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

Annual Report 2023

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

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Board Of Directors	Mr. Zaheer Ahmad Ghanghro - Chairman Board Chairman, Planning and Development Department Chairman, Punjab Board of investment and Trade Secretary Energy, Government of Punjab Secretary Finance, Government of Punjab Secretary Industries, Government of Punjab Mr. Khawaja Khawar Rashid Mr. Muhammad Ali Latif Prof. Suhail Aftab Qureshi Miss. Lubna Pathan Mr. Ahmad Shahzaib Malik Mr. Kamran Khursheed
Audit committee	Mr. Muhammad Ali Latif - Chairman Committee Secretary Energy, Government of Punjab Secretary Finance, Government of Punjab Mr. Ahmad Shahzaib Malik Mr. Khawaja Khawar Rashid
HR Committee	Prof. Suhail Aftab Qureshi - Chairman Committee Secretary Energy, Government of Punjab Secretary Industries, Government of Punjab Mr. Ahmad Shahzaib Malik Mr. Kamran Khursheed
Finance & Procurement and CSR Committee	Mr. Zaheer Ahmad Ghanghro - Chairman Committee Secretary Energy, Government of Punjab Secretary Finance, Government of Punjab Mr. Ahmad Shahzaib Malik Mr. Kamran Khursheed
Nomination Committee	Mr. Zaheer Ahmad Ghanghro - Chairman Committee Miss. Lubna Pathan
Risk Management Committee	Mr. Kamran Khursheed - Chairman Committee Secretary Energy, Government of Punjab Miss. Lubna Pathan
Grievance Redressal Committee	Mr. Zaheer Ahmad Ghanghro - Chairman Committee Mr. Kamran Khursheed
Chief Executive Officer	Mr. Muhammad Badar Ul Munir

Chief Financial Officer	Mr. Salman Javed Hashmi
Company Secretary	Mr. Salman Javed Hashmi (acting)
Tax Advisors	KPMG Taseer Hadi & Co.
Auditors	BDO Ibrahim Chartered Accountants
Legal advisor	Cornelius, lane & Mufti
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 CO2 being reduced annually.

Mission Statement

Quaid-e-Azam Solar aims to take on the responsibility of bridging the 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 fulfill 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.

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

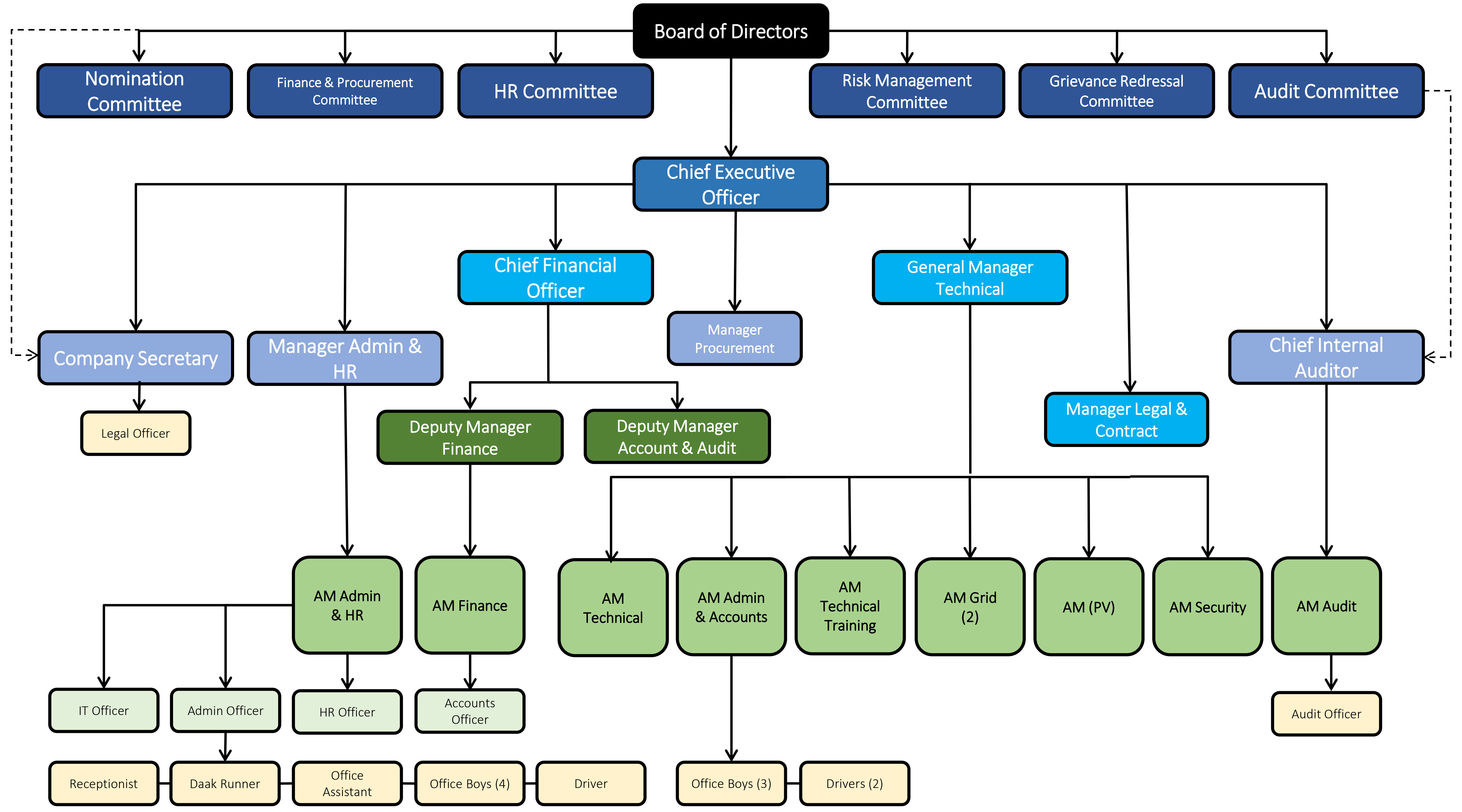
When a team takes ownership of its problems, the problem gets solved. It is true on the battlefield, it is true in business, and it is true in life

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
Company Secretary
Manager Admin & HR
Chief Financial Officer
Manager Procurement
General Manager Technical
Manager Legal & Contract
Chief Internal Auditor
Legal Officer
Deputy Manager Finance
Deputy Manager Account & Audit
AM Admin & HR
AM Finance
AM Technical
AM Admin & Accounts
AM Technical Training
AM Grid (2)
AM (PV)
AM Security
AM Audit
IT Officer
Admin Officer
HR Officer
Accounts Officer
Audit Officer
Receptionist
Daak Runner
Office Assistant
Office Boys (4)
Driver
Office Boys (3)
Drivers (2)

Quaid-e-Azam Solar Power (Pvt) Limited

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

Ref: QAS-23/10/05-01

October 05, 2023

To:

1. Dr. Naeem Rauf - Secretary Energy — Member/Shareholder
2. Mr. Iftikhar Ali Sahoo - 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 10th ANNUAL GENERAL MEETING (AGM) OF QASPL**

Respected Members,

This is to inform that the 10th Annual General Meeting (AGM) of Quaid-e-Azam Solar Power (Pvt) Limited (QASPL) is scheduled to be held on **Thursday, October 26, 2023 at 3:00 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:	**10th Annual General Meeting (AGM) of QASPL (26-10-2023)**
Zoom Link:	**https://us02web.zoom.us/j/3560223401**
Meeting ID:	356 022 3401
Passcode:	261 023

(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.

ڈائریکٹرز رپورٹ

محترم ممبران،

بورڈ آف ڈائریکٹرز نہایت مسرت کے ساتھ آڈٹ شدہ مالیاتی گوشوارے مع اس پر آڈیٹرز رپورٹ قائداعظم سولر پاور لمیٹڈ، پرائیوٹ (کمپنی) کے ساتھ مطابقتی جائزہ رپورٹ، برائے سال مختتمہ 30 جون 2023 پیش کر رہے ہیں۔

یہ مالیاتی گوشوارے بجا طور پر کمپنی کے حالات کی عکاس ہونے کے ساتھ اس کے آپریشنز کے نتائج، اثاثہ جات، قرضہ جات، محاصل، اخراجات، کیش فلوز اور ایکویٹی میں تبدیلیوں کو بھی منصفانہ طور پر پیش کرتی ہیں۔ وہ حسابی پالیسیاں جو مالیاتی گوشوارے کے نوٹس میں مذکور ہیں ان کا اطلاق مسلسل کیا گیا ہے اور حسابی تخمینوں کا اطلاق کرنے میں محتاط انداز اپنایا گیا ہے۔ مزید برآں تمام اخراجات بورڈ کی منظور شدہ حدود کے اندر رہیں۔

مالیاتی خلاصہ:

اس سال 160,961,253 یونٹس پیدا کیے گئے جبکہ صنعتی سرگرمیوں کی تاریخوں میں مجموعی طور پر 1,297,182,488 یونٹس کی پیداوار ہوئی جس کے نتیجے میں اس سال کے دوران فروخت پچھلے سال کے مقابلہ میں 20.14 فیصد اضافے کیساتھ 4,796.364 ملین روپے رہی۔ فروخت سے متعلقہ لاگت 10.55 فیصد اضافے کیساتھ 1,037.918 ملین روپے رہی جس کے نتیجے میں منافع میں 3,758.446 ملین روپے مجموعی اضافہ ہوا (23.09 فیصد اضافہ)۔

QASPL کا آپریٹنگ منافع اور ٹیکس سے قبل منافع بالترتیب 35.39 فیصد اور 39.77 فیصد اضافے کیساتھ 4,120.887 ملین روپے اور 3,277.721 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 30 جون 2023 تک مکمل کیا گیا۔ 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 معاشی اثر نہیں ہوا۔

مالی سال 23-2022 میں ٹیکس کے بعد QASPL کے مجموعی منافع میں گذشتہ برس کی نسبت 35.70 فیصد کا شاندار اضافہ ہوا جو کہ 2,988.595 ملین روپے ہے۔ اس سال کے منافع و اخراجات کا گذشتہ سال سے موازنہ ٹیبل میں درج ذیل ہے۔

تفصیل	2022-23 (ملین روپے)	2021-22 (ملین روپے)	فرق (ملین روپے)	فرق (فیصد %)
فروخت	4,796.36	3,992.26	804.10	20.14
سیلز کی لاگت	(1,037.92)	(938.84)	(99.08)	(10.55)
مجموعی منافع	3,758.45	3,053.43	705.02	23.09
انتظامی اخراجات	(159.98)	(131.83)	(28.15)	(21.35)
سماجی ذمہ داری کے اخراجات	(4.12)	(4.34)	0.22	5.12
دیگر اخراجات	(117.32)	(50.49)	(66.83)	(132.38)

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info@qasolar.com, www.qasolar.com

