	403,581
Depreciation charge	(4,532)	(557,914)	(1,977)	(312)	(1,095)	(1,401)	(567,231)	(6,142)	(573,373)
Closing net book value	263,496	9,327,846	3,560	656	4,633	4,805	9,604,996	189,972	9,794,968
Gross carrying value basis									
Year ended June 30, 2023									
Cost	293,468	13,777,786	10,797	22,236	12,156	26,035	14,142,478	196,114	14,338,592
Accumulated depreciation	(29,972)	(4,449,940)	(7,237)	(21,580)	(7,523)	(21,230)	(4,537,482)	(6,142)	(4,543,624)
Net book value	263,496	9,327,846	3,560	656	4,633	4,805	9,604,996	189,972	9,794,968
Depreciation rate % per annum	4%	4-8%	33%	25%	20%	20%		4%	

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6.1 The depreciation charge for the year has been allocated as follows:

	Note	2024	2023
		----(Rupees in 000')------	
Cost of sales	31	572,687	563,235
Administrative expenses	32	5,446	3,996
		578,133	567,231
Corporate social responsibility (expenses) /income - net	34	7,845	6,142
		585,978	573,373

6.2 Building on leasehold land of the Company is located at Quaid-e-Azam Solar Park Bahawalpur on 500 acres of land situated in Lal Sohanra, Cholistan, Bahawalpur. The Company has established Solar Power Project of 100 MW on said land.

6.3 One vehicle having cost amounting to Rs. 3.825 million is not in the Company's possession and has been handed over to the S&GA Department, Government of the Punjab under notification of Supreme court of Pakistan under Suo moto case No. 11 of 2018 dated May 02, 2018.

6.4 The operating fixed assets include assets having cost amounting to Rs. 53.171 million (2023: Rs. 52.796 million) which are fully depreciated, however, still retained or under use. Further, IT equipment include laptops having cost amounting to Rs. 2.074 million (2023: Rs. 2.074 million) which are currently not in use.

6.5 CSR project assets represent payments made against the design, supply and installation of electrification equipment under renewable and other initiatives in energy sector - Off-grid/poor-grid village solarization in Punjab (package 2 and package 3) through solar power. The solarization has been done at Bharti Shumali/Janubi, Dilo Dingo (District Dera Ghazi Khan), Basti Mud Saindad, Mouza Saindad (District Rajanpur), Basti Kheersar (District Bahawalpur) and Pughlla Shumali/Janubi (District Dera Ghazi Khan). The Company has undertaken this activity as part of its corporate social responsibility initiatives, as approved by the Board of Directors of the Company. The Company is also generating income through "Net metering under NEPRA Net Metering Regulations, 2015".

6.6 Entire depreciation on CSR project assets is allocated to corporate social responsibility expenses.

6.7 Addition in plant and machinery during the year represents 200KW solar plant installed at site for own consumption.

6.8 The transfer represents a building (mosque and boundary wall) inadvertently classified under plant and machinery, which has now been re-classified.

7 EMBEDDED DERIVATIVES

The Company's tariff, like other power companies, comprises of various price components with indexations falling within the ambit of embedded derivatives. Such embedded derivatives, as per IFRS 9 "Financial Instruments", need to be separated from the host contract and accounted for as derivatives if economic characteristics and risks of the embedded derivatives are not closely related to the host contract.

The SECP, through its S.R.O. 986(1)2019 dated September 2, 2019 (in partial modification of its previously issued S.R.O. 24/(1)2012 dated January 16, 2012) has allowed companies not to recognize embedded derivative under IFRS 9 if they have chosen to capitalize exchange differences as permitted under the notification. Accordingly, the Company has not recognized embedded derivatives in these financial statements.

The SECP, through its S.R.O. 986(1)2019 dated September 2, 2019 partially modified its previously issued S.R.O. 24/(1)2012 dated January 16, 2012 and granted exemption to all companies that have executed their power purchase agreements before January 01, 2019 from the application of IAS 21 'The Effects of Changes in Foreign Exchange Rates' to the extent of capitalization of exchange differences. However, the Company believes that there is no impact on the Company's financial statements as the Company does not have any foreign currency loan.

	Note	2024	2023
		----------(Rupees in 000')----------	
8 CAPITAL WORK-IN-PROGRESS			
This comprises of:			
Building			
Room for inverters		2,705	-
8.1 Building			
Opening balance		-	40,850
Add: Additions during the year		2,705	155,685
Less: Transferred to operating fixed assets		-	(196,535)
Closing balance		2,705	-

8.1.1 This represents various payments and advances to contractor for the construction of a room for inverters at plant site to reduce the temperature of the equipment in order to increase efficiency.

9 RIGHT-OF-USE ASSETS

	Note	2024	2023
Land	9.1	696	746

9.1 The following is the statement of right-of-use assets:

Land

	Note	2024	2023
Year ended June 30,			
Net carrying value basis			
Opening net book value		746	796
Addition (at cost)		-	-
Amortization charge	32	(50)	(50)
Closing net book value		696	746

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	Note	2024	2023
		----------(Rupees in 000')----------	
Gross carrying value basis			
Cost		1,250	1,250
Accumulated amortization		(554)	(504)
Net book value		696	746
Amortization rate % per annum		4%	4%

9.2 The land has been obtained on lease from the Cholistan Development Authority, Government of the Punjab for 25 years. It is located at Quaid-e-Azam Solar Park Bahawalpur with an area of 500 acres of land situated in Lal Sohanra, Cholistan, Bahawalpur. The Company has established Solar Power Project of 100 MW on the said land.

10 INTANGIBLE ASSETS

	Note	2024	2023
Cost			
Balance as at July 01,		2,599	2,599
Additions during the year		-	-
Balance as at June 30,		2,599	2,599
Amortization			
Balance as at July 01,		2,547	2,501
Charge for the year	10.2	37	46
Balance as at June 30,		2,584	2,547
Carrying value		15	52
Amortization rate per annum (%)		20%	20%

10.1 This represents computer software and licenses capitalized based on the accounting policy of the Company.

10.2 Entire amortization charge on intangible assets is allocated to administrative expenses.

11 LONG TERM DEPOSITS AND ADVANCES

	Note	2024	2023
Long term deposits	11.1	401	401
Long term advances to employees	11.2	13,721	8,452
		14,122	8,853
Current portion of long term advances to employees	14.1	(12,666)	(8,452)
		1,456	401

11.1 This represents security deposit paid to Pakistan State Oil Limited against monthly purchase of fuel on credit. The said deposit is refundable at the expiry of the respective agreement. This deposit does not carry any interest or mark-up and is not recoverable within one year. IFRS 9 requires long-term non-interest bearing financial assets to be discounted at the average borrowing rate of the Company. However, this relates to deposit given to a Government company with undetermined life period for the impact of discounting, hence these are not remeasured or do not have any material impact.

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11.2 These are interest free advances against gratuity provided to employees and executives of the Company, repayable over eighteen months. The present value adjustment in accordance with the requirements of IFRS 9 'Financial Instruments' is insignificant, hence it is not recognized in the financial statements.

	Note	2024	2023
		----------(Rupees in 000')----------	
12 TRADE DEBTS - NET			
Secured			
Considered good			
Central Power Purchasing Agency (Guarantee) Limited (CPPA)			
Gross trade debts	12.1	2,120,111	3,052,320
Accrued income	12.2	54,524	54,524
Multan Electric Power Company Limited		-	7,007
		2,174,635	3,113,851
Considered doubtful			
Multan Electric Power Company Limited	12.3	16,387	-
Less: Provision for doubtful debts	12.9	(16,387)	-
Trade debts - net		2,174,635	3,113,851

12.1 These represent trade debts against sales relating to post-commercial operations date from CPPA and are considered good. These are secured by a guarantee from the Government of Pakistan under the Implementation Agreement and arise in the normal course of business and are interest free. However, a delayed payment mark-up at the rate of three months KIBOR plus 2% is charged in case the amounts are not paid within due dates. The rate of delayed payment mark-up charged during the year on outstanding amount ranged from 22.90% to 25.48% (2023: 12.38% to 24.07%) per annum.

12.2 The Company had invoiced 48.301 million Kwh during trial production for the cumulative period from March 28, 2015 till July 15, 2015 recorded through back up metering system installed by the Company. However, Central Power Purchasing Agency (Guarantee) Limited (CPPA) initially confirmed only 31.296 million Kwh units based on main metering system for the period from May 08, 2015 to July 15, 2015. There was a dispute between the Company and CPPA relating to the remaining 17 million Kwh energy exported by the Company prior to May 08, 2015 as the main metering system was not tested by a meter reading committee constituted by National Transmission and Dispatch Company Limited (NTDC) comprising one member each from NTDC, Multan Electric Power Company Limited (MEPCO) and the Company before that date.

Based on a subsequent report issued by the meter reading committee, CPPA further approved 10.284 million Kwh units and the same were reinvoiced by the Company on December 07, 2015. In accordance with the suggestion of the meter reading committee, the Company and MEPCO requested CPPA to form a high level Dispute Resolution Committee ("the Committee") comprising of Superintending Engineers (GSO), Regional Manager M&T 2nd, MEPCO Multan and XEN M&T, MEPCO, Bahawalpur Division to finalize the net delivered energy in respect of the remaining disputed 6.721 million Kwh exported by the Company prior to May 08, 2015.

The Committee under the chairmanship of Chief Engineer Technical Services Group (TSG) NTDC was formed by CPPA on February 14, 2017. The Committee obtained the net amount of energy delivered to the remote end substations to verify the energy delivered against the dispute claimed by the Company. NTDC vide its letter No. CE/TSG/1499-1504 dated February 21, 2019 shared the meter readings of remote end substations during the disputed period. The Company, vide its letter No. QAS-19/02/22-01 dated February 22, 2019, accepted the meter readings shared by MEPCO as the difference of units was only 1.38% of 6.721 million Kwh. A meeting of the Committee was held on February 08, 2021 and the Committee concluded that 6.653 million Kwh units amounting to Rs. 54.524 million (excluding sales tax) shall be invoiced by the Company to CPPA. Accordingly this amount has been recorded as receivable and corresponding revenue has been booked in the books of accounts of the previous year. The invoice raised during the financial year 2020-21 has not been accepted by CPPA yet as there was some information required by CPPA from MEPCO which was provided on May 11, 2023. However, the matter is still pending.