دیگر آمدن	643.86	176.92	466.93	263.92
آپریٹنگ منافع	4,120.89	3,043.70	1,077.19	35.39
قرضہ جات کی واپسی (ADP فنڈ)	200.56	663.96		-
دوران سال اخراجات	(200.56)	(663.96)		-
مالی لاگت	(843.17)	(698.55)	(144.62)	(20.70)
ٹیکس سے پہلے منافع	3,277.72	2,345.15	932.58	39.77
ٹیکسیشن	(289.13)	(142.81)	(146.32)	(102.46)
ٹیکس کے بعد منافع	2,988.60	2,202.34	786.26	35.70
سرمائے کے اخراجات	(410.30)	(255.20)	(155.10)	(60.77)
فی حصص آمدن	7.84	5.78	2.06	35.64

فروخت کا تقریباً 91 فیصد حصہ آپریشنز و مرمتی کاموں (O & M)، کنٹریکٹر / کنسلٹنٹ کی ادائیگیوں اور پلانٹ کی قیمت میں کمی پر مشتمل ہے جبکہ بقیہ 9 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 131.830 ملین روپے سے بڑھ کر 159.982 ملین روپے تک پہنچ گئے ہیں۔ تنخواہوں اور ادائیگیوں کی مد میں 7.232 ملین روپے کی کمی ہوئی ہے۔ یہ کمی خالی آسامیوں جن میں چیف انٹرنل آڈیٹر، کمپنی سیکریٹری، منیجر فنانس اور منیجر پروکیورمنٹ شامل ہیں، کی وجہ سے ہوئی۔ لیگل ایڈوائزر کی تعیناتی اور UNFCCC کو ادائیگی کی وجہ سے قانونی اور پیشہ وارانہ لاگت میں اضافہ ہوا ہے۔ اس کے علاوہ پیٹرولیم مصنوعات کی قیمتوں میں اضافے کی وجہ سے سفری اخراجات بھی بڑھے ہیں۔

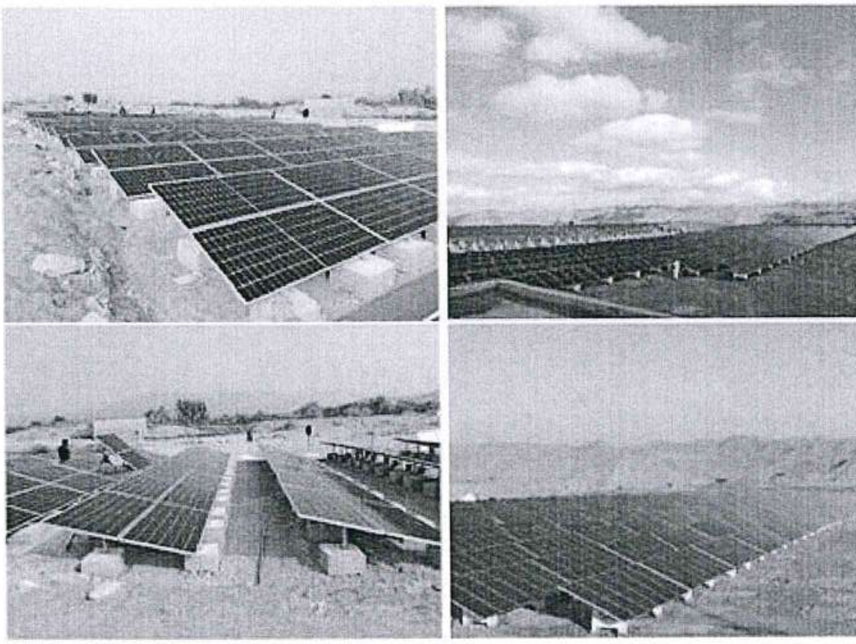
30 جون 2023 کو ختم ہونے والے مالی سال کے دوران روپے کے مقابلہ میں ڈالر کی قیمت مستحکم ہونے سے 54.516 ملین روپے کا نقصان ہوا، یہ نقصان غیر ملکی کنٹریکٹرز اور کنسلٹنٹس کو ادائیگیوں سے متعلقہ تھا۔ دیگر چارجز کی بقیہ رقم میں ملازمین کے WPPF اور WWF فنڈز کی مد میں مالی معاونت شامل ہے جبکہ اس سال کے دوران کی جانے والی حقیقی مالی معاونت WPPF اور WWF کیلئے بالترتیب 117.257 ملین روپے اور 46.961 ملین روپے ہے۔ اس کے علاوہ کمپنی نے اپنے انرجی پرچیز معاہدے کے تحت CPPA سے کاربن کریڈٹ شیئرنگ کیلئے 17.135 ملین روپے مختص کیے ہیں۔

سال کے دوران دیگر آمدن نمایاں اضافے کیساتھ 176.923 ملین روپے سے بڑھ کر 643.856 ملین روپے تک پہنچ گئی (3.6 گنا اضافہ)۔ یہ اضافہ دوران سال CCPA سے ریکارڈ وصولیوں (6.682 ملین روپے) اور مارک اپ کے 12.25 فیصد سے بڑھ کر 19.50 فیصد ہونے کے باعث ہوا ہے۔ مزید QASPL نے رواں مالی سال کے دوران اوپن مارکیٹ میں 29.407 ملین روپے کے 94,669 کاربن کریڈٹس فروخت کیے۔ یہ رقم بھی دیگر آمدن میں شامل ہے۔

رواں مالی سال کے دوران طے شدہ آپریٹنگ اثاثہ جات میں خاطر خواہ اضافہ کیا گیا ہے۔ پلانٹ سائٹ پر گیسٹ ہاؤس کی تعمیر، کمپلیکس عمارت کی شمسی توانائی پر منتقلی اور سماجی ذمہ داری کے تحت دور افتادہ بجلی سے محروم دیہاتوں کو شمسی توانائی کے ذریعے بجلی کی فراہمی کے منصوبوں پر کام کیا گیا جن پر جاری منصوبوں کے تحت سرمایہ کاری کی گئی جو بالترتیب 196.535 ملین روپے، 10.932 ملین روپے اور 196.114 ملین روپے ہے۔

سماجی ذمہ داریاں (CSR):

QASPL نے رواں سال اپنی سماجی ذمہ داری نبھاتے ہوئے سماجی فلاح و بہبود کے متعدد اہم منصوبہ جات کا آغاز بھی کیا ہے ان منصوبوں کے ذریعے دور افتادہ اور بجلی سے محروم دیہاتوں کو شمسی توانائی کے ذریعے بجلی فراہم کی گئی۔ یہ پلانٹس سال کے دوران کی 196.114 ملین روپے کی لاگت سے مکمل کیے گئے (جیسا کہ سابقہ سیکشن میں درج ہے)۔ ذیل میں ان پراجیکٹس کی کچھ تصاویر ہیں۔



مینجمنٹ کی جانب سے رواں سال میں ایک اور اہم قدم پلانٹ کے اطراف میں شجرکاری مہم تھا جس میں کلین اینڈ گرین پاکستان پروگرام کے تحت 5 ہزار پودے لگائے گئے۔

منافع:

رواں سال میں منافع کی مد میں شیئر ہولڈرز کو 2 بلین روپے تقسیم کیے گئے ہیں۔ یہ رقم مالی سال 22-2021 اور 23-2022 کیلئے بالترتیب 500 ملین روپے اور 1.5 بلین روپے عبوری منافع پر مشتمل ہے۔ شمولیت (ان کارپوریشن) سے اب تک تقسیم کیا گیا مجموعی منافع 4.7 بلین روپے ہے جو کہ شمولیت (ان کارپوریشن) کے وقت حکومت کی طرف سے دی گئی مجموعی رقم سے 0.9 ارب روپے زیادہ ہے۔ اس کے علاوہ کمپنی نے منافع کی مد میں تقسیم کرنے کیلئے 1 بلین روپے مزید مختص کیے ہیں جو کہ مالی سال 24-2023 کی پہلی سہ ماہی میں تقسیم کیے جائیں گے۔

سالانہ ترقیاتی منصوبہ (ADP سکیمیں)

محکمہ توانائی، حکومت پنجاب کی درخواست پر کمپنی نے گذشتہ سال 6 اے ڈی پی سکیموں کا آغاز کیا تھا ان سکیموں کی مجموعی لاگت 980 ملین روپے ہے جس میں سے تقریباً 373 ملین روپے مالی سال 23-2022 میں (609 ملین روپے: 2022) وصول ہوئے۔ رواں سال کے دوران ان سکیموں پر خرچ ہونے والی مجموعی رقم تقریباً 270 ملین روپے ہے۔ تمام 6 سکیموں میں رقم کے استعمال کی تفصیل مالیاتی رپورٹ کے نقطہ 16 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۔

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 kW 2300) یہ پراجیکٹ اس سال کے دوران مکمل کیا گیا۔

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

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 kW 600)۔ جس میں 100kW کی 6 مختلف سائٹس شامل ہیں۔ 6 سائٹس میں سے 4 سائٹس (400kW) کو اس سال کے دوران مکمل کیا گیا (فروری 2023 میں 3 سائٹس اور ایک سائٹ مئی 2023 میں مکمل کی گئی) جبکہ 2 سائٹس (مظفر گڑھ اور بہاولنگر) تکمیل کے مراحل میں ہیں۔

5۔ پنجاب میں ٹیوب ویلوں کی شمسی توانائی پر منتقلی: اس منصوبے کا مقصد پنجاب کے 5 اضلاع راجن پور، ڈیرہ غازی خان، بھکر، میانوالی اور ملتان میں کسانوں کے زیر استعمال 27 ٹیوب ویلوں کو شمسی توانائی پر منتقل کرنا تھا۔ (مجموعی پیداواری صلاحیت kW 332.1) یہ پراجیکٹ جنوری 2023 میں مکمل کیا گیا۔

6۔ پنجاب انسٹیٹیوٹ آف مینٹل ہیلتھ کی شمسی توانائی پر منتقلی: اس پراجیکٹ کا مقصد پنجاب انسٹیٹیوٹ آف مینٹل ہیلتھ کو 1MW گرڈ پی وی سولر سسٹم پر منتقل کرنا تھا۔ یہ پراجیکٹ بھی اس سال کے دوران مکمل کیا گیا۔

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۔

☆ ہمارے دو خاص عہدہ پر منصب 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۔

☆ سی آئی اے کی آسامی خالی ہے اور انٹرنل آڈٹ رپورٹ زیر التواء 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 کرتی ہیں۔

(ج) حساب داری کے مناسب کھاتے رکھے گئے ہیں۔

(د) مالیاتی گوشواروں کی تیاری کیلئے مناسب اور متعلقہ اکاؤنٹنگ پالیسیوں پر عمل کیا گیا ہے اور ان میں ہونے والی کسی بھی 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 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۔

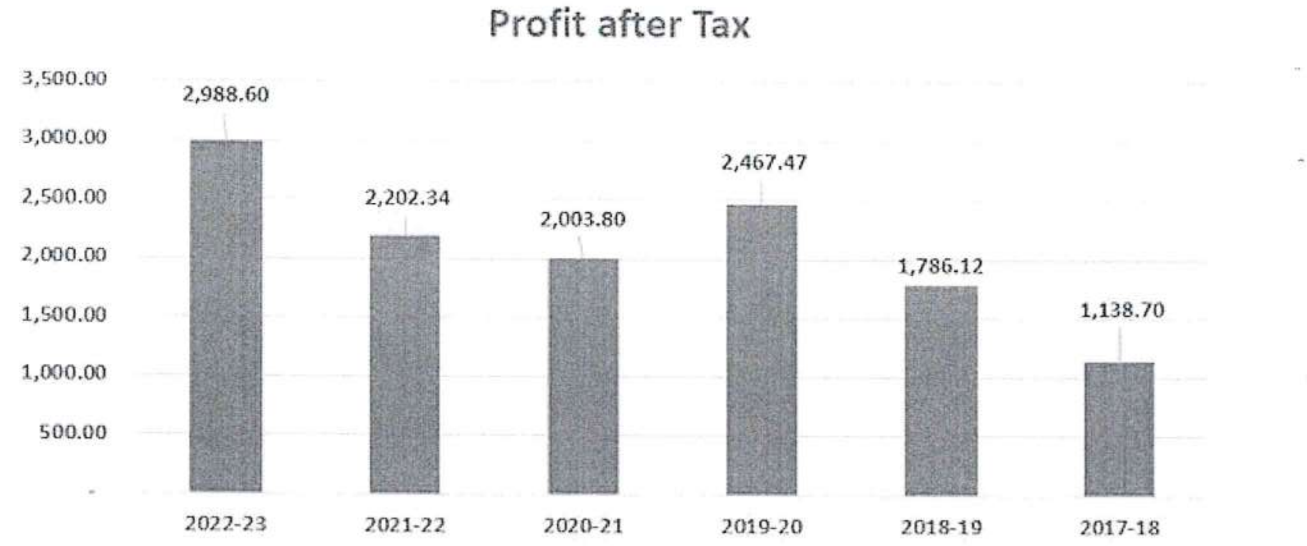
دوران سال اہم سرگرمیاں :

مالی سال 23-2022 میں کمپنی نے اپنے صارف کو 161.246 GWh بجلی فروخت کی جبکہ ٹارگٹ 153.3 GWh توانائی کی فروخت تھا۔ یہ پیداوار 18.41 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 73.63 فیصد تھا جبکہ کمپنی نے 76.62 فیصد کا ہدف حاصل کیا ہے اور ضرورت سے زیادہ 6,221.28 MWh یونٹس پیدا کیے ہیں۔

گزشتہ 6 سالوں کا آپریشنل اور مالیاتی ڈیٹا :

تفصیل	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)	مالی سال 18-17 (ملین روپے)
فروخت شدہ یونٹ GWh	160.96	163.68	165.75	165.05	164.47	162.29
سیلز	4,796.36	3,992.26	3,570.84	4,335.21	3,623.16	2,920.10
سیلز کی لاگت	(1,037.92)	(938.84)	(893.56)	(901.42)	(888.05)	(893.96)
مجموعی منافع	**3,758.45**	**3,053.43**	**2,677.29**	**3,433.79**	**2,735.11**	**2,026.14**
انتظامی اخراجات	(159.98)	(131.83)	(88.27)	(80.59)	(80.00)	(128.03)
سماجی ذمہ داری کے اخراجات	(4.12)	(4.34)	-	-	-	-
دیگر آمدن	643.86	176.92	354.31	367.97	150.61	174.95
دیگر اخراجات	(117.32)	(50.49)	(88.49)	(1.58)	(12.42)	(5.48)

2,067.58	**2,793.30**	**3,719.59**	**2,854.83**	**3,043.70**	**4,121.89**	انٹرسٹ اور ٹیکس سے قبل منافع
						ADP پراجیکٹ فنڈز
-	-	-	-	663.96	200.56	قرض واپسی کے فنڈز
-	-	-	-	(663.96)	(200.56)	دوران سال اخراجات
(893.46)	(1,065.52)	(1,235.82)	(713.05)	(698.55)	(843.17)	مالی لاگت
1,174.12	1,727.78	2,483.77	2,141.78	2,345.15	3,277.72	**ٹیکس سے قبل منافع**
(35.42)	58.34	(16.30)	(137.99)	(142.81)	(289.13)	ٹیکسیشن
1,138.70	1,786.12	2,467.47	2,003.80	2,202.34	2,988.60	**ٹیکس کے بعد منافع**
(17.63)	(1.54)	(27.92)	(17.20)	(255.20)	(410.30)	سرمائے کے اخراجات
2.99	4.69	6.48	5.26	5.78	7.84	**فی حصص آمدن**



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 والی بہترین کمپنیوں میں سے ایک کے طور پر سامنے آئی ہے۔

30جون2023 تک کمپنی کا تناسب 3.35:1 کی شرح کیساتھ کافی مستحکم رہا۔اس کے علاوہ قرض ایکویٹی کا تناسب اور قرض کی خدمت کا تناسب بالترتیب 20:08 اور 2.10 رہا۔ایکویٹی پر واپسی 21فیصد پر برقرار رہی۔

PACRA کریڈٹ ریٹنگ:

پاکستان کریڈٹ ریٹنگ ایجنسی (PACRA) نے QASPL کو '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:

30جون2023 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 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 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	چیئرمین	10
2	چیئرمین پلاننگ اینڈ ڈویلپمنٹ بورڈ، پنجاب	ڈائریکٹر	08
3	چیئرمین پنجاب بورڈ آف انویسٹمنٹ اینڈ ٹریڈ	ڈائریکٹر	03
4	سیکریٹری انرجی، حکومت پنجاب	ڈائریکٹر	10
5	سیکریٹری فنانس، حکومت پنجاب	ڈائریکٹر	05
6	سیکریٹری انڈسٹریز، حکومت پنجاب	ڈائریکٹر	08
7	جناب محمد علی لطیف	ڈائریکٹر	06
8	جناب کامران خورشید	ڈائریکٹر	10
9	جناب خواجہ خاور رشید	ڈائریکٹر	08
10	انجینئر پروفیسر ڈاکٹر سہیل آفتاب قریشی	ڈائریکٹر	10
11	جناب احمد شاہزیب ملک	ڈائریکٹر	10
12	محترمہ لبنیٰ پٹھان	ڈائریکٹر	10

آڈٹ کمیٹی میٹنگ

رواں سال کے دوران آڈٹ کمیٹی کی 07 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	کنوینئر	07
2	سیکریٹری انر جی، حکومت پنجاب	ڈائریکٹر	06
3	سیکریٹری فنانس، حکومت پنجاب	ڈائریکٹر	04
4	جناب احمد شاہزیب ملک	ڈائریکٹر	07
5	جناب خواجہ خاور رشید	ڈائریکٹر	07

فنانس اور پروکیورمنٹ کمیٹی میٹنگ

رواں سال کے دارواں فنانس اور پروکیورمنٹ 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 ظہیر احمد گھانگھرو	کنوینئر	08
2	سیکریٹری انر جی، حکومت پنجاب	ڈائریکٹر	08
3	سیکریٹری فنانس، حکومت پنجاب	ڈائریکٹر	-
4	انجینئر پروفیسر ڈاکٹر سہیل آفتاب قریشی	ڈائریکٹر	08
5	جناب احمد شاہزیب ملک	ڈائریکٹر	08
6	جناب کامران خورشید	ڈائریکٹر	08

ہیومن ریسورس (ایچ آر) کمیٹی میٹنگ

رواں سال کے دوران ہیومن ریسورس (ایچ آر) 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	انجینئر پروفیسر ڈاکٹر سہیل آفتاب قریشی	کنوینئر	08
2	سیکریٹری انر جی، حکومت پنجاب	ڈائریکٹر	08
3	سیکریٹری انڈسٹریز، حکومت پنجاب	ڈائریکٹر	08
4	جناب احمد شاہزیب ملک	ڈائریکٹر	08
5	جناب کامران خورشید	ڈائریکٹر	07

سماجی ذمہ داری (CSR) کمیٹی میٹنگ

رواں سال کے دوران سماجی ذمہ داری (CSR) کمیٹی کی 02 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	کنوینیئر	02
2	سیکریٹری انرجی، حکومت پنجاب	ڈائریکٹر	02
3	سیکریٹری فنانس، حکومت پنجاب	ڈائریکٹر	-
4	انجینئر پروفیسر ڈاکٹر سہیل آفتاب قریشی	ڈائریکٹر	02
5	جناب احمد شاہزیب ملک	ڈائریکٹر	02
6	جناب کامران خورشید	ڈائریکٹر	02

شکایت ازالہ کی کمیٹی میٹنگ

رواں سال کے دوران شکایت ازالہ کی کمیٹی کی 01 میٹنگ 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	کنوینیئر	01
2	سیکریٹری انرجی، حکومت پنجاب	ڈائریکٹر	01
3	جناب کامران خورشید	ڈائریکٹر	01

رسک مینجمنٹ کمیٹی میٹنگ

رواں سال کے دوران رسک مینجمنٹ کمیٹی کی 01 میٹنگ 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 کامران خورشید	کنوینیئر	02
2	سیکریٹری انرجی، حکومت پنجاب	ڈائریکٹر	02
3	محترمہ لبنیٰ پٹھان	ڈائریکٹر	02

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 10 ویں سالانہ جنرل میٹنگ کی اختتام پر ریٹائر ہو جائیں گے۔ اہلیت کے معیار پر پورا اترنے کی وجہ سے آڈیٹرز نے آئندہ مالی سال کیلئے بطور آڈیٹرز دوبارہ اپنی خدمات کی پیشکش کی ہے۔ بورڈ آف ڈائریکٹرز نے آڈٹ کمیٹی کی

مشاورت سے BDO ابراہیم (چارٹرڈ اکاؤنٹنٹس) کو بطور آڈیٹر زتعینات کرنے کی سفارش کردی ہے۔

حصص داران:

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

بشکریہ:

ہم رواں مالی سال کو کامیاب 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 بدر المنیر

چیف ایگزیکٹو آفیسر

لاہور۔۔۔۔۔۔۔۔۔۔۔۔

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, 2023.

PRINCIPLES ACTIVITIES 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:

160,961,253 units were produced during the year with total production since Commercial Operations Date (COD) being 1,297,182,488 units. Consequently, total sales booked during the year were Rs. 4,796.36 million, an increase of 20.14% as compared with the previous year. The corresponding cost of sales increased by 10.55% to Rs. 1,037.92 million, resulting is a gross profit of Rs. 3,758.45 million, an increase of 23.09%.

The operating profit and profit before tax of QASPL increased by 35.39% and 39.77%, respectively amounting to Rs. 4,120.89 and Rs. 3,277.72 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 were completed as of 30th June 2023. Since these schemes were fully funded, they had no financial impact on the financial statements of QASPL during the year.