12.3 This represents amount receivable from Multan Electric Power Company Limited against CSR project assets for export of energy under the net metering scheme. However, as the invoices have not been accepted by MEPCO, accordingly on prudence basis a provision has been charged in these financial statements.

12.4 Ageing analysis of gross trade debts is as follows:

	2024	2023
	(Rupees in 000')	
Neither past due nor impaired	630,243	574,885
Past due but not impaired:		
1 to 30 days	575,386	568,015
31 to 90 days	641,014	708,812
91 to 180 days	225,729	223,688
181 to 365 days	47,739	171,170
Above 365 days	54,524	867,281
	1,544,392	2,538,966
	2,174,635	3,113,851

12.5 The maximum amount due from Central Power Purchasing Agency (Guarantee) Limited (CPPA) at the end of any month during the year was Rs. 3,153.009 million (2023: Rs. 3,491.238 million).

12.6 The maximum amount due from Multan Electric Power Company Limited at the end of any month during the year was Rs. 16.369 million (2023: Rs. 7.007 million).

12.6 Trade debts include an amount of Nil (2023: Rs. 129.647 million) against payment made to the Workers' Profit Participation Fund and Workers' Welfare Fund.

12.7 Trade debts are non-interest bearing, however, they are subject to a late payment surcharge when they become due after 30 days of the invoice date. The decrease in trade debts pertains to recovery from the customer during the year.

	Note	2024	2023
		----------(Rupees in 000')----------	

12.8 Ageing analysis of gross receivables from MEPCO is as follows:

	2024	2023
Past due and impaired:		
1 to 30 days	2,981	7,007
31 to 90 days	-	-
91 to 180 days	3,461	-
181 to 365 days	2,938	-
Above 365 days	7,007	-
	16,387	7,007
	16,387	7,007

12.9 Movement of provision for doubtful debts is as follows:

	2024	2023
Opening balance	-	-
Adjustment on account of:		
Provision made for doubtful debts	16,387	-
Net adjustment	16,387	-
Closing balance	16,387	-

13 CONTRACT ASSETS

	Note	2024	2023
Contract assets	13.1	1,181,893	1,374,353

13.1 The amounts recognized in the statement of financial position are as follows:

	Note	2024	2023
Mark up on energy invoices	13.2	33,071	82,903
Workers' Profit Participation Fund	13.3	155,899	131,693
Income tax	38.1	923,912	1,107,080
Workers' Welfare Fund	13.4	69,011	52,677
		1,181,893	1,374,353

13.2 This represents amount against interest on late payments which is still not invoiced. The rate of delayed payment mark-up charged during the period on outstanding amount ranged from 22.90% to 25.48% (2023: 12.38% to 24.07%) per annum.

13.3 Workers' Profit Participation Fund

Under section 6.3 (a) of Part IV of schedule 1 of the Energy Purchase Agreement, payments made to Workers' Profit Participation Fund are recoverable from CPPA as a pass-through item.

13.4 Worker's Welfare Fund

Under section 6.3 (a) of Part IV of schedule 1 of the Energy Purchase Agreement, payments made to Worker's Welfare Fund are recoverable from CPPA as a pass-through item.

13.5 Contract assets represents the Company's right to consideration for work completed but not billed as at the reporting date, recognized as per requirements of IFRS 15 "Revenue from Contracts with Customers". The contract assets are transferred to trade debts when the rights become unconditional. This usually occurs when the Company invoices the customer.

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		Note	2024	2023
			----------(Rupees in 000')----------	

14 SHORT TERM LOANS AND ADVANCES

	Note	2024	2023
Unsecured			
Considered good			
Current portion of long term advances	14.1	12,666	8,452
Advance to supplier	14.4	-	48
		12,666	8,500

14.1 This represents advances against employee benefits (gratuity) given to Chief Executive Officer amounting to Rs. 3.911 million (2023: Rs. 2.321 million) and various other executives amounting to Rs. 8.755 million (2023: Rs. 5.710 million).

14.2 The advance provided to the CEO is neither past due nor impaired. This is unsecured and interest-free. The movement is as follows:

	2024	2023
Opening balance	2,321	-
Addition during the year	3,945	3,117
Deduction during the year	(2,076)	(796)
Closing balance	4,190	2,321

14.3 The maximum amount due from Chief Executive Officer at the end of any month during the year was Rs. 4.190 million (2023: Rs. 3.117 million).

14.4 This represents advance paid to a supplier against services.

15 SHORT TERM DEPOSITS AND PREPAYMENTS

	Note	2024	2023
Security deposits	15.1	1,926	1,926
Prepaid insurance		5,036	2,954
Other prepayments		4,546	1,069
		11,508	5,949

15.1 This includes an amount of Rs. 1.917 million (2023: Rs. 1.917 million) security deposit against rented premises. The said deposit is refundable on the expiry of the respective rent agreement or on vacation of the rented premises.

16 OTHER RECEIVABLES

	Note	2024	2023
Unsecured			
Considered good			
Due from contractors		12,228	7,638
Due from PRA under protest	16.1	230,104	230,104
Receivable from FBR	16.2	23,165	25,186
Income tax deposited under protest	28.1	79	1,981
Due from energy department	16.3	34,683	-
Others		6,641	2,920
		306,900	267,829

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	Note	2024	2023
		----------(Rupees in 000')----------	
Considered doubtful			
Due from related parties	16.4	597	597
Less: Provision for doubtful receivable	16.5	(597)	(597)
		-	-
		306,900	267,829

16.1 Due from Punjab Revenue Authority (PRA)

This represents Rs. 230.104 million (2023: Rs. 230.104 million) paid by Company under protest to PRA as disclosed in note 28.1 (a).

16.2 Receivable from FBR

This represents debit note issued by CPPA to the Company in October, 2019 relating to sale invoice of July 2019 due to a dispute relating to benchmark units. The sales tax liability of Rs. 23.165 million was already paid by the Company in the month of August 2019, however, the invoice was re-submitted by the Company in the month of June 2020 and sales tax of Rs. 23.933 million was again paid. To claim the adjustment of amount, the Company applied for condonation to the Commissioner Inland Revenue on July 15, 2020. Later on, Second Secretary (ST-Operations) condoned the time limit and permitted the Company to file sales tax return and claim the amount vide letter dated August 15, 2023. However, FBR has now established a separate department for dealing with condonation cases and the Company will need to file a fresh application for refund.

16.3 This represents the amount receivable from the Energy Department (ED) against the re-construction of boundary wall and rehabilitation work carried out at QA Solar Power Park in Lal Sohanra, Cholistan, Bahawalpur. This amount has been subsequently adjusted against the dividend paid to the Government of Punjab/Energy Department. The maximum amount due from ED at the end of any month during the year was Rs. 34.683 million (2023: Nil).

16.4 Due from related parties

	2024	2023
Considered doubtful		
Khadim-e-Punjab Ujala Program (KPUP)	18	18
Quaid-e-Azam Wind Power (Private) Limited (QAWPL)	429	429
Water and Sanitation Authority	150	150
	597	597

16.5 Movement of provision is as follows:

	2024	2023
Opening balance	597	-
Charge for the year	-	597
Closing balance	597	597

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17 ANNUAL DEVELOPMENT PROGRAM (ADP) PROJECT FUNDS

Projects	Note	Opening Receivable / (Payables)	Movement during year					Closing Receivable / (Payables)
			Funds received during the year from Energy Department of Government of Punjab	Surrendered Funds	Lapsed Funds	Expenses incurred during the year	Amortization of ADP Project Funds	
		Rupees in 000						
Converting three cities of Punjab into solar smart cities	17.1	4,218	(9,133)	-	-	2,986	(2,986)	(1,929)
Distribution of 1-KW solar systems to poor population of Punjab based on BISP data	17.2	4,070	(2,499)	-	-	742	(742)	2,313
Provision of electricity to communities using indigenous resources	17.3	3,131	(4,156)	-	-	3,548	(3,548)	2,523
Off-grid/poor-grid village solarization	17.4	533	(175)	-	-	189	(189)	547
Total rupees '000'- 2024		11,952	(15,963)	-	-	7,465	(7,465)	3,454
Total rupees '000'- 2023		69,112	(375,255)	117,536	-	200,559	(200,559)	11,952

17.1 The main objective of the scheme was to solarize Government buildings in the cities of Multan, Mianwali and Gujranwala under the Annual Development Program. Two separate contracts were signed with the contractors on October 20, 2021 and October 26, 2021 respectively. The scope of work was survey, design, supply, installation, testing and commissioning including two year O&M under Package 1 and 2 respectively. Estimated total cost of project was Rs. 300 million out of which Rs. 4.218 million (2023: Rs. 62 million) were allocated for financial year 2023-24 and Nil (2023: 36.57) were surrendered.

17.2 This represents the ADP scheme with the initiative of the Government of Punjab to facilitate the poor people by making them self sufficient in their energy needs by providing them solar systems of 1-kw each, which would be installed at their homes in 5 districts of the Punjab i.e Rajanpur, Dera Ghazi Khan, Muzaffargarh, Bahawalpur and Multan. In this respect, a contract was signed with the contractor on January 07, 2022. Estimated total cost of project was Rs. 100 million out of which Rs. 4.070 million (2023: Rs. 50.315 million) was allocated for financial year 2023-24 and Nil (2023: Rs. 13.62 million) were surrendered.