Overall, the net profit after tax of QASPL for the Financial Year 2022-23 increased by 35.70%, as compared to last year, to Rs. 2,988.60 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	**2022-23**	**2021-22**	**VARIANCE**	
	RUPEES (M)			**%**
Sales	4,796.36	3,992.26	804.10	20.14
Cost of Sales	(1,037.92)	(938.84)	(99.08)	(10.55)
Gross Profit	**3,758.45**	**3,053.43**	**705.02**	**23.09**

Admin expenses	(159.98)	(131.83)	(28.15)	(21.35)
Corporate social responsibilities expenses	(4.12)	(4.34)	0.22	5.12
Other Charges	(117.32)	(50.49)	(66.83)	(132.38)
Other Income	643.86	176.92	466.93	263.92
Operating Profit	**4,120.89**	**3,043.70**	**1,077.19**	**35.39**
Amortization of ADP project funds	200.56	663.96	-	-
Expenses incurred during the year	(200.56)	(663.96)	-	-
Finance Cost	(843.17)	(698.55)	(144.62)	(20.70)
Profit before Tax	**3,277.72**	**2,345.15**	**932.58**	**39.77**
Taxation	(289.13)	(142.81)	(146.32)	(102.46)
Profit after Tax	**2,988.60**	**2,202.34**	**786.26**	**35.70**
Earning per share	7.84	5.78	2.06	35.64
Capital expenditure	(410.30)	(255.20)	(155.10)	(60.77)

Almost 91% 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 9% 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. 131.83 million to Rs. 159.98 million during the year. Salaries and wages decreased by Rs. 7.23 million due to vacancy of four key positions during the year i.e., the Chief Internal Auditor (since October 2022), Company Secretary (since January 2023), Manager Finance (since April 2022) and Manager Procurement (since January 2023). An increase in legal and professional cost was seen due to hiring of Legal Advisor and payment to UNFCCC for sale of Carbon Credit.

During the year ended 30th June 2023, foreign currency exchange loss of Rs. 54.52 million was booked due to strengthening of the Dollar against the Pakistani Rupee; this relates to off-shore payments and liabilities to foreign contractor and consultant. The remaining amount of 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. 117.26 million and Rs. 46.92 million towards WPPF and WWF respectively. In addition, the Company provided for of Rs. 17.14 million in other charges for sharing of carbon credits with CPPA, as per its Energy Purchase Agreement.

Other income significantly increased during the year from Rs. 176.93 million to Rs. 643.86 million (364% increase); this increase is both due to record collections from CPPA during the year (Rs. 6.68 billion) and increase in mark-up from 12.25% to 19.50% during the year. In addition, QASPL sold 94,669 carbon credits in the open market for Rs. 29.41 million during the year; this amount was also recorded in other income.

During the year significant additions were made in operating fixed assets. Construction of guest house at the plant site, solarization of the complex building and solarization of off-grid/poor-grid villages under CSR initiatives were capitalized from Capital Work-in-Progress at Rs. 196.54 million, Rs. 10.93 million and Rs. 196.11 million respectively.

CORPORATE SOCIAL RESPONSIBILITY:

QASPL also initiated some Corporate Social Responsibility (CSR) initiatives during the previous financial year; the projects initiated under CSR comprised of electrification of certain off-grid/poor-grid villages through solarization. These plants were capitalized, on completion, during the year at the cost Rs. 196.11 million as mentioned in the preceding section. Some pictures from these projects are given below:

Another important social initiative taken by the management during the year was a plantation drive undertaken at the plant site under which 5,000 plants were planted as part of the Clean and Green Pakistan scheme.

DIVIDEND:

During the year, an amount of Rs. 2 billion was disbursed as dividends to shareholders. This comprised of interim dividends of Rs. 1.5 billion and Rs. 500 million respectively for the FY

2021-22 and FY 2022-23. Total dividends disbursed since incorporation are at Rs. 4.7 billion which is Rs. 0.9 billion more than the total equity injected by the Government of the Punjab at the time of incorporation. In addition, the Company has earmarked an amount of Rs. 1 billion in lieu of further dividend which would be disbursed in the second quarter of FY 2023-24.

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 previous year. The total cost of all six schemes was Rs. 980 million out of which Rs. 373 million (2022: Rs. 609 million) was received in the FY 2022-23. The total payment made during the year on these schemes amounted to Rs. 270 million. Detail of utilization is provided at Note-16 to the Financial Statements and briefs on all six schemes is provided below:

1. <u>Off-grid/Poor-grid village solarization program</u>: 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.

2. <u>Converting three cities of the Punjab into solar smart cities</u>: This project envisioned the solarization of sixteen public buildings located in Multan, Mianwali and Gujranwala (total capacity: 2300 kW). The project was completed during the year.

3. <u>Distribution of 1-kW solar systems to poor population of Punjab based on BISP data</u>: 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 were handed over to the poor families during the year.

4. <u>Provision of electricity to communities using indigenous resources</u>: 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) were completed during the year (3 sites in the months of February 2023 and one in the month of May 2023); meanwhile, two sites (Muzaffargarh and Bahawalnagar) are under process.

5. <u>Solarization of tube wells in Punjab</u>: This project aimed to solarize 27 tube wells being used by farmers in five districts of the Punjab i.e., Rajanpur, Dera Ghazi Khan, Bhakkar, Mianwali and Multan (total capacity: 332.1 kW). The project was completed in the month of January 2023.

6. <u>Solarization of Punjab Institute of Mental Health (PIMH)</u>: The project aimed to install 1-MW on-grid PV solar system on the Punjab Institute of Mental Health (PIMH); this project was also completed during the year.

CORPORATE AND FINANCIAL REPORTING FRAMEWORK:

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

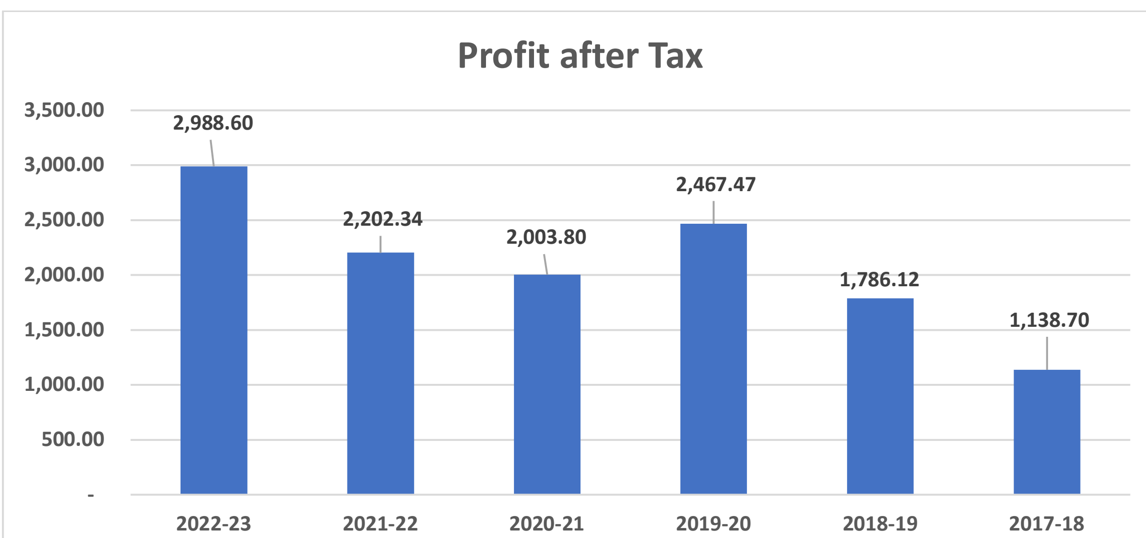
a) The board has complied with the relevant principles of corporate governance, with the following three exceptions:
   i. Two of our ex-officio directors are serving as members of the Board in more than five public sector companies;
   ii. Performance evaluation of the members of the Board has not been undertaken by the Government; and
   iii. Position of CIA is vacant and internal audit report for the FY 2022-23 is therefore pending.
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 2022-23 the Company sold 161.25 GWh of electricity to Central Power Purchasing Agency (Guarantee) Limited against benchmark energy 153.3 GWh. This generation represented a capacity factor of 18.41% against NEPRA's target of 17.5% with overall commercial availability of 100%. The Company's power plant is being maintained in accordance with recommendations of the Original Equipment Manufacturer at the highest internal standards. Moreover, during the year, the Company achieved 76.62% Annual Performance Ratio (APR) against the benchmark APR of 73.63% and produced excess energy of 6,221.28 MWh units.

KEY OPERATIONAL AND FINANCIAL DATA OF THE LAST SIX YEARS:

COMPARATIVE OPERATIONAL & FINANCIAL DATA						
Description	**FY 2022-23**	**FY 2021-22**	**FY 2020-21**	**FY 2019-20**	**FY 2018-19**	**FY 2017-18**
	RUPEES (M)					
Units Sold GWh	160.96	163.68	165.75	165.05	164.47	162.29
Sales	4,796.36	3,992.26	3,570.84	4,335.21	3,623.16	2,920.10
Cost of Sales	(1,037.92)	(938.84)	(893.56)	(901.42)	(888.05)	(893.96)
Gross Profit	**3,758.45**	**3,053.43**	**2,677.29**	**3,433.79**	**2,735.11**	**2,026.14**
Admin expenses	(159.98)	(131.83)	(88.27)	(80.59)	(80.00)	(128.03)
Corporate social responsibility expenses	(4.12)	(4.34)	-	-	-	-
Other Income	643.86	176.92	354.31	367.97	150.61	174.95
Other Charges	(117.32)	(50.49)	(88.49)	(1.58)	(12.42)	(5.48)
Profit before Interest & Tax	**4,121.89**	**3,043.70**	**2,854.83**	**3,719.59**	**2,793.30**	**2,067.58**
Annual development plan (ADP) project funds						
Amortization of ADP project funds	200.56	663.96	-	-	-	-
Expenses incurred during the year	(200.56)	(663.96)	-	-	-	-
Finance Cost	(843.17)	(698.55)	(713.05)	(1,235.82)	(1,065.52)	(893.46)
Profit before Tax	**3,277.72**	**2,345.15**	**2,141.78**	**2,483.77**	**1,727.78**	**1,174.12**
Taxation	(289.13)	(142.81)	(137.99)	(16.30)	58.34	(35.42)
Profit after Tax	**2,988.60**	**2,202.34**	**2,003.80**	**2,467.47**	**1,786.12**	**1,138.70**
Capital expenditure	(410.30)	(255.20)	(17.20)	(27.92)	(1.54)	(17.63)
Earning per **share**	7.84	5.78	5.26	6.48	4.69	2.99



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 schedule. The Company managed to make the best possible use of its human resource and stands out as one of the top energy companies providing electricity to its consumers at affordable costs.

The Company has maintained a healthy Current Ratio of 3.35:1 as of 30th June 2023 with an equally impressive Debt to Equity ratio and Debt Service Ratio of 20:80 and 2.10 respectively whereas Return on Equity is maintained at 21%.

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 is '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 30th June, 2023 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, ten (10) 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	10
2	Chairman, Planning and Development Department	Director	08
3	Chairman, Punjab Board of Investment & Trade	Director	03

4	Secretary Energy, Government of the Punjab	Director	10
5	Secretary Finance, Government of the Punjab	Director	05
6	Secretary Industries, Government of the Punjab	Director	08
7	Mr. M. Ali Latif	Director	06
8	Mr. Kamran Khurshid	Director	10
9	Mr. Khwaja Khawar Rashid	Director	08
10	Engr. Prof. Dr. Suhail Aftab Qureshi	Director	10
11	Mr. Ahmed Shahzeb Malik	Director	10
12	Ms. Lubna Pathan	Director	10

AUDIT COMMITTEE MEETING:

During the year, seven (07) meetings of the Audit Committee were conducted. Attendance of meetings is as follows:

Sr. #	Name	Category	Meetings Attended
1	Mr. M. Ali Latif	Convener	07
2	Secretary Energy, Government of the Punjab	Director	06
3	Secretary Finance, Government of the Punjab	Director	04
4	Mr. Ahmad Shahzeb Malik	Director	07
5	Khawaja Khawar Rashid	Director	07

FINANCE AND PROCUREMENT COMMITTEE MEETING:

During the year, eight (08) 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	08
2	Secretary Energy, Government of the Punjab	Director	08
3	Secretary Finance, Government of the Punjab	Director	-

4	Prof. Dr. Suhail Aftab Qureshi	Director	08
5	Mr. Ahmad Shahzeb Malik	Director	08
6	Mr. Kamran Khursheed	Director	08

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

Sr. #	Name	Category	Meetings Attended
1	Prof. Dr. Suhail Aftab Qureshi	Chairman	08
2	Secretary Energy, Government of the Punjab	Director	08
3	Secretary Industries, Government of the Punjab	Director	08
4	Mr. Ahmad Shahzeb Malik	Director	08
5	Mr. Kamran Khursheed	Director	07

CSR COMMITTEE MEETING:
During the year, two (02) meetings of the CSR Committee were conducted. Attendance of meetings is as follows:

Sr. #	Name	Category	Meetings Attended
1	Mr. Zaheer Ahmed Ghanghro	Convener	02
2	Secretary Energy, Government of the Punjab	Director	02
3	Secretary Finance, Government of the Punjab	Director	-
4	Prof. Dr. Suhail Aftab Qureshi	Director	02
5	Mr. Ahmad Shahzeb Malik	Director	02
6	Mr. Kamran Khursheed	Director	02

GRIEVANCE REDRESSAL COMMITTEE MEETING:
During the year, one (01) meeting of the Grievance Redressal Committee was conducted. Attendance of meeting is as follows:F

Sr. #	Name	Category	Meetings Attended
1	Mr. Zaheer Ahmed Ghanghro	Convener	01
2	Secretary Energy, Government of the Punjab	Director	01
3	Mr. Kamran Khursheed	Director	01

RISK MANAGEMENT COMMITTEE MEETING:
During the year, one (02) meetings of the Risk Management Committee were conducted. Attendance of meeting is as follows:

Sr. #	Name	Category	Meetings Attended
1	Mr. Kamran Khursheed	Convener	02
2	Secretary Energy, Government of the Punjab	Director	02
3	Ms. Lubna Pathan	Director	02

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 expressed an unqualified opinion on the state of affairs of the Company. The Auditors shall retire on the conclusion of 10^{th} Annual General Meeting. Being eligible, they have offered themselves for re-appointment as auditors of the Company for the next financial year. The Board of Directors recommend the appointment of BDO Ebrahim (Chartered Accountants), as auditors of the Company for the next year as recommended by the Audit Committee.

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.

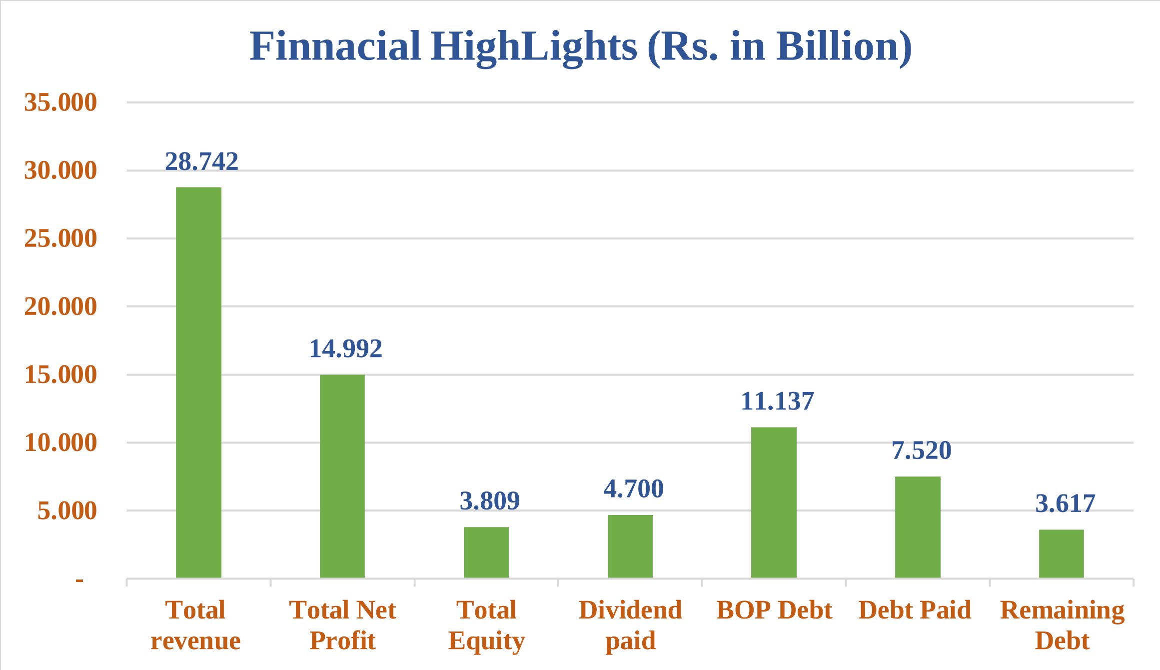
On Behalf of the Board

Mr. Muhammad Badar-ul-Munir
Chief Executive Officer

Mr. Zaheer Ahmad Ghanghro
Chairman Board of Directors

Lahore: ____________________

Financial Highlights



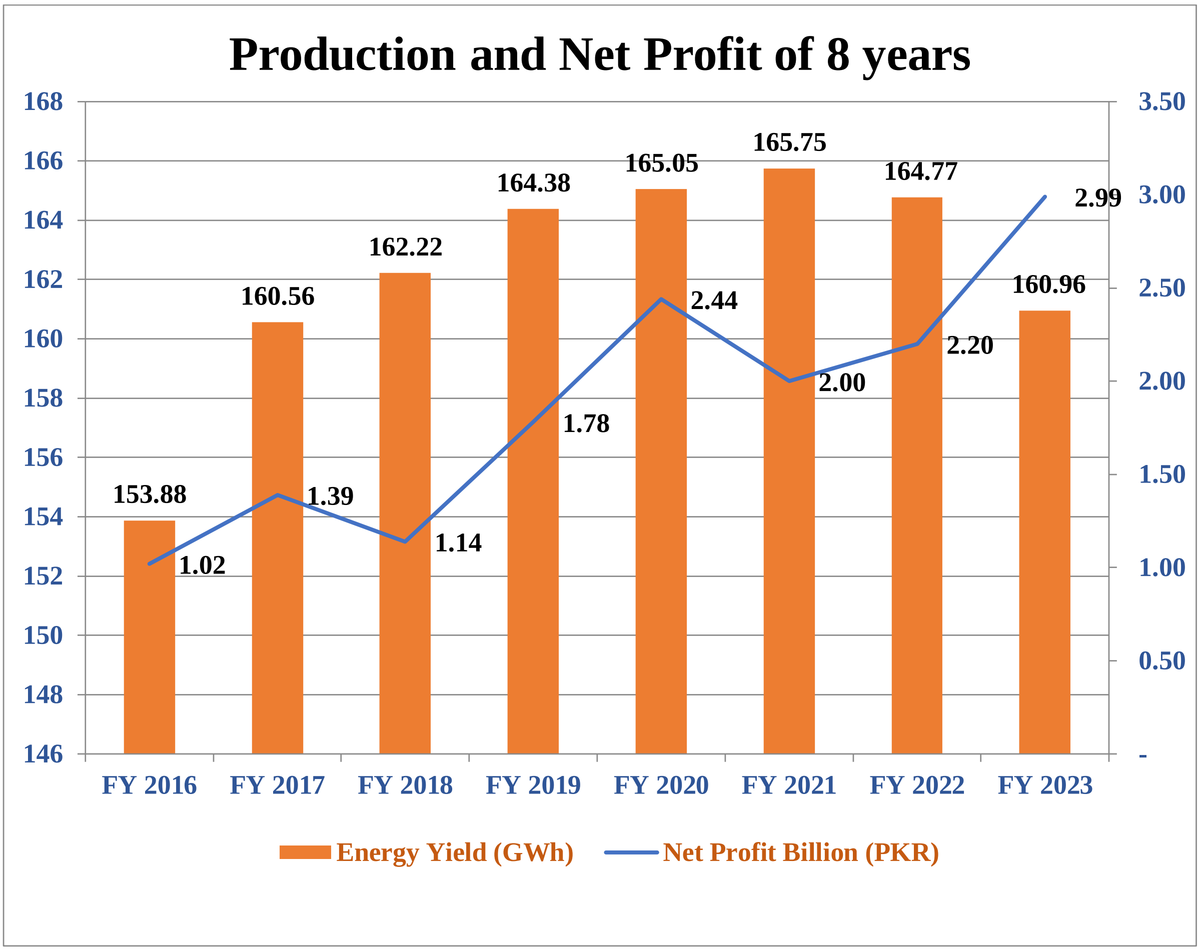
YEAR AT A GLANCE

Particulars		2022-23	2021-22
Gross Margin	%	78	76
Net Margin	%	62	55
Current Ratio	X	3.35	4.04
Gearing Ratio	X	0.26	0.39
Debt to Equity Ratio	%	20:80	28:72
Debt servicing coverage Ratio	X	2.10	1.51
Return on Equity	%	21	17
EBITDA to Sales	%	98	90

Key Operating and Financial Data of the Last Eight Operational Years

Financial Year Ending June, 30		2023	2022	2021	2020	2019	2018	2017	2016
Turnover	Rs. in Million	4,607	3,676	3,571	4,335	3,623	2,920	3,053	2,956
Net Profit / Loss	Rs. in Million	2,989	2,202	2,004	2,467	1,786	1,139	1,390	1,015
Assets	Rs. in Million	18,914	18,869	18,130	17,552	15,725	15,594	15,443	16,744
Dividends	Rs. in Million	2,000	500	-	-	-	600	700	900
EPS	Rs. in Thousand	7.84	5.78	5.26	6.48	4.69	2.99	3.65	2.67
Net Out Put	(Ghw)	160.96	164.8	165.8	165.05	164.38	162.22	160.56	153.88
Performance Ratio	%	76.62	75.95	75.64	76.76	76.27	76.25	74.59	75.25
Capacity Factor	%	18.41	18.69	18.89	18.84	18.77	18.52	18.25	17.57
Availability	%	99.6	99.9	99.9	99.9	99.9	99.9	99.9	99.9

Operational Highlights



Operational data




Rs. Billion 28.74 Electricity Sale Y1-Y8	**Rs. Billion 14.99** Net Profit Y1 - Y8	**1,297.18 GWh** since inception	**AA/A-1+** Credit Rating

BDO

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Gulberg III, Lahore-54660
Pakistan.

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, 2023 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, 2023.