17.3 This represents the ADP scheme with the objective to provide energy solutions using indigenous resources of off grid villages of far flung areas in the districts of Rajanpur, Muzaffargarh, Rahim Yar Khan, Bahawalnagar and Multan. The project was divided into 6 packages and for every package, separate contract was awarded. Estimated total cost of project was Rs. 250 million out of which Rs. 4.156 million (2023: Rs. 158.60 million) were allocated for financial year 2023-24 and Nil (2023: Rs. 12 million) were surrendered.

17.4 This represents the ADP scheme aimed at providing solar solutions to off-grid villages/poor-grid villages of Punjab to enable occupants of the said villages to access clean and reliable sources of electricity. PV solar power plants were installed in two villages, Basti Chhapu and Gatta Raikh. Estimated total cost of project was Rs. 130 million out of which Rs. 0.175 million (2023: Rs. 40 million) were allocated for financial year 2023-24 and Nil (2023: 26.21 million) were surrendered.

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	Note	2024	2023
		----------(Rupees in 000')----------	

18 CASH AND BANK BALANCES

	Note	2024	2023
Cash at bank			
Local currency			
Current accounts		300	320
Saving accounts	18.1 & 18.2	7,532,113	4,309,072
		7,532,413	4,309,392
Foreign currency			
Saving accounts	18.3	26,205	26,433
		7,558,618	4,335,825

18.1 This represents balance in saving accounts in The Bank of Punjab, a related party, which bears an annual markup at the rate of 20.50% (2023: 12.25% to 19.50%) per annum compounded monthly.

18.2 Saving accounts include a reserve created in accordance with clause 12.1 of Collection Arrangement Agreement which states that "the customer hereby irrevocably and unconditionally undertakes to transfer an amount equivalent to USD 1 million per year after 6th anniversary of the Commercial Operations Date, in the Asset Replacement Account for the purposes of maintaining the Machinery and Project".

18.3 This represents balance in saving accounts in The Bank of Punjab, a related party, which bears an annual markup at the rate of 20.50% (2023: 12.00%) per annum compounded semi-annually.

19 SHARE CAPITAL

19.1 Authorized share capital

2024	2023				
Number of ordinary shares of Rs. 10,000/- each					
600,000	600,000			6,000,000	6,000,000

19.2 Issued, subscribed and paid up share capital

2024	2023				
Number of ordinary shares of Rs. 10,000/- each					
380,978	380,978	Fully paid in cash	19.3	3,809,780	3,809,780

19.3 Movement of share capital is as follows:

	2024	2023
Opening balance	3,809,780	3,809,780
Shares issued during the year	-	-
Closing balance	3,809,780	3,809,780

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19.4 This represents 380,978 (2023: 380,978) ordinary shares of Rs. 10,000 each held by the Energy Department, Government of Punjab, and four shares issued to individuals as nominees of the Government of Punjab.

19.5 There is no shareholder agreement for voting rights, board selection, rights of first refusal and block voting.

	Note	2024	2023
		----------(Rupees in 000')----------	
20 CORPORATE SOCIAL RESPONSIBILITY RESERVES			
Reserves for Corporate Social Responsibility initiatives	20.2	228,143	213,346

20.1 Movement in this head is as follows:

	Note	2024	2023
Opening balance		213,346	195,462
Add: Addition/allocation during the year	20.2	29,886	22,000
Add: Interest income net of tax	20.3	4,459	1,603
Add: Income on net metering - MEPCO	20.5	7,934	5,599
Less: Provision recognised	34	(15,683)	-
Less: Transferred to accumulated profit based on expenditure incurred and depreciation charged	34	(11,799)	(11,318)
		(15,089)	(4,116)
Closing balance		228,143	213,346

20.2 This represents a reserve created at the rate of 1% of net profits for the year ended June 30, 2022 (2% of net profits for the year from July 1, 2016 to June 30, 2021) as approved by the Board of Directors in its meeting, which is allocated for Corporate Social Responsibility (CSR) activities under general order (Ref.no.S.R.O.983(I)/2009) issued by SECP in 2009 titled "the Companies (Corporate Social Responsibility) General Order, 2009" and requires a disclosure in the annual financial report.

20.3 This represents net of tax profit on saving account in the bank account in which CSR reserve is being maintained.

20.4 During the year, the CSR reserve amount was utilized as stated under note 34 to these financial statements and is presented net of after tax interest earned on savings account.

20.5 The Company has generated this income from CSR project assets from export of energy under the net metering scheme under NEPRA Net Metering Regulations 2015. However, as the invoices have not been accepted by MEPCO, a provision for doubtful debts has been booked in these financial statements.

	Note	2024	2023
		----------(Rupees in 000')----------	

21 LONG TERM FINANCING

The reconciliation of the carrying amount of loan is as follows:

	Note	2024	2023
Secured			
Opening balance		3,616,528	5,012,753
Less: Repayments during the year		(1,424,678)	(1,396,225)
Closing balance	21.1	2,191,850	3,616,528
Less: Transaction cost		(3,978)	(13,196)
Less: Current portion shown under current liabilities	27	(1,815,251)	(1,423,244)
		372,621	2,180,088

21.1 This represents the loan availed against aggregate facility of Rs. 11,137 million obtained from The Bank of Punjab. The key terms are as follows:

Rate of interest per annum	3 months KIBOR +3% per annum
Installments ending on	July 16, 2025
Number of installments remaining	5 unequal quarterly installments

21.2 The loan is secured by first charge over fixed assets of the Company of Rs. 30,883 million along with hypothecation of all present and future fixed assets of the Company and assignment of project contracts and receivables. The mark-up charged during the year ranged from 23.81% to 25.61% (2023: ranged from 12.74% to 22.12%) per annum. The transaction cost amortized during the year is Rs. 9.218 million (2023: Rs. 13.507 million).

22 DEFERRED LIABILITIES

		Note	2024	2023
22.1	Employee benefits			
	Gratuity	22.3	33,291	23,719

22.2 General description

The scheme provides for terminal benefits for all its permanent employees who qualify for the scheme. The defined benefit payable to each employee at the end of his or her service comprises of total number of years of service multiplied by last drawn basic salary. The Gratuity scheme is an un-funded arrangement. There is no minimum funding requirement for gratuity benefit scheme and it is a defined benefit scheme.

Annual charge is based on actuarial valuation carried out by an independent approved valuer M/S Nauman Associates as at June 30, 2024 using the Projected Unit Credit method.

The Company faces the following risks on account of gratuity:

Final salary risk - The risk that the final salary at the time of cessation of service is greater than what the Company has assumed. Since the benefit is calculated on the final salary (which will closely reflect inflation and other macro-economic factors), the benefit amount increases as salary increases.

Discount rate fluctuation - The plan liabilities are calculated using a discount rate set with reference to corporate bond yields. A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the current plans' bond holdings.

Demographic Risks: Mortality Risk - The risk that the actual mortality experience is different than the assumed mortality. This effect is more pronounced in schemes where the age and service distribution is on the higher side.

Withdrawal Risk - The risk of actual withdrawals experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiary.

		Note	2024	2023
			----------(Rupees in 000')----------	
22.3	**The amounts recognized in the statement of financial position are as follows:**			
	Present value of defined benefit obligation		33,291	23,719

22.4 The expected charge in respect of defined benefit plan for the year ending June 30, 2025 will be Rs. 11.927 million.

		Note	2024	2023
22.5	**Changes in the present value of the defined benefit obligation are as follows:**			
	Opening balance		23,719	23,855
	Current service cost		6,546	7,902
	Interest cost		3,854	2,616
	Benefits paid		-	(8,217)
	Actuarial (gain)/loss from changes in demographic assumption		(780)	649
	Actuarial gain from changes in financial assumption		(36)	(858)
	Experience adjustments		(12)	(2,228)
	Closing balance		33,291	23,719
22.6	**The amounts recognized in the statement of profit or loss:**			
	Current service cost		6,546	7,902
	Net interest cost for the year		3,854	2,616
	Total included in salaries, wages and other benefits		10,400	10,518
	Experience adjustment arising on obligation		-0.04%	-9.39%
22.7	**Allocation of expenses recognized in the statement of profit or loss:**			
	Cost of sales	31.2	3,235	3,396
	Administrative expenses	32.1	7,165	7,122
			10,400	10,518

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	Note	2024	2023
		----------(Rupees in 000')----------	

22.8 The amounts recognized in the other comprehensive income are as follows:

	2024	2023
Actuarial (gain)/loss from changes in demographic assumption	(780)	649
Actuarial gain from changes in financial assumption	(36)	(858)
Experience adjustments	(12)	(2,228)
Total remeasurements chargeable to OCI	(828)	(2,437)

22.9 Sensitivity Analysis

Significant assumptions for the determination of the defined benefits obligation are discount rate and expected salary increase. The sensitivity analysis below has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

22.10 Year end sensitivity analysis (± 100 bps) on defined benefit obligation

	Impact on defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
		------- (Rupees in 000') --------	
Discount rate	1%	30,723	36,300
Salary increase	1%	36,300	30,681

22.11 Principal actuarial assumptions at the end of the reporting period (expressed as weighted averages) are as follows:

	2024	2023
Discount rates	14.75%	16.25%
Future salary increases	13.75%	15.25%
Expected mortality rate	SLIC (2001-05)	SLIC (2001-05)
Average duration of plan	8 Years	7 Years

23 RETENTIONS

	Note	2024	2023
Maintenance retention fund	23.1	98,884	87,378
Asset replacement fund	23.2	330,897	252,736
		429,780	340,113

23.1 This represents 5% deduction from the total quarterly payments to the M/s Tbea Xinjiang Sunoasis Company Limited, against Operations and Maintenance (O&M) works for the plant maintenance required under the Engineering, Procurement, Construction and Operation & Maintenance Contract (EPC and O&M) with the contractor.