LAHORE

DATED: 04 OCT 2023

UDIN: CR202310131siR5CvcSj

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, 2023

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="5">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>
<tr><td>Chairman, PBIT</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 the directors have been sent by QASPL to Energy Department dated 06th July 2023 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	✓		
23.	(a) The Board has formed the requisite committees, as specified in the Rules.	12	✓		

<table>
<tr><th></th><th></th><th></th><th></th><th></th><th></th></tr>
<tr><td></td><td>(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></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</td><td>✓</td><td></td><td>The Company Secretary and CFO is the same person.</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></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></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></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></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></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></tr>
<tr><td>31.</td><td>The Board has formed an audit committee, with defined and written terms of reference, and having the following members:
<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>
The chief executive and chairman of the Board are not members of the audit committee.</td><td>21(1) and 21(2)</td><td>✓</td><td></td><td></td></tr>
<tr><td>32</td><td>a) The Chief Financial Officer, the Chief Internal auditors, and a</td><td>21(3)</td><td>✓</td><td></td><td></td></tr>
</table>

	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.		✓ ✓		
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 and due to ban on new hirings since January 2023 internal audit reports are pending. c) Internal audit function for the FY 2022-23 has since been outs sourced and Procurement process has recently been completed. All pending reports will be issued in the CFY 2023-24.
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 January 2023, the post is still vacant. Due to vacant position of CIA since October 2022, internal audit reports are pending.	Vacancy will be filled after the ban is lifted. Internal audit function is outsourced for the financial year 2022-23, hiring process is complete. Reports will be issued in the current financial year 2023-24.

Muhammad Badar Ul Munir

CHIEF EXECUTIVE OFFICER

Zaheer A. Ghaghroo

CHAIRMAN
BOARD OF DIRECTORS

BDO

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Askari Corporate Tower,
75/76 D-1, Main Boulevard
Gulberg III, Lahore-54660
Pakistan.

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, 2023, 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 a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of 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, 2023 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

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

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 2023

BDO Ebrahim &Co.

BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

BDO

UDIN: AR202310131BHnbiJrw6

QUAID-E-AZAM SOLAR POWER (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

	Note	2023	2022
		----------(Rupees in 000')----------	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment			
Operating fixed assets	5	9,794,968	9,958,044
Capital work in progress	7	-	243,280
Right-of-use assets	8	746	796
Intangible assets	9	52	98
Long term deposits	10	401	401
		9,796,167	10,202,619
CURRENT ASSETS			
Trade debts	11	3,113,851	3,735,232
Contract assets	12	1,374,353	1,030,602
Short term loans and advances	13	8,500	11,221
Short term deposits and prepayments	14	5,949	6,560
Other receivables	15	267,829	291,394
Receivable from Government of Punjab against Annual Development Program (ADP) projects	16	11,952	69,112
Cash and bank balances	17	4,335,825	3,522,443
		9,118,259	8,666,564
TOTAL ASSETS		18,914,426	18,869,183
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital	18.1	6,000,000	6,000,000
Issued, subscribed and paid up share capital	18.2	3,809,780	,809,780
Share deposit money		5	5
Revenue reserve - Unappropriated profit		9,967,935	8,994,787
Corporate social responsibility reserves	19	213,346	195,462
TOTAL EQUITY		13,991,066	13,000,034
NON-CURRENT LIABILITIES			
Long term financing	20	2,180,088	3,701,800
Deferred liabilities	21	23,719	23,855
		2,203,807	3,725,655
CURRENT LIABILITIES			
Retentions	22	340,113	206,650
Trade and other payables	23	563,595	407,840
Accrued finance cost	24	189,161	164,286
Provision for taxation	25	203,440	80,467
Current portion of long term financing	26	1,423,244	1,284,251
		2,719,553	2,143,494
TOTAL LIABILITIES		4,923,360	5,869,149
TOTAL EQUITY AND LIABILITIES		18,914,426	18,869,183
CONTINGENCIES AND COMMITMENTS	27		

The annexed notes from 1 to 53 form an integral part of these financial statements.

BDO

CHIEF EXECUTIVE OFFICER **DIRECTOR**

QUAID-E-AZAM SOLAR POWER (PRIVATE) LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023	2022
		----------(Rupees in 000')----------	
Sales	29	4,796,364	3,992,264
Cost of sales	30	(1,037,918)	(938,838)
Gross profit		3,758,446	3,053,426
Administrative expenses	31	(159,982)	(131,830)
Corporate social responsibility (expenses) /income - net	33	(4,116)	(4,338)
Other charges	34	(117,317)	(50,486)
		(281,415)	(186,654)
Other income	35	643,856	176,923
Operating profit		4,120,887	3,043,695
Annual development plan (ADP) project funds			
- Amortization of ADP project funds	16	200,559	663,961
- Expenses incurred during the year	32	(200,559)	(663,961)
		-	-
Finance cost	36	(843,166)	(698,548)
Profit before taxation		3,277,721	2,345,147
Taxation	37	(289,126)	(142,810)
Profit for the year		2,988,595	2,202,337
Earnings per share - Basic and diluted (Rupees)	51	7.84	5.78

The annexed notes from 1 to 53 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, 2023

	2023	2022
	----------(Rupees in 000')----------	
Profit for the year	2,988,595	2,202,337
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
Remeasurement of net defined benefit liability - net of tax	2,437	(3,700)
Items that may be reclassified subsequently to profit or loss	-	-
Other comprehensive income / (loss) for the year	2,437	(3,700)
Total comprehensive income for the year	2,991,032	2,198,637

The annexed notes from 1 to 53 form an integral part of these financial statements.

BOO

CHIEF EXECUTIVE OFFICER **DIRECTOR**

QUAID-E-AZAM SOLAR POWER (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2023

	Capital reserves		Revenue reserves		Total
	Issued, subscribed and paid-up share capital	Share deposit money	Unappropriated profit	Corporate social responsibility reserves	
	(Rupees in 000')				
Balance as at July 01, 2021	3,809,780	5	7,291,812	199,800	11,301,397
Total comprehensive income for the year					
Profit for the year	-	-	2,202,337	-	2,202,337
Other comprehensive loss for the year	-	-	(3,700)	-	(3,700)
Total comprehensive income for the year	-	-	2,198,637	-	2,198,637
Transaction with owners					
Final cash dividend for the year ended June 30, 2021 on ordinary shares @ Rs. 1,312.41 per share	-	-	(500,000)	-	(500,000)
Transferred to accumulated profit on utilization of corporate social responsibility reserves (Note 19)	-	-	4,338	(4,338)	-
Balance as at June 30, 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 19)	-	-	4,116	(4,116)	-
Balance as at June 30, 2023	3,809,780	5	9,967,935	213,346	13,991,066

The annexed notes from 1 to 53 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

QUAID-E-AZAM SOLAR POWER (PRIVATE) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023	2022
		----------(Rupees in 000')----------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		3,277,721	2,345,147
Adjustments for items not involving movement of funds:			
Depreciation on property, plant and equipment	5.1	567,231	563,872
Depreciation on CSR project assets	5.1	6,142	-
Depreciation on right-of-use assets	8.1	50	50
Amortization of intangible assets	9	46	139
Exchange loss	34	54,516	15,955
Finance cost	36	843,166	698,548
Employee benefits	21.6	10,518	7,614
Amortization of ADP project funds	16	(200,559)	(663,961)
Provision for doubtful other receivables	34	597	-
Provision of WPPF and WWF	34	45,069	34,531
Net cash flow before working capital changes		4,604,497	3,001,895
Decrease / (increase) in current assets			
Trade debts		621,381	1,281,386
Contract assets		(343,751)	(102,648)
Short term loans and advances		2,721	3,200
Short term deposits and prepayments		611	(236)
Other receivables		393,895	92,787
		674,857	1,274,489
Increase / (decrease) in current liabilities			
Retentions		133,463	68,767
Trade and other payables		56,170	52,297
		189,633	121,064
Cash generated from operations		5,468,987	4,397,448
Taxes paid		(537,080)	(229,855)
Employee benefits paid		(8,217)	(12,758)
Financial charges paid		(804,786)	(651,697)
Net cash generated from operating activities		4,118,904	3,503,138
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to capital work in progress	7	(160,301)	(243,280)
Additions to operating fixed assets	5	(6,716)	(11,923)
Net cash used in investing activities		(167,017)	(255,203)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing - repayment		(1,396,224)	(1,210,449)
Funds received against ADP projects - net		257,719	594,849
Dividend paid		(2,000,000)	(500,000)
Net cash used in financing activities		(3,138,505)	(1,115,600)
Net increase in cash and cash equivalents		813,382	2,132,335
Cash and cash equivalents at the beginning of the year		3,522,443	1,390,108
Cash and cash equivalents at the end of the year		4,335,825	3,522,443

The annexed notes from 1 to 53 form an integral part of these financial statements.

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CHIEF EXECUTIVE OFFICER **DIRECTOR**

QUAID-E-AZAM SOLAR POWER (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

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 7, 2015, 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 until December 30, 2039.

1.3 Sale of entire power generation

The Company has 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 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 4.31.

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, 2023

The following standards, amendments and interpretations are effective for the year ended June 30, 2023. 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 IFRS 3 'Business Combinations' - Reference to the conceptual framework	January 01, 2022
Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use	January 01, 2022
Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts - Cost of fulfilling a contract	January 01, 2022

Certain annual improvements have also been made to a number of IFRSs.

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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 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' - Disclosure of Accounting Policies	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 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

The following new standards and interpretations have been issued by the International Accounting Standards Board (IASB), which have not been adopted locally by the Securities and Exchange Commission of Pakistan (SECP):

IFRS 1 First Time Adoption of International Financial Reporting Standards
IFRS 17 Insurance Contracts

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4 SIGNIFICANT ACCOUNTING POLICIES

The significant 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.

4.1 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 5 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, 2023 has not required any adjustment as its impact is considered insignificant.

Depreciation on additions to property, plant and equipment is charged from the month in which an asset is available for use, while no depreciation is charged for the month in which the asset is disposed off. 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 values 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.

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4.2 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 month in which an asset is acquired or capitalized while no amortization is charged for the month in which the asset is disposed off. Amortization is charged using straight line method at the rate mentioned in note 9.

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 values 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.

4.3 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.

4.4 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 depreciated 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.

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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 specific incremental borrowing rate. 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 2, 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 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 expense on a straight-line basis over the lease term.

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.

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4.5 **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 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 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 the 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 profit and 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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4.6 Trade debts

Trade debts are recognized and carried at original invoiced amount which is the fair value of the consideration to be received in future for units sold less provision for impairment. The Company holds trade debts with the objectives to collect contractual cash flows and, therefore, measure 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.

4.7 Loans, advances and other receivables

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

4.8 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.

4.9 Impairment

Financial assets

As explained in note 4.10.4, 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 detrimental impact on the estimated future cash flows of the financial assets have occurred.

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

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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 that extent that the asset's carrying amount after the reversal does not exceed the carrying amount that would have been determined, net of depreciation and amortization, if no impairment loss had been recognized.

4.10 Financial instruments

4.10.1 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 and other receivables and cash and bank balances in the statement of financial position. BDO

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 payments 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 assess, 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.

4.10.2 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.

4.10.3 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. B0o

4.10.4 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:

Trade debts and other receivables are recognized initially at 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.

4.11 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, 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.

4.12 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. 1300

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

4.13 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.

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

4.14 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.

4.15 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, on monthly basis 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 is 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. 1300

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 value of the related assets. If the assets are not retained and handed over to the Government or society, these are charged to statement of profit or loss.