23.2 This represents 5% deduction from the revised O&M Cost (excluding insurance and security cost), as approved by the Board and agreed with the contractor, from the quarterly payments to the contractor against O&M works for replacement of items of property, plant and equipment, in addition to those included in the Engineering, Procurement, Construction and Operation & Maintenance Contract (EPC and O&M).

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23.3 In addition to the above, based on the report of the consultant, the Company achieved 76.11% APR against the benchmark APR of 72.98% and produced excessive energy of 6,292.94 MWh units. As a result of which, the Company has recorded an expense, of equivalent units of 5,861.92 MWh units, on pro-rata basis in cost of sales out of which 50% has been transferred to Asset Replacement Fund, 25% towards the Company and remaining 25% to the O&M contractor as per clause 1.4.5 of Schedule -1 for Engineering, Procurement, Construction and Operation & Maintenance Contract (EPC and O&M Contract).

	Note	2024	2023
		----------(Rupees in 000')----------	
24 TRADE AND OTHER PAYABLES			
Payable to contractor	24.1	141,148	152,481
Payable to consultants		2,166	1,504
Accrued liabilities		50,170	41,445
Withholding tax payable		2,462	13,375
Other liabilities	24.2 & 24.3	33,792	44,371
Retention money		11,570	8,883
Sales tax liability		71,097	72,031
Payable to Director General Public Relations		73	65
Worker's Profit Participation Fund payable	24.4	213,576	163,886
Worker's Welfare Fund	24.5	92,081	65,554
		618,135	563,595

24.1 This represents payable to O&M contractor, M/s Tbea Xinjiang Sunoasis Company Limited, against operations and maintenance (O&M) works.

24.2 This includes an amount of Rs. 16.00 million (2023: Rs. 16.00 million) payable to District Council Bahawalpur as explained in note 28.1 (b) to these financial statements.

24.3 Other liabilities include Rs. 0.771 million (2023: Rs. 0.558 million) due to executives.

24.4 Workers' Profit Participation Fund

	Note	2024	2023
Opening balance		163,886	117,257
Provision for the year	24.6	213,576	163,886
Payment during the year		(163,886)	(117,257)
Closing balance		213,576	163,886

24.5 Workers' Welfare Fund

	Note	2024	2023
Opening balance		65,554	46,921
Provision for the year	24.6	98,568	65,554
Payment during the year		(72,041)	(46,921)
Closing balance		92,081	65,554

24.6 The Company is required to pay 5% of its profit to the Workers Profits Participation Fund and 2% of its profit to the Workers' Welfare Fund. However, such payments do not effect the Company's overall profitability as these are recoverable from CPPA as a pass-through items under the terms of the Energy Purchase Agreement (EPA).

		Note	2024	2023
			----------(Rupees in 000')----------	
25	**ACCRUED FINANCE COST**			
	Accrued mark-up on long term loan	25.1	113,375	189,161
25.1	**Movement of accrued finance cost is as follows:**			
	Opening balance		189,161	164,286
	Accrued during the year		699,947	827,516
	Paid during the year		(775,733)	(802,641)
	Closing balance		113,375	189,161
26	**PROVISION OF TAXATION**			
	Advance income tax	26.1	1,715,938	1,197,812
	Less: Provision for taxation		(1,961,406)	(1,401,252)
			(245,468)	(203,440)

26.1 This includes Rs. 430.640 million (2023: Rs. 430.640 million) paid by Company under protest to FBR as disclosed in note 38.

		Note	2024	2023
27	**CURRENT PORTION OF LONG TERM FINANCING**			
	Long term financing			
	The Bank of Punjab	21	1,815,251	1,423,244

28 CONTINGENCIES AND COMMITMENTS

28.1 Contingent liabilities

a) During the year 2017, the Company was served with a notice by Punjab Revenue Authority (PRA) wherein it required the Company to explain the circumstances for not withholding Punjab Sales Tax on services at 16% under Punjab Sales Tax on Services (Withholding) Rules 2015, on the contractual execution of EPC works on the aggregate contract value. The Company, through its response to PRA dated May 23, 2017, challenged this notice as being without jurisdiction and also on the grounds that it is tax exempt under the "Policy for Development of Renewable Energy for Power Generation 2006 of the Government of Pakistan". However, PRA issued an Assessment Order dated November 30, 2017 and determined sales tax liability of Rs. 230.104 million plus a penalty amounting to Rs. 11.505 million against default surcharge on payments against local execution of EPC works. The management of the Company filed an appeal before the Commissioner (Appeals) against the impugned order, which, through order dated April 25, 2018 was decided in favor of PRA.

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The Company, being aggrieved, filed an appeal on May 23, 2018 before the Appellate Tribunal, Punjab Revenue Authority, Lahore (PRA) to vacate the impugned order. The appeal has not yet been fixed for hearing and is pending adjudication. The Company also paid Rs. 230.104 million during the year ended June 30, 2018 under protest to PRA without prejudice to any right of appeal or other remedy available to the Company as shown in note 16.1 'Due from PRA' to these financial statements. During the third proceeding financial year, a writ petition was filed on March 22, 2019, impugning the legality of Rule-6 of Punjab Sales Tax on Services (Withholding) Rule, 2015 of Punjab Sales Tax on Services Act, 2012 and the definition of un-registered person as used in these Rules. The writ petition came up for hearing before the Honorable Lahore High Court on March 25, 2019. The Honorable Lahore High Court issued notices to the respondents and also stayed appeal proceedings before the PRA. The writ is pending adjudication. Based on the legal advisor's opinion, the management of the Company expects favorable outcome due to which no provision has been recorded in these financial statements.

b) The Company received a letter from the District Council Bahawalpur dated October 28, 2017, demanding fee of Rs. 218.77 million for map approval of plant site. The Company filed an appeal before the Divisional Commissioner Bahawalpur dated December 21, 2017 on the grounds that the rate of fee for approval of erection of plant may be levied on the building only and not on the open area and that the calculation of the assessed fee may be made on the applicable rates in 2014, when the installation of plant commenced.

The Local Government & Community Development (LG&CD) Department of Government of Punjab vide its letter dated February 12, 2018 directed the Chief Officer, District Council, Bahawalpur to charge the rate of conversion fee as well as building plan fee prevalent in the year 2013-2014 and impose a fine on late approval at the rate prevalent in year 2018. The Chairman of District Council Bahawalpur requested the secretary LG&CD department to reconsider the matter through letter dated February 16, 2018. The Company recognized a provision of Rs. 16 million in the financial year 2017 as per the directions of LG&CD Department letter dated February 12, 2018.

In the financial year 2018-19, the Company approached Law and Parliamentary Department through letter dated April 23, 2019 to render advice on the applicable rates. The advice is still pending. Based on legal advisor's opinion, the Company's management expects favorable outcome due to which no additional provision has been recorded in these financial statements.

c) An individual, Mr. Munir Ahmed filed a writ petition No. 94609/2017 against Federation of Pakistan and various other respondents including the Company under Article 199 of the Constitution of Islamic Republic of Pakistan, 1973 (the Constitution) in the Honorable Lahore High Court (the Court) as a public interest litigation against the incorporation of various public sector companies by the Government of Punjab. The petitioner prayed that the formation of these companies be declared illegal and ultavires the Constitution on various constitutional grounds and non-compliances with laws, interalia including not getting proper audits or submitting audited financial statements to the appropriate forum.

The legal counsel of the Company submitted before the Court that the petition should be dismissed as it is based on frivolous allegations that have not been substantiated by any provision of law, fact or cogent evidence. The petitioner has come to the Court without exhausting alternate remedies available to him under the law and that the Company has conducted regular annual audits and is in fully compliance with all applicable laws, rules and regulations and subsequently has duly submitted all relevant reports to the SECP. The last hearing was held on February 28, 2023. This case is still pending adjudication.

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An individual, Mr. Shan Saeed Ghumman filed a case against Federation of Pakistan and various other respondents including the Company through a writ petition No. 112301/2017 in the Honorable Lahore High Court (the Court) as a public interest litigation against the incorporation of various public sector companies by the Government of Punjab. The petitioner prayed that operation of these companies should be put under the control and management of the respective local governments and should be reconstituted in accordance with mandatory provisions of Punjab Local Government Act 2013, Companies Act 2017, Public Sector Companies (Corporate Governance) Rules, 2013 and other applicable provisions of law including the issuance of their audit reports where applicable. The last hearing was held on October 24, 2022. This case is still pending adjudication.

d) Proceedings u/s 161 of the Income Tax Ordinance, 2001 were initiated by DCIR for the tax year 2014. The DCIR passed an order u/s 161/205 and demanded an amount of Rs. 2.139 million for tax year 2014. The Company, being aggrieved, filed an appeal before CIR (A) and the case was remanded back to the department. The Company expects a favorable outcome of the proceedings. However, if the case is decided against the Company, it may result in tax payable of Rs. 2.139 million. (June 30, 2022: Rs. 2.139 million). Based on the tax advisor's opinion, this case has lapsed as according to section 124 of Income Tax Ordinance, 2001, no assessment order can be issued after the expiry of two years from the end of financial year during which the deemed assessment order was issued.

e) Proceedings u/s 161of the Income Tax Ordinance, 2001 were initiated by DCIR for the tax year 2015. The DCIR passed an order u/s 161/205 and demanded an amount of Rs. 0.946 million for tax year 2015. The Company, being aggrieved, filed appeal before CIR (A) and the case was been remanded back to department. The Company expects a favorable outcome of the proceedings. However, if the case is decided against the Company, it may result in tax payable of Rs. 0.946 million. (June 30, 2022: Rs. 0.946 million). Based on the tax advisor's opinion, this case has lapsed as according to section 124 of Income Tax Ordinance, 2001, no assessment order can be issued after the expiry of two years from the end of financial year during which the deemed assessment order was issued.

f) Proceedings u/s 161 of the Income Tax Ordinance, 2001 were initiated by DCIR for the tax year 2016. The DCIR passed an order u/s 161/205 and demanded an amount of Rs. 905.431 million for tax year 2016. The Company, being aggrieved, filed appeal before CIR (A) and the case was remanded back to department. The Company expects a favorable outcome of the proceedings. However, if the case is decided against the Company, it may result in tax payable of Rs. 905.431 million (June 30, 2022: Rs. 905.431 million). Based on the tax advisor's opinion, the management is confident that no adverse inference will be drawn against the Company in this matter.

g) During the year 2019, the Company was selected for tax audit of tax year 2017 through computer balloting. Proceedings u/s 177 of the Income Tax Ordinance, 2001 were initiated by DCIR for the tax year 2017. During the year, the DCIR passed order u/s 122(4) to amend the assessment order and a demand amounting to Rs. 0.079 million for tax year 2017 was created vide said order. The Company, being aggrieved, filed an appeal before CIR (A). On February 21, 2024 CIR (A) modified the order and partially upheld the addition made by the DCIR. On the recommendation of the tax advisor, the Company filed an appeal before the Appellate Tribunal Inland Revenue on April 05, 2024 and expects a favorable outcome of the proceedings.

h) The contingencies relating to other tax matters have been disclosed in the note 38 to these financial statements.

BDO

	2024	2023
	----------(Rupees in 000')----------	

28.2 Commitments

Contracts for other than capital expenditure	5,357,732	5,680,416
Commitment for trustee fee, and arrangement and advisory fee to The Bank of Punjab, a related party	1,000	2,000
Rehabilitation arrangement	-	80,980

29 SIGNIFICANT CONTRACTS

29.1 Energy Purchase Agreement (EPA)

The Company entered into Energy Purchase Agreement (EPA) on July 08, 2015 with National Transmission & Dispatch Company Limited through Central Power Purchasing Agency (Guarantee) Limited for the sale of its entire power generation. The term of EPA is 25 years.

29.2 Implementation Agreement (IA)

The Company entered into an Implementation Agreement (IA) with the President of Islamic Republic of Pakistan for and on behalf of the Islamic Republic of Pakistan on July 08, 2015 to design, construct, commission, operate and maintain approximately 100 MW (net) power generation complex at Quaid-e-Azam Solar Park, Bahawalpur, Pakistan. The term of the IA is 25 years.

29.3 Engineering, Procurement, Construction and Operation & Maintenance (O&M)

The Company entered into an agreement with Tebian Electric Apparatus Stock Company Limited (Parent Company) and Tbea Xinjiang Sunoasis Company Limited (Contractor) for the operation and maintenance of the plant for USD 55.276 million after adjustment of insurance and security cost.

30 SALES

		2024	2023
Sales			
Central Power Purchasing Agency (Guarantee) Limited			
Gross Energy Purchase Price (EPP)		5,905,054	5,407,478
Less: Sales tax		(894,065)	(800,079)
Add: Mark-up on delayed payment from CPPA	30.2	227,412	188,965
		5,238,401	4,796,364

30.1 Based on mutual understanding with the O&M contractor, the Company assumed the responsibility of insuring its plant from second year of operations (since July 15, 2016) and reduced the O&M cost by the insurance component. The Company has paid a total premium of Rs. 403.296 million (Second Year of operations: Rs. 77.068 million, Third Year of operations: Rs. 77.068 million, Fourth Year of operations: Rs. 54.72 million, Fifth Year of operations: Rs. 54.72 million, Sixth Year of operations: Rs. 54.72 million, Seventh Year of operations: Rs. 45.00 million, Eighth Year of operations: Rs. 40.00 million and Ninth Year of operations: Rs. 36.00 million). NEPRA, vide its order dated June 02, 2016, allowed the adjustment of insurance cost at actual, subject to a ceiling, and also allowed to adjust reference tariff annually as per actual premium upon production of authentic documentary evidence. The Company, after payment of insurance premium for second year to ninth year, submitted documentary evidence to NEPRA for tariff adjustment.

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The claim of insurance for second year of operations along with another claim of Rs. 48.964 million in respect of certain withholding taxes borne by the Company was rejected by NEPRA through order dated November 29, 2016. The Company filed a writ petition on June 03, 2017 before the Lahore High Court against the order of NEPRA which was decided on December 10, 2021 and writ petition was allowed to the extent that order dated November 29, 2016 was partially set aside in regard to the claim of duties and taxes, with the result that the motion for leave to review filed by petitioner was deemed to be pending before it. NEPRA was directed to decide the same afresh expeditiously only to the extent of claim for duties and taxes, if verifiable evidences were provided by the petitioner. The Company filed the motion for leave on March 29 2022 to review.

NEPRA, on September 16, 2022, decided the case against the Company and dismissed the request. Based on the decision, the Company filed a review petition for modification of COD tariff dated April 13, 2023 to NEPRA. The Authority, on April 20, 2023, returned the petition in original and asked QASPL to refile the petition for modification of tariff after addressing the deficiencies.

Modification petition was re-submitted by the Company on November 27, 2023 which was also returned by the NEPRA on January 17, 2024 declaring it non maintainable. After rejection of petition, the Company approached the Appellate Tribunal (NEPRA) Islamabad, and a hearing was held on July 12, 2024 in which the order of NEPRA was set aside and the Company was allowed to file a fresh motion for tariff modification before NEPRA.

30.2 As per section 9.5 (d) of Energy Purchase Agreement (EPA) late payments by either party of amounts due and payable under EPA shall bear interest at a rate per annum equal to the Delayed Payment Rate (i.e. three months KIBOR plus 2%, calculated for the actual number of days that the relevant amounts remains unpaid on the basis of a three hundred and sixty-five day year), prorated daily.

30.3 The Company signed an EPA with CPPA (G) dated July 08, 2015. As per the signed EPA, CPPA (G) is obligated to make payments in accordance with the given formulae. Under the clause "Terms and Conditions of Tariff" the tariff for QASPL is subject to 0.7% degradation in the power, however, the actual production of the plant exceeded the generation as per the formulae given and the degradation clause is not applicable when the plant factor remains over 17.50%. However, inadvertently, the Company applied degradation to its invoices and as a result the invoices for the year 2016-17 to 2018-19 were of a lesser amount. In view of the above, the management sent a differential invoice on July 30, 2019 for the years 2017 to 2019 for an amount of Rs. 38.570 million. On August 27, 2019, CPPA refused payment and asked for specific references to the clauses of EPA which were being relied upon by the Company for the entitlement for their claims. Accordingly, these invoices have not been recorded in the books of accounts.

30.4 The Governing Council of Pakistan Bureau of Statistics (PBS), in its 5th meeting in 2014, issued a policy directive to rebase the National Accounts and Price Statistics after every ten years. Accordingly, the Governing Council of PBS, in its 18th meeting held on August 30, 2019, approved the change of base of Price Statistics from 2007-2008 to 2015-2016. Resultantly, publication of CPI, Base Year 2007-08 has been discontinued from July 2020 and publication of National Consumer Price Index (N-CPI) Base Year 2015-16 has commenced from August 2019. Whereas, PBS also published N-CPI data from July 2017 to September 2023.

Based on notification No. NEPRA/R/ADG(Trf)/TRF-303/QASPL-2015/36044-48 dated November 03, 2023 an adjustment of Rs. 74.586 million (increase) has been made in the financial statements for change of indexation.

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		Note	2024	2023
			----------(Rupees in 000')----------	
30.5	**Timing of revenue recognition - net**			
	Goods and services transferred at a point in time		5,238,401	4,796,364
30.6	**Geographical market**			
	Pakistan		5,238,401	4,796,364

31 COST OF SALES

	Note	2024	2023
Operation and maintenance charges	31.1	403,789	372,543
Salaries, wages & other benefits	31.2	40,831	36,899
Utilities		131	451
Consultancy charges		11,190	4,356
Insurance		33,917	34,710
Travelling and conveyance		2,341	2,055
Depreciation on property, plant and equipment	6.1	572,687	563,235
Security expense		23,009	17,600
Repairs and maintenance		792	720
Vehicle running and maintenance		1,188	918
Printing and stationery		48	68
Communication charges		2,592	2,595
Training and development		-	1,047
Meeting fee charges		94	186
Guest house running expenses		1,955	-
Others		745	535
		1,095,309	1,037,918

31.1 This represents operation and maintenance cost for the year payable to Tebian Electric Apparatus Stock Company Limited (Parent Company) and Tbea Xinjiang Sunoasis Company Limited (Contractor) as per Engineering, Procurement, Construction and Operation & Maintenance Contract (EPC and O&M) with the contractor.

31.2 Salaries, wages and other benefits include provision for gratuity of Rs. 3.235 million (2023: Rs. 3.396 million).

32 ADMINISTRATIVE EXPENSES

	Note	2024	2023
Salaries, wages and other benefits	32.1	87,550	81,203
Rent, rates and taxes	32.2	16,189	14,617
Utilities		4,713	4,341
Advertisement and promotion		3,013	470
Legal and professional charges		7,590	8,622
Auditors' remuneration	32.3	1,286	1,286
Consultancy charges		6,737	5,465

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	Note	2024	2023
		----------(Rupees in 000')----------	
Travelling and conveyance		8,902	8,703
Repairs and maintenance		3,139	3,289
Printing and stationery		1,825	1,137
Insurance expense		3,032	3,061
Depreciation on property, plant and equipment	6.1	5,446	3,996
Amortization of right of use of assets	9.1	50	50
Amortization of intangible assets	10	37	46
Communication charges		1,741	1,597
Meeting fee/ expense		19,182	14,491
Security expense		1,037	952
License fee		863	962
Training and development		330	4,291
Others		5,680	1,403
		178,342	159,982

32.1 Salaries, wages and other benefits include a provision for gratuity of Rs. 7.165 million (2023: Rs. 7.122 million).

32.2 This represents amount charged against operating lease of Head Office building. The Company applies the short-term lease recognition exemption to its short-term leases of assets (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option).