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 Government of Punjab.

4.16 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.

4.17 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.

4.18 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.

4.19 Ijarah

Ijarah in which a significant portion of the risks and rewards of ownership are retained by the lessor / 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 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 by said standard. The Company has adopted the said standard.

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4.20 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.

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 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.

However, for reasons explained in note 6, 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.

4.21 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 incentive on target achievements.

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4.22 Contract assets

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

4.23 Deferred liabilities

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

The latest actuarial valuation for the gratuity scheme was carried out as at June 30, 2023. Projected unit credit method, using the following significant assumptions, is used for the valuation of this scheme:

- Discount rate 16.25 percent per annum (2022: 13.25 percent per annum);
- Expected rate of increase in salary level 15.25 percent per annum (2022: 12.25 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.

4.24 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.

4.25 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.

4.26 Dividend

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

BDO

4.27 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, 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.

4.28 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.

4.29 Corporate social responsibility reserves and related assets

This represents a reserve created which is allocated for Corporate Social Responsibilities (CSR) activities under general order (Ref/No/S.R.O.983(I)/2009) issued by SECP in 2009 "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 actually purchased they are capitalized and are amortized as income in statement of profit or loss on a systematic basis over the periods necessary to match them with the carrying value 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 reserve from accumulated profit directly in the statement of changes in equity.

4.30 Sharing of carbon credit

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

- an up front, nominal deduction shall be made from the administrative costs of the joint CER management mechanism
- an amount not exceeding that required to bring the IPPS' return on equity (ROE) to the level allowed by NEPRA shall be payable to the power produces and
- the remaining revenues shall be divided in equal proportion between the IPP and the power purchaser

BDO

4.31 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 values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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 receivables

The Company uses a provision matrix to calculate 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. 1300

e) **Provision and contingencies**

The Company reviews the status of all pending litigations and claims against the Company. 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 assumption that are dependent on conditions existing at the statement of financial position.

g) **Defined benefit plan**

Certain actuarial assumptions have been adopted by external professional valuer (as disclosed in note 21.11) for the valuation of present value of defined benefit obligations. Any changes in these assumptions in future years might affect unrecognized gains and losses in those years.

BDO

5 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, 2023									
Opening net book value (NBV)	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
Net carrying value basis									
Year ended June 30, 2022									
Opening net book value (NBV)	75,370	10,430,263	98	563	1,209	680	10,508,183	-	10,508,183
Additions (at cost)	-	-	5,627	544	991	6,571	13,733	-	13,733
Depreciation charge	(3,877)	(557,544)	(307)	(239)	(680)	(1,225)	(563,872)	-	(563,872)
Closing net book value	71,493	9,872,719	5,418	868	1,520	6,026	9,958,044	-	9,958,044
Gross carrying value basis									
Year ended June 30, 2022									
Cost	96,933	13,764,745	10,678	22,136	7,948	25,855	13,928,295	-	13,928,295
Accumulated depreciation	(25,440)	(3,892,026)	(5,260)	(21,268)	(6,428)	(19,829)	(3,970,251)	-	(3,970,251)
Net book value	71,493	9,872,719	5,418	868	1,520	6,026	9,958,044	-	9,958,044
Depreciation rate % per annum	4%	4-8%	33%	25%	20%	20%		4%	

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

	Note	2023	2022
		----(Rupees in 000')	------
Cost of sales	30	563,235	561,663
Administrative expenses	31	3,996	2,209
		567,231	563,872
Corporate social responsibility (expenses) /income - net	33	6,142	-
		573,373	563,872

5.2 Building on leasehold land of the Company 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 said land.

5.3 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 2, 2018.

5.4 The operating fixed assets include assets having cost amounting to Rs. 52.796 million (2022: Rs. 43.630 million) which are fully depreciated, however, still retained or under use. Further, IT equipment include laptops having cost amounting to Rs. 2.074 million (2022: Rs. 2.074 million) which are currently not in use.

5.5 CSR project assets represent payments made against design, supply and installation of electrification under renewable & other initiatives in energy sector - Pilot Project of Off-Grid /Poor Grid Village electrification in Punjab through solar power. The solarization is being done at Village Basti Mud Saindad Mouza Saindad, Basti Kheersar, Cholistan, Pughlla Shumali, Janubi and Bhanwar and Village Bharti Shumali, Bharti Janubi and Dilo Dingo at 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.

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

6 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	2023	2022
		----------(Rupees in 000')----------	
7 CAPITAL WORK IN PROGRESS			
This comprises of:			
Building			
Guest house at plant	7.1	-	40,850
Plant and machinery			
Solarization - 100kW	7.2	-	9,924
Solarization under corporate social responsibility	7.3	-	192,506
		-	243,280
7.1 Building			
Opening balance		40,850	-
Add: Additions during the year		155,685	40,850
Less: Transferred to operating fixed assets		(196,535)	-
Closing balance		-	40,850

7.1.1 This represent various payments and advances to contractor and consultants for construction and supervision of guest house located at Quaid-e-Azam Solar Park Bahawalpur. Based on completion this has been capitalised during the year.

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	Note	2023	2022
		----------(Rupees in 000')---------	

7.2 Solarization - 100kW

	Note	2023	2022
Opening balance		9,924	-
Add: Additions during the year		1,008	9,924
Less: Transferred to operating fixed assets		(10,932)	-
Closing balance		-	9,924

7.2.1 This represents various payments and advances to contractor and consultants for the solarization of Bahawalpur Complex Building. Based on completion this has been capitalised during the year under the plant and machinery.

7.3 Solarization under corporate social responsibility

	Note	2023	2022
Opening balance		192,506	-
Add: Additions during the year		3,608	192,506
Less: Transferred to CSR project assets	7.3.1	(196,114)	-
Closing balance		-	192,506

7.3.1 Design, supply, installation and testing

	Note	2023	2022
DCH Solargiga (Private) Limited	7.3.2	104,862	103,925
Solar Tech (Private) Limited	7.3.3	91,252	88,581
		196,114	192,506

7.3.2 This represents payment made to DCH Solargiga (Private) Limited against design, supply and installation of electrification under renewable & other initiatives in energy sector - Pilot Project of Off-Grid /Poor Grid Village electrification in Punjab through solar power. The solarization is being done at Village Bharti Shumali, Bharti Janubi and Dilo Dingo at 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.

7.3.3 This represents payment made to Solar Tech (Private) Limited against design, supply and installation of electrification under renewable & other initiatives in energy sector - Pilot Project of Off-Grid /Poor Grid Village electrification in Punjab through solar power. The solarization is being done at Village Basti Mud Saindad Mouza Saindad, Basti Kheersar, Cholistan, Pughlla Shumali, Janubi and Bhanwar. The Company has undertaken this activity as part of its corporate social responsibility initiatives, as approved by the Board of Directors of the Company.

BDO

	Note	2023	2022
		----------(Rupees in 000')----------	

8 RIGHT-OF-USE ASSETS

	Note	2023	2022
Land	8.1	746	796

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

Land

	Note	2023	2022
Year ended June 30, 2022			
Net carrying value basis			
Opening net book value		796	846
Addition (at cost)		-	-
Depreciation charge	31	(50)	(50)
Closing net book value		746	796
Gross carrying value basis			
Cost		1,250	1,250
Accumulated depreciation		(504)	(454)
Net book value		746	796
Depreciation rate % per annum		4%	4%

8.2 The land has been obtained on lease from the Cholistan Development Authority, Government of the Punjab for 25 years. Leasehold land of the Company 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 at said land.

9 INTANGIBLE ASSETS

	Note	2023	2022
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,		2,501	2,362
Charge for the year	9.2	46	139
Balance as at June 30,		2,547	2,501
Carrying value		52	98
Amortization rate per annum (%)		20%	20%

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

BDO

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

	Note	2023	2022
		----------(Rupees in 000')----------	
10 LONG TERM DEPOSITS			
Long term deposits	10.1	401	401

10.1 This represents security deposit 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 government company with undetermined life period for the impact of discounting hence these are not remeasured or do not have any material impact.

11 TRADE DEBTS

	Note	2023	2022
Secured			
Considered good			
Central Power Purchasing Agency (Guarantee) Limited (CPPA)			
Gross trade debts	11.1	3,059,327	3,680,708
Accrued income	11.2	54,524	54,524
Net trade debts		3,113,851	3,735,232

11.1 These represent trade receivables 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 period on outstanding amount ranges from 12.38% to 24.07% (7.29% to 14.99% in 2022) per annum.

11.2 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 of NTDC, Multan Electric Power Company Limited ('MEPCO') and the Company before that date.

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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 meter reading committee, the Company and MEPCO requested CPPA to form a high level inquiry 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 dispute resolution committee under 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 Dispute Resolution Committee ("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 in the previous period. The invoice raised during financial year 2020-21 has not been accepted by CPPA yet as there is some information required by CPPA from MEPCO.

11.3 Ageing analysis of gross trade debts is as follows:

	2023	2022
	----------(Rupees in 000')---------	
Neither past due nor impaired	574,885	226,788
Past due but not impaired:		
1 to 30 days	568,015	479,268
31 to 90 days	708,812	529,079
91 to 180 days	223,688	1,695,264
181 to 365 days	171,170	109,905
Above 365 days	867,281	694,928
	2,538,966	3,508,444
	3,113,851	3,735,232

11.4 The maximum amount due from Central Power Purchasing Agency (Guarantee) Limited (CPPA) at the end of any month during the year was Rs. 3,491.238 million (2022: Rs. 4,707.94 million).

11.5 Trade debts include an amount of Rs. 129.647 million (2022: Rs. 402.989 million) against Workers Profit Participation Fund and Workers Welfare Fund.

11.6 Trade receivables are non-interest bearing, however, subject to a late payment surcharge and become due after 30 days of the invoice date. The decrease in trade receivables pertains to recovery from customers during the year. 1300

		Note	2023	2022
			----------(Rupees in 000')----------	
12	**CONTRACT ASSETS**			
	Contract assets	12.1	1,374,353	1,030,602

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

	Note	2023	2022
Mark up on energy invoices	12.2	82,903	149,154
Workers' Profit Participation Fund	12.3	131,693	92,605
Income tax	37.1	1,107,080	751,801
Worker's Welfare Fund	12.4	52,677	37,042
		1,374,353	1,030,602

12.2 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 ranges from 12.38% to 24.07% (7.29% to 14.99% in 2022) per annum.

12.3 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.

12.4 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.

12.5 This 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 receivables when the rights become unconditional. This usually occurs when the Company invoices the customer.

13 SHORT TERM LOANS AND ADVANCES

	Note	2023	2022
Unsecured			
Considered good			
Advances to employees	13.1	8,452	10,886
Advance to suppliers	13.4	48	335
		8,500	11,221

13.1 This represents advances against employee benefits (gratuity) to Chief Executive Officer amounting to Rs. 2.321 million (2022: Nil) and various other executives amounting to Rs. 5.710 million (2022: Rs. 10.251 million).

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

	Note	2023	2022
		----------(Rupees in 000')----------	
Opening balance		-	6,379
Addition during the year		3,117	-
Deduction during the year		(796)	(6,379)
Closing balance		2,321	-

13.3 The maximum amount due from Chief Executive Officer at the end of any month during the year was Rs. 3.117 million (2022: Rs. 6.379 million).