32.3 Auditors' remuneration

Statutory audit		1,286	1,286

33 EXPENSES INCURRED DURING THE YEAR UNDER ANNUAL DEVELOPMENT PROGRAM (ADP)

Survey and design	33.1	-	1,910
Solar modules and inverters	33.2	-	60,064
Installation and testing charges	33.3	480	119,068
Consultants	33.4	6,544	9,175
Others		441	10,342
		7,465	200,559

33.1 Survey and design

Zonergy (Tianjin) Company Limited	-	1,910

33.2 Solar modules and inverters

Sky Blue Builders	-	6,517
Zonergy (Tianjin) Company Limited	-	42,633
Energy Conscious Energy (Private) Limited	-	10,914
	-	60,064

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	Note	2024	2023
		----------(Rupees in 000')----------	

33.3 Installation and testing charges

Solar Tech (Private) Limited		480	29,741
Zonergy (Tianjin) Company Limited		-	63,772
Energy Conscious Energy (Private) Limited		-	25,555
		480	119,068

33.4 This represents payments made to various contractors and consultants against site supervision, design, supply and installation of electrification equipment under various ADP projects during the year. The Company has taken these initiatives from ADP project funds provided by the Government of Punjab as disclosed in note 17 of these financial statements.

34 CORPORATE SOCIAL RESPONSIBILITY EXPENSES - NET

Consultancy services		(83)	(2,710)
Design expense for solar training institute	34.1	(683)	-
Travelling and conveyance		(293)	(274)
Depreciation on CSR project assets	6.1	(7,845)	(6,142)
Others		(2,895)	(2,192)
		(11,799)	(11,318)
Profit on bank deposits	20.3	4,459	1,603
Income on net metering - MEPCO	20.5	7,934	5,599
Provision for doubtful debts		(15,683)	-
		(15,089)	(4,116)

34.1 This represents expenses relating to process of hiring consultant for preparation of tender documents, drawings, BOQs and cost estimates of training institute to be constructed at the plant site to train and educate the general public to improve their skills for renewable/solar energy.

35 OTHER CHARGES

Loss on foreign exchange-net	35.1	-	54,516
Company portion/allocation on other income:			
Worker's Profit Participation Fund	35.2	57,677	32,192
Worker's Welfare Fund	35.2	23,071	12,877
Provision for carbon credit	35.3	-	17,135
Provision for doubtful debts		752	597
Contract assets written off	35.4	29,949	-
		111,449	117,317

35.1 This represents the net exchange gain/loss on the liabilities and payments made towards foreign contractor and consultants.

35.2 This represents the current allocation of WPPF and WWF on the Company's portion of other income as pass through items are restricted to income from generation only.

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35.3 The Company has created a provision for an amount of Nil (2023: 17.135 million) for sharing of carbon credit sales proceeds. The Board of Directors of the Company has recently approved the agreement and payment shall be made once the agreement is counter-signed by the CPPA.

35.4 NEPRA vide its Order No. NEPRA/TRF-303/QASPL-2015/5269-71 dated April 01, 2019 revised the already approved debt service component from October 2015 to March 2018 which resulted in decrease in approved tariff rate of the said period. Resultantly, mark-up charged for late payment of that period also reduced. However, accrued markup booked was not adjusted already which has been now being recognized and adjusted.

	Note	2024	2023
		----------(Rupees in 000')----------	
36 OTHER INCOME			
Income from financial assets			
Return on saving accounts	18.1	1,083,628	526,474
Return on short term investment	36.1	52,598	79,734
Gain on foreign exchange-net	35.1	8,410	-
		1,144,636	606,208
Income from non-financial assets			
Income from carbon credits	36.2	-	29,407
Others		4,451	8,241
		4,451	37,648
		1,149,087	643,856

36.1 This represents mark-up income earned on term deposit receipts at the rate of 20.70% (2023: 16.35%) during the year. The investment has matured during the year.

36.2 The Company is registered with CDM-UNFCCC since February 22, 2018 under Project Code 10365. For the third crediting year (February 22, 2020 to February 21, 2021), issuance of Carbon Emission Reductions (CERs) is in progress which shall be sold upon issuance. The Company anticipates to earn 85,440 (2023: 94,669) CERs. Due to changes in its policies, UNFCCC has approved CERs for a period of ten months (February 22, 2020 to December 31, 2020). For this purpose, the auction process has been initiated. During the year, no CERs were sold (2023: Rs. 29.407 million).

37 FINANCE COST

		2024	2023
Mark-up on long term loan		704,479	827,516
Transaction cost		11,058	15,345
Bank charges		242	305
		715,779	843,166

38 TAXATION

	Note	2024	2023
Current	38.1	(221,753)	(174,094)
Super tax	38.2	(115,355)	(61,445)
Prior adjustment	38.3	9,491	(53,587)
		(327,617)	(289,126)

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38.1 As per clause 6.3 (a) of Part IV of the first schedule to the Energy Purchase Agreement, all taxes payable on the generation, sale, exportation or supply of electricity are pass-through items and shall be claimable from CPPA in full. Based on normal and super tax (2023: Normal Tax), the total provision for taxation is Rs. 1,344.489 million (2023: Rs. 908.303 million) out of which Rs. 1,007.382 million (2023: Rs. 672.764 million), included as receivable from CPPA in note 13 as a pass-through item, which represents normal tax on profit before tax excluding income on bank deposits and liquidated damages from contractor.

The remaining provision of Rs. 337.107 million (2023: Rs. 235.539 million) representing normal tax on income from bank deposits from contractor, which are not claimable from CPPA as a pass-through item, not being construed as directly related to the generation, sale, exportation or supply of electricity.

38.2 This shows super tax @ 10% on the taxable income for the tax year 2024 imposed through Finance Act 2023.

38.3 Prior year adjustment for 2023 represents difference of provision recorded and tax return filed during the year for tax year 2023.

38.4 Tax charge reconciliation

Numerical reconciliation between average effective tax rate and applicable tax rate:

	2024	**2023**
	%	**%**
Applicable tax rate	29	29
Taxes claimable as pass-through items	(20.69)	(20.20)
Prior year tax	-	0.02
Average effective tax rate charged to profit or loss	8.31	8.8

38.5 Additional Commissioner Inland Revenue (the ACIR) through order dated May 29, 2018 in proceedings under section 122(5A) of Income Tax Ordinance, 2001 (ITO) relating to non-payment of taxes on income on bank deposits for the tax year 2015 imposed a tax liability of Rs. 78.160 million on the Company including net principal liability of Rs. 64.379 million along with default surcharge of Rs. 13.781 million and created a net demand of Rs. 47.126 million after adjustment of taxes already paid. Subsequently, the Company filed an appeal before Appellate Tribunal Inland Revenue on November 01, 2018. Appellate tribunal, through order dated August 30, 2019, decided the case in favour of the Company. Therefore, provision for taxation was reversed in the prior years.

Later, on November 29, 2019 Commissioner Inland Revenue filed a reference in Lahore High Court. The reference came up for hearing before the Honorable Court on December 03, 2019 and the Court issued a notice to the tax payer and power of attorney was filed on January 27, 2020. The reference is pending adjudication.

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38.6 With respect to proceedings under section 122(5A) of ITO relating to tax years 2016 and 2017, the ACIR, through orders dated May 29, 2018 imposed tax liability of Rs. 160.873 million and Rs. 234.435 million respectively by disallowing tax credit under section 65B of ITO as claimed by the Company in its tax return. The Company paid 25% of these tax liabilities during the year ended June 30, 2018 under protest and preferred appeals before the Commissioner Inland Revenue (Appeals), on the grounds that the tax credit under section 65B of ITO should be allowed. The Commissioner Inland Revenue (Appeals) through order dated October 17, 2018 decided the cases against the Company and maintained the impugned order. Subsequently, the Company filed an appeal before Appellate Tribunal Inland Revenue on November 01, 2018. The liability was already provided by the Company in the financial statements of relevant financial years on prudence basis. During the prior year, the Company discharged liability of Rs. 277.80 million (tax year 2016: Rs. 112.10 million and 2017: Rs. 165.70 million). The Appellate Tribunal through order dated August 30, 2019 decided the case against the Company. The Company filed references before the Honorable Lahore High Court, Lahore on November 22, 2019. The references came up for hearing before the Honorable Lahore High Court on December 09, 2019. The Honorable Court issued notices to the respondent department. The references are pending adjudication.

In addition to above, through a separate order dated May 30, 2018, the ACIR imposed super tax of Rs. 45.533 million relating to tax year 2017 for which a provision was recognized by the Company in the financial statements for the year ended June 30, 2018 and payment was also made to FBR. The Company preferred an appeal before the Commissioner Inland Revenue (Appeals) and filed a writ petition before Honorable Lahore High Court on July 23, 2018 against legality of super tax. The CIR (Appeals-IV), Lahore dismissed the appeal vide her order No. 100/A-IV dated December 24, 2019.

Further, the Honorable High Court announced the order in open court on February 24, 2020 and dismissed the writ petition relying on its own judgement dated February 28, 2020 in ICA # 134758 of 2018. Later on, the Company filed writ petition before the Supreme Court of Pakistan against this order which is pending adjudication. However, the Supreme Court granted leave to appeal on November 26, 2020 and civil appeal was filed on the direction of Supreme Court.

38.7 Federal Government through Finance Act 2022 retrospectively imposed super tax on high earning persons under section 4C of Income Tax Ordinance 2001 for the tax year 2022. Being an affectee, the Company filed a writ petition in Lahore High Court. On January 19, 2023 Lahore High Court passed the order and directed FBR to allow the Company to file its return excluding the tax under section 4C of the Income Tax Ordinance, 2001, subject to depositing of a post dated cheque of differential amount. Later, on February 06, 2023, the Supreme Court of Pakistan issued an order to pay 50% of super tax (Rs. 56.136 million) under protest to certain respondents. Based on the order by the Supreme Court of Pakistan, the Lahore High Court recanted its relief order on February 16, 2023 ordering all petitioners to pay 50% super tax within 7 days. The Company paid Rs. 56.136 million on February 21, 2023. On June 27, 2023, Lahore High Court passed a judgment and declined all the petitions and declared super tax as valid. In July 2023, the Company paid the remaining 50% of the super tax amounting to Rs. 56.136 million.

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38.8 Federal Government, through Finance Act 2023, retrospectively increased the rate of super tax on high earning persons under section 4C of Income Tax Ordinance 2001 for the tax year 2023 from 4% to 10%. Being an affectee, the Company filed a writ petition in Lahore High Court on December 26, 2023. On December 28, 2023, Lahore High Court passed the order and directed the Company to pay 50% super tax (Rs. 180.102 million) under protest. The Company paid Rs. 180.102 million on December 28, 2023 under protest. The petition was heard on January 16, 2024 and was transferred to a Division Bench already hearing the identicle case. The petition is therefore pending for hearing.

38.9 Comparison of tax provision against tax assessments

Years	Excess/ (Short)	Tax provision	Tax assessment/ tax return
	-------------	(Rupees in 000')	---------------
2022-23	9,491	741,807	732,316
2021-22	(53,587)	454,732	508,319
2020-21	(16,514)	364,103	380,617

38.10 As at June 30, 2024, as per the treatments adopted in tax returns filed that are based on the applicable tax laws and decisions of appellate authorities on similar matters, the provision in the financial statements for income tax is sufficient as there are strong grounds that the said treatments are likely to be accepted by the tax authorities.

38.11 The deferred tax liability of Rs. 3,326.451 million (2023: Rs. 3,456.274 million) in respect of temporary differences has not been recognized as the future tax payments on the generation, sale, exportation or supply of electricity are pass-through items and shall be claimable from CPPA in full and the settlement of these temporary differences in future will have no tax consequences on the Company.

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39 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The related parties comprise of the Government of Punjab, principal shareholder, its associated undertakings, other related undertakings, and key management personnel. The Company in normal course of business carries out transactions with various related parties. Amounts due from and due to related parties are shown under receivables and payables, contingencies and commitments are disclosed in note 28 and remuneration of key management personnel is disclosed in note 47. Other significant transactions with related parties are as follows:

Name of related party	Relationship with the Company	Nature of transactions	2024		2023	
			Transactions during the year	Closing balance	Transactions during the year	Closing balance
			(Rupees in 000)			
Directorate General Public Relation	Department of Government of Punjab	Payable balance	-	73	-	65
		Advertisement expenses charged	3,013	-	470	-
The Bank of Punjab	Associated Company	Long term loan payable	-	2,187,872	-	3,603,332
		Loan repaid by the Company	1,424,678	-	1,396,225	-
		Financing fees and charges	242	-	305	-
		Mark-up on loan payable	-	113,375	-	189,161
		Mark-up on long term loan	704,479	-	827,516	-
		Interest income	1,140,685	-	606,208	-
		Bank balance	-	7,532,413	-	4,309,392
Government of the Punjab (Finance Department)	Department of Government of Punjab	Funds received	(15,963)	-	(257,719)	-
		Expenses incurred	7,465	-	200,559	-
		Funds receivable	-	38,137		11,952
		Dividend paid	(950,082)	-	(1,980,980)	-
		Payment on behalf	(49,918)	-	(19,020)	-
Multan Electric Power Company Limited	Federal Government entity	Revenue from CSR project	9,362	-	7,007	-
		Provision made	16,369	16,369	-	-
Quaid-e-Azam Wind Power (Private) Limited	Associated Company	Receivable balance	-	-	-	429
		Provision for doubtful receivable	-	-	(429)	-
Khadim-e-Punjab Ujala Programme	Department of Government of Punjab	Receivable balance	-	-	-	18
		Provision for doubtful receivable	-	-	(18)	-
WASA	Department of Government of Punjab	Receivable balance	-	-	-	150
		Provision for doubtful receivable	-	-	(150)	-
Chief Executive Officer	Employee	Advance against gratuity	3,945	4,190	3,117	2,321
Executives	Employees	Advance against gratuity	10,203	8,234	9,653	5,710

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39.1 The details of compensation paid to key management personnel are shown under the heading of "Remuneration of Chief Executive, Directors and Executive (note 47)". There are no transactions with key management personnel other than under their terms of employment.

39.2 Key management personnel are persons having authority and responsibility for planning, directing and controlling the activities of the entity. The Company considers all members of its management team, including the Chief Executive Officer and the Directors to be key management personnel.

39.3 All transactions with Government of Punjab and its owned entities (the Bank of Punjab) are not disclosed as the management is of the view that it is impracticable to do so due to the nature of the transactions. The Company is exempt from the disclosure requirements of the related party transactions and outstanding balances with the government and other entities which are related parties being owned by the same government.

40 FINANCIAL RISK MANAGEMENT

40.1 Financial risk factors

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

Risk management is carried out by the Company's finance department under policies approved by the Board of Directors. The Company's finance department evaluates and hedges financial risks. 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 and liquidity risk. All treasury related transactions are carried out within the parameters of these policies.

(a) Market risk

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument shall fluctuate because of changes in foreign exchange rates.

The Company is exposed to currency risk amounting to Rs. 71.759 million (2023: Rs. 71.654 million) (payable to contractor and consultant) arising due to transactions in the US Dollar and the Euro. Currency risk arises when future commercial transactions or recognized assets or liabilities are denominated in a currency that is not the Company's functional currency.

At June 30, 2024 if the Rupee had weakened / strengthened by 5% against the USD with all other variables held constant, the impact on profit for the year would have been Rs. 14.951 million (2023: Rs. 12.092 million) lower / higher mainly as a result of foreign exchange losses / gains on translation of USD-denominated financial assets and liabilities.

At June 30, 2024 if the Rupee had weakened / strengthened by 5% against the Euro with all other variables held constant, the impact on profit for the year would have been Rs. 0.05 million (2023: Rs. 0.05 million) lower / higher mainly as a result of foreign exchange losses / gains on translation of Euro-denominated financial assets and liabilities.

The following significant exchange rates have been applied during the year:

	Average rate		**Reporting date rate**	
	2024	**2023**	**2024**	**2023**
USD to PKR	282.95	246.55	278.80	287.10
EUR to PKR	306.34	265.01	298.41	314.27

(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 equity price risk since the Company has not invested in equity securities. The Company is also not exposed to commodity price risk since it does not hold any financial instrument based on commodity prices.

(iii) Interest rate risk

This represents 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 has significant long-term interest-bearing liability. The Company's interest rate risk arises from long term borrowing. Borrowing obtained at variable rates expose the Company to cash flow interest rate risk.

If interest rates at the year end date, fluctuates by 1% higher / lower with all other variables held constant, finance cost for the year would have increased / decreased by Rs. 5.367 million (2023: Rs. 0.719 million) respectively.

		2024	**2023**
		Carrying amount	
		----------- (Rupees in 000') ------------	
Financial liabilities/(Assets)	**Effective rates**		
Variable rate instruments:			
Long term financing	23.81% to 25.61%	2,191,850	3,616,528
Bank balances	20.50%	(7,558,618)	(4,335,825)
Net exposure		(5,366,768)	(719,297)

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Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have decreased / (increased) loss for the year by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2024.

	Profit or loss	
	100 bp increase	**100 bp decrease**
As at June 30, 2024		
Cash flow sensitivity - Variable rate financial liabilities	(53,668)	53,668
As at June 30, 2023		
Cash flow sensitivity - Variable rate financial liabilities	(7,193)	7,193

The sensitivity analysis prepared is not necessarily indicative of the effects on (loss) / profit for the year and assets / liabilities of the Company.

40.2 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:

	2024	2023
	(Rupees in 000')	
Long term deposits and advances	1,456	401
Trade debts	2,174,635	3,113,851
Contract assets	1,181,893	1,374,353
Short term deposits	1,926	1,926
Short term loans and advances	12,666	8,452
Other receivables	19,466	11,155
Bank balances	7,558,618	4,335,825
	10,950,660	8,845,963

Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings or to historical information about counterparty.

Concentration of credit risk

Concentration of credit risk exists when the changes in economic or industry factor similarly affect group of counterparties whose aggregate credit exposure is significant in relation to the Company's total credit exposure. The Company's portfolio of financial assets is limited and is exposed to concentrations of credit risk as the financial asset are held with a limited number of institutions.

Trade debts - considered good

Trade debts mainly represents receivable from Central Power Purchasing Agency (CPPA), a Government owned entity.

	2024	2023
	(Rupees in 000')	
The aging of trade receivable at the reporting date is:		
Neither past due nor impaired	630,243	574,885
Past due but not impaired:		
1 to 30 days	575,386	568,015
31 to 90 days	641,014	708,812
91 to 180 days	225,729	223,688
181 to 365 days	47,739	171,170
Above 365 days	54,524	867,281
	1,544,392	2,538,966
	2,174,635	3,113,851

Based on the guarantee secured from the Government of Pakistan under the Implementation Agreement, the Company believes that no impairment allowance is necessary in respect of trade debtors past due as some receivables have been recovered subsequent to the year end and for other receivables there are reasonable ground to believe that the amounts will be recovered in short course of time.

Bank balances

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

	Rating 2024			2024
	Short term	Long term	Agency	(Rupees in 000')
Bank of Punjab (BOP)	A1+	AA	PACRA	7,558,618

	Rating 2023			2023
	Short term	Long term	Agency	(Rupees in 000')
Bank of Punjab (BOP)	A1+	AA	PACRA	4,335,825

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

40.3 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

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Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. The Company's approach to managing liquidity is to ensure that, as far as possible, it always has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable loss or risking damage to the Company's reputation.

Management monitors the forecasts of the Company's cash and cash equivalents on the basis of expected cash flow. This is generally carried out in accordance with practice and limits set by the Company. The Company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet its liabilities, monitoring balance sheet liquidity ratios against internal and external regulatory requirements, and maintaining debt financing plans. Following are the contractual maturities of financial liabilities, including interest payments:

	Carrying Amount	Contractual cash flow	Less than 1 year	Between 1 and 5 years	Over 5 years
	-----------------------(Rupees in 000')-----------------------				
2024					
Long term financing	2,191,850	2,618,272	2,210,981	407,291	-
Trade and other payables	544,576	544,576	544,576	-	-
Accrued finance cost	113,375	113,375	113,375	-	-
Retentions	429,780	429,780	429,780	-	-
	3,279,581	3,706,003	3,298,712	407,291	-
2023					
Long term financing	3,616,528	4,838,272	2,203,912	2,634,360	-
Trade and other payables	478,189	478,189	478,189	-	-
Accrued finance cost	189,161	189,161	189,161	-	-
Retentions	340,113	340,113	340,113	-	-
	4,623,991	5,845,735	3,211,375	2,634,360	-

41 FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values. 'Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (ie an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale 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.

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

There were no financial instruments held by the Company which are measured at fair value as of June 30, 2024 and June 30, 2023.

Transfer between levels of the fair value hierarchy are recognized at the end of the reporting period during which the changes have occurred. However, there were no transfers between levels of fair value hierarchy during the year.

42 FINANCIAL INSTRUMENTS BY CATEGORY

	Note	Original carrying amount			Fair value			
		Financial assets at amortized cost	Financial liabilities at amortized cost	Total	Level 1	Level 2	Level 3	Total
		(Rupees in 000')						
On-Statement of financial position - financial instruments								
As at June 30, 2024								
Financial assets								
Financial assets at amortized cost								
Long term deposits and advances	11	1,456	-	1,456	-	-	-	-
Trade debts - net	12	2,174,635	-	2,174,635	-	-	-	-
Contract assets	13	1,181,893	-	1,181,893	-	-	-	-
Short term loans and advances	14	19,466	-	19,466	-	-	-	-
Short term deposits	15	1,926	-	1,926	-	-	-	-
Other receivables	16	19,466	-	19,466	-	-	-	-
Cash and bank balances	18	7,558,618	-	7,558,618	-	-	-	-
		10,957,460	-	10,957,460	-	-	-	-
Financial liabilities at amortized cost								
Long term financing	21	-	2,191,850	2,191,850	-	-	-	-
Trade and other payables	24	-	544,576	544,576	-	-	-	-
Retentions	23	-	429,780	429,780	-	-	-	-
Accrued finance cost	25	-	113,375	113,375	-	-	-	-
		-	3,279,581	3,279,581	-	-	-	-
On-Statement of financial position - financial instruments								
As at June 30, 2023								
Financial assets								
Financial assets at amortized cost								
Long term deposits	11	401	-	401	-	-	-	-
Trade debts	12	3,113,851	-	3,113,851	-	-	-	-
Contract assets	13	1,374,353	-	1,374,353	-	-	-	-
Short term loans and advances	14	8,452	-	8,452	-	-	-	-
Short term deposits	15	1,926	-	1,926	-	-	-	-
Other receivables	16	11,155	-	11,155	-	-	-	-
Cash and bank balances	18	4,335,825	-	4,335,825	-	-	-	-
		8,845,963	-	8,845,963	-	-	-	-
Financial liabilities at amortized cost								
Long term financing	21	-	3,616,528	3,616,528	-	-	-	-
Trade and other payables	24	-	478,189	478,189	-	-	-	-
Retentions	23	-	340,113	340,113	-	-	-	-
Accrued finance cost	25	-	189,161	189,161	-	-	-	-
		-	4,623,991	4,623,991	-	-	-	-

42.1 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 counter parties on their obligations to the Company. Accordingly, the credit risk is minimal.

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43 CAPITAL MANAGEMENT

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitor the return on capital, which the Company defines as net profit after taxation divided by total shareholders' equity. There were no changes to the Company's approach to capital management during the year and the Company is not subject to externally imposed capital requirements.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital employed. Net debt is calculated as long term financing. Total capital employed signifies equity as shown in statement of financial position plus net debt.

	2024	2023
	---------- (Rupees in 000')	------------
The proportion of debt to equity at the year end was:		
Long term finances	2,191,850	3,616,528
Net debt	2,191,850	3,616,528
Share capital	3,809,780	3,809,780
Reserves	12,897,869	9,967,935
Total equity	16,707,649	13,777,715
Total capital employed	18,899,499	17,394,243
Gearing Ratio	12%	21%

44 RISK MANAGEMENT FRAMEWORK

The Board of Directors has overall responsibility for establishment and over sight of the Company's risk management framework. The executive management team is responsible for developing and monitoring the Company's risk management policies. The team regularly meets and any changes and compliance issues are reported to the Board of Directors through the audit committee. The audit committee oversees compliance by management with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

45 CORRESPONDING FIGURES

Corresponding figures where necessary, have been rearranged for the purpose of comparison. However no significant rearrangement or reclassification has been made during the year ended June 30, 2024.

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46 NUMBER OF EMPLOYEES

	2024 Numbers	2023 Numbers
Number of employees at June 30		
Permanent		
Head office	18	18
Plant	12	12
Average number of employees during the year		
Permanent		
Head office	18	21
Plant	12	13

46.1 The number of employees as at year end was 30 (2023: 30) and average number of employees during the year was 30 (2023: 34).

47 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged in the financial statements for the year for remuneration, including all benefits, to the Chief Executive, Directors and Executives of the Company are as follows:

	Chief Executive		Directors		Executives	
	2024	2023	2024	2023	2024	2023
	----------Rupees in thousand----------					
Short term employee benefits						
Managerial Remuneration	18,982	15,526	-	-	55,365	64,628
Utilities	252	234	-	-	-	-
Bonus	5,854	4,099	-	-	15,271	8,501
Medical expenses	264	167	-	-	-	-
Meeting fee	-	-	17,631	12,423	-	-
Others	-	-	-	-	-	-
	25,352	20,026	17,631	12,423	70,636	73,129

	Chief Executive		Directors		Executives	
	2024	2023	2024	2023	2024	2023
	----------Rupees in thousand----------					
Post employment benefit						
Expenses incurred in respect of gratuity	-	-	-	-	8,367	8,461
	25,352	20,026	17,631	12,423	79,003	81,590
Number of person(s)	1	1	11	11	17	18

47.1 The Company has 11 (2023: 11) directors who have not received any remuneration and other benefits, except aggregating fee for attending meetings amounting to Rs. 17.631 million (2023: Rs. 12.422 million).

47.2 The meeting fee is paid to non-executive and independent directors.

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48 CAPACITY AND PRODUCTION

	2024 MWH	2023 MWH
Actual capacity per hour	100	100
Benchmark energy for the year	153,300	153,300
Actual energy delivered for the year, as acknowledged by CPPA	155,315	160,961

48.1 Output produced by the plant is dependent on the load demanded by CPPA-G and plant availability.

49 RECONCILIATION OF MOVEMENT OF LIABILITIES AND EQUITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

	Equity	Liabilities	
	Dividend	Financing	Total
	(Rupees in thousand)		
Balance as at July 01, 2023	-	3,616,528	3,616,528
Dividend announced	1,000,000	-	1,000,000
Dividend paid	(1,000,000)	-	(1,000,000)
Repayment	-	(1,424,678)	(1,424,678)
Balance as at June 30, 2024	-	2,191,850	2,191,850

49.1 There is no non-cash transaction during the year, however, dividend payment includes expenses amounting to Rs. 49.918 million paid by the Company on behalf of the Government of Punjab and the same amount has been deducted from the payment of dividend.

50 SUMMARY OF SIGNIFICANT TRANSACTIONS AND EVENTS

All significant transactions and events that have affected the Company's financial position and performance during the year have been adequately disclosed in the notes to these financial statements.

51 EVENTS AFTER THE DATE OF STATEMENT OF FINANCIAL POSITION

51.1 The Board of Directors of the Company has proposed (meeting held on July 29, 2024) an interim cash dividend for the year ending June 30, 2025 of Rs. 2,624.82 per share amounting to Rs. 1,000.00 million subject to NOC from the Bank of Punjab. These financial statements do not include the effect of the above appropriations which will be accounted for in the period in which they are approved.

51.2 There are no other significant adjusting or non adjusting event after the reporting date requiring adjustment or disclosure in financial statements except elsewhere disclosed in these financial statements.

52 EARNINGS PER SHARE - BASIC AND DILUTED

		2024	2023
Profit for the year	Rupees in thousand	3,943,903	2,988,595
Weighted average number of ordinary shares	Number	380,978	380,978
Earnings per share	Rupees	10.35	7.84

52.1 Diluted earnings per share

Diluted earnings per share has not been presented as the Company does not have any convertible instrument in issue as at June 30, 2024 and June 30, 2023 which would have any effect on the earnings per share if the option to convert is exercised.

53 DATE OF AUTHORIZATION OF ISSUE

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

54 GENERAL

Figures have been rounded off to the nearest rupee in thousand unless otherwise stated.

CHIEF EXECUTIVE OFFICER **DIRECTOR**

QUAID-E-AZAM SOLAR POWER (PVT) LIMITED
GOVERNMENT OF PUNJAB

PROXY FORM

I -- of --- in the district -------------------------- being a Member/Director of the **Quaid-e-Azam Solar Power (Pvt) Limited** (QASPL), hereby appoint --- of -- as my/our proxy to vote for me/us and on my/our behalf at the **11th Annual General Meeting** (AGM) of QASPL to be held on the **28th day of October 2024** and at any adjournment thereof."

Signed by me this ______ day of October, 2024

____

(Signature of Appointee)

____

(Signature of Appointer)

Witness 1:

Signature ____________________

Name ____________________

CNIC No.____________________

Address ____________________

Witness 2:

Signature ____________________

Name ____________________

CNIC No.____________________

Address ____________________