13.4 This represents advance to various suppliers against services.

14 SHORT TERM DEPOSITS AND PREPAYMENTS

	Note	2023	2022
Security deposits	14.1	1,926	1,926
Prepaid insurance		2,954	2,622
Other prepayments		1,069	2,012
		5,949	6,560

14.1 This includes an amount of Rs. 1.917 million (2022: Rs. 1.917 million) security deposit against rented premises. The said deposit is refundable at the expiry of the respective rent agreement or on vacation of the rented premises.

15 OTHER RECEIVABLES

	Note	2023	2022
Unsecured			
Considered good			
Due from contractors (TBEA)		7,638	6,179
Due from PRA under protest	15.1	230,104	230,104
Sales tax deposited under protest	15.2	25,186	25,186
Income tax deposited under protest		1,981	1,981
Mark up receivable - saving accounts		-	27,037
Others		2,920	310
		267,829	290,797
Considered doubtful			
Due from related parties	15.3	597	597
Less: Provision for doubtful receivable	15.4	(597)	-
		-	597
		267,829	291,394

15.1 Due from Punjab Revenue Authority (PRA)

This represents Rs. 230.104 million (2022: Rs. 230.104 million) paid by Company under protest to PRA as disclosed in note 27.1 (a).

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15.2 Sales tax under protest

This includes Rs. 2.021 million (2022: 2.021 million) input sales tax which was paid by the Company on hoteling and consultancy expenses which have not been allowed by PRA. The Company has filed an appeal in Appellate Tribunal. A favourable outcome is expected.

In addition to this, CPPA has issued a debit note to the Company relating to sale invoice of July, 2019 in the month of October, 2019. However, the Company has already paid Rs. 23.165 million against its output tax liability to FBR in the month of August, 2019. The Company has written a condonation letter to the Commissioner Inland Revenue for the adjustment of this amount, now the matter is forwarded to the Board (FBR) for final decision. Subsequently, Second Secretary (ST-Operations) has condoned the time limit and permitted the Company to file sales tax return and claim the debit note via letter dated August 15, 2023.

	Note	2023	2022
		----------(Rupees in 000')----------	
15.3 Due from related parties			
Considered doubtful			
Khadim-e-Punjab Ujala Program (KPUP)		18	18
Quaid-e-Azam Wind Power (Private) Limited (QWPL)		429	429
WASA		150	150
		597	597
15.4 Movement of provision is as follows:			
Opening balance		-	-
Charge for the year		597	-
Closing balance		597	-

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16 ANNUAL DEVELOPMENT PROGRAM (ADP) PROJECT FUNDS

Projects	Note	Opening Payables	Movement during year					Closing balance (Receivable from Energy Department of Government of Punjab against ADP Projects)
			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	16.1	(7,778)	62,000	(36,572)	-	(21,868)	21,868	(4,218)
Distribution of 1-KW solar systems to poor population of Punjab based on BISP data	16.2	(2,157)	50,315	(13,621)	-	(38,607)	38,607	(4,070)
Provision of electricity to communities using indigenous resources	16.3	(44,789)	158,600	(12,000)	-	(104,942)	104,942	(3,131)
Solarization of Punjab Institute of Mental Health	16.4	(122)	40,000	(29,137)	-	(10,741)	10,741	-
Solarization of tube wells in Punjab	16.5	(1,489)	21,598	-	-	(20,109)	20,109	-
Off-grid/poor-grid village solarization	16.6	(12,777)	42,742	(26,206)	-	(4,292)	4,292	(533)
Total rupees '000'- 2023		(69,112)	375,255	(117,536)	-	(200,559)	200,559	(11,952)
Total rupees '000'- 2022		-	609,358	(11,560)	(2,949)	(663,961)	663,961	(69,112)

16.1 The main objective of the scheme is to solarize Government buildings in the cities of Multan, Mianwali and Gujranwala under the Annual Development Program during the financial year 2021-22. 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 is Rs. 300 million out of which Rs. 62 million (2022: Rs. 238 million) were allocated for financial year 2022-23 out of which Rs. 36.57 million (2022: nil) were surrendered.

16.2 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. Total number of systems to be installed will be 404. In this respect a contract was signed on January 07, 2022. Estimated total cost of project is Rs. 100 million out of which Rs. 50.315 million (2022: Rs. 50 million) was allocated for financial year 2022-23 out of which Rs. 13.62 million (2022: Rs. 0.315 million) were surrendered.

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16.3 This represents the ADP scheme with the objective to provide energy solution 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 is divided into 6 packages and for every package separate contract is awarded. Estimated total cost of project is Rs. 250 million out of which Rs. 158.60 million (2022: Rs. 91.358 million) were allocated for financial year 2022-23 out of which Rs. 12 million (2022: Rs. 4.26 million) were surrendered.

16.4 This represents the project for solarization of Punjab Institute of Mental Health at Lahore. It is an on-Grid project and its purpose is to ensure uninterrupted supply of electricity to run the general electrical/bio medical appliances on reduced cost, stable electric supply, pollution and maintenance free energy power. A contract in this regard was signed on October 26, 2021. Estimated total cost of project is Rs. 150 million out of which Rs. 40 (2022: Rs.110 million) are allocated for financial year 2022-23 out of which Rs. 29.14 million (2022: Rs. 5.38 million) were surrendered.

16.5 This represents the project to help farmers with the provision of low cost electricity and reduce their diesel expenses. The project will minimize the adverse effects of drought, enabling the farmers to produce low price crops in districts which fall under low poverty index. In this regard, 27 tube wells will be solarized through balloting in 5 districts i.e Bhakkar, Multan, Dera Ghazi Khan, Rajanpur and Mianwali. Estimated total cost of the project is Rs. 50 million out of which Rs. 21.59 million (2022: Rs. 30 million) are allocated for financial year 2022-23. Allocated funds are fully utilised (2022: Rs. 1.59 million) were surrendered.

16.6 This represents the ADP scheme to provide 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 will be installed in two villages, Basti Chhapu and Gatta Raikh. Estimated total cost of project is Rs. 130 million out of which Rs. 40 million (2022: Rs. 90 million) were allocated for financial year 2021-22 out of which Rs. 26.21 million (2022: nil) were surrendered.

	Note	2023	2022
		----------(Rupees in 000')----------	
17 CASH AND BANK BALANCES			
Cheques in hand		-	90,000
Cash at bank			
Local currency			
Current accounts		320	286
Saving accounts	17.1 & 2	4,309,072	3,432,157
		4,309,392	3,432,443
Foreign currency			
Saving accounts	17.3	26,433	-
		4,335,825	3,522,443

17.1 This represents balance in saving accounts in The Bank of Punjab, a related party, which bear annual markup ranging from 12.25% to 19.50% (2022: 5.5% to 12.25%) per annum compounded monthly.

17.2 Saving accounts include amount against 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".

17.3 This represents balance in saving accounts in The Bank of Punjab, a related party, which bears annual markup at the rate of 12.00% per annum compounded monthly.

18 SHARE CAPITAL

18.1 Authorized share capital

2023	2022			2023	2022
Number of ordinary shares of Rs. 10,000/- each					
600,000	600,000			6,000,000	6,000,000

18.2 Issued, subscribed and paid up share capital

2023	2022		Note	2023	2022
Number of ordinary shares of Rs. 10,000/- each					
380,978	380,978	Fully paid in cash	18.3	3,809,780	3,809,780

18.3 Movement of share capital is as follows:

	2023	2022
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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18.4 This represents 380,978 (2022: 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 Government of Punjab.

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

	Note	2023	2022
		----------(Rupees in 000')----------	
19 CORPORATE SOCIAL RESPONSIBILITY RESERVES			
Reserves for Corporate Social Responsibility initiatives	19.2	213,346	195,462

19.1 Movement in this head is as follows:

	Note	2023	2022
Opening balance		195,462	199,800
Add: Addition/allocation during the year	19.2	22,000	-
Add: Interest income net of tax	19.3	1,603	3,712
Add: Income on net metering - MEPCO	19.5	5,599	-
Less: Transferred to accumulated profit based on expenditure incurred and depreciation charged	33	(11,318)	(8,050)
		(4,116)	(4,338)
Closing balance		213,346	195,462

19.2 This represents 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 their meeting, which is allocated for Corporate Social Responsibilities (CSR) activities under general order (Ref.no.S.R.O.983(I)/2009) issued by SECP in 2009 "the Companies (Corporate Social Responsibility) General Order, 2009" and requires a disclosure in their annual financial report.

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

19.4 During the year, the CSR reserve amount has been utilized as stated under note 33 to these financial statements and presented net of after tax interest earned on same bank account.

19.5 The Company has generated this income through net metering under the SOP for payment of export units regarding net metering under NEPRA Net Metering Regulations 2015.

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	Note	2023	2022
		----------(Rupees in 000')----------	

20 LONG TERM FINANCING

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

	Note	2023	2022
Secured			
Opening balance		5,012,753	6,223,202
Less: Repayments during the year		(1,396,225)	(1,210,449)
Closing balance	20.1	3,616,528	5,012,753
Less: Transaction cost		(13,196)	(26,702)
Less: Current portion shown under current liabilities		(1,423,244)	(1,284,251)
		2,180,088	3,701,800

20.1 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	9 unequal quarterly installments

20.2 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 12.74% to 22.12% (2022: ranged from 7.40% to 12.74%) per annum. The transaction cost amortized during the year is Rs. 13.507 million (2022: Rs. 18.233 million).

21 DEFERRED LIABILITIES

		Note	2023	2022
21.1	Employee benefits			
	Gratuity	21.3	23,719	23,855

21.2 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 a un-funded arrangement. There is no minimum funding requirement for gratuity benefit scheme. The gratuity benefit scheme 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, 2023 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.

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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	2023	2022
		----------(Rupees in 000')----------	
21.3 The amounts recognized in the statement of financial position are as follows:			
Present value of defined benefit obligation		23,719	23,855
Payable to ex-employee		-	-
Closing net liability		23,719	23,855

21.4 The expected charge in respect of defined benefit plan for the year ending June 30, 2024 will be 10.509 million.

21.5 Changes in the present value of the defined benefit obligation are as follows:

	2023	2022
Opening balance	23,855	25,055
Current service cost	7,902	5,734
Interest cost	2,616	1,880
Benefits paid	(8,217)	(12,514)
Benefits due but not paid	-	-
Actuarial gain from changes in demographic assumption	649	-
Actuarial (loss)/gain from changes in financial assumption	(858)	249
Experience adjustments	(2,228)	3,451
Closing balance	23,719	23,855

21.6 The amounts recognized in the statement of profit or loss:

	2023	2022
Current service cost	7,902	5,734
Net interest cost for the year	2,616	1,880
Total included in salaries, wages and other benefits	10,518	7,614
Experience adjustment arising on obligation	-9.39%	14.47%

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	Note	2023	2022
		----------(Rupees in 000')----------	

21.7 Allocation of expenses recognized in the statement of profit or loss:

	Note	2023	2022
Cost of sales	30.2	3,396	2,749
Administrative expenses	31.1	7,122	4,865
		10,518	7,614

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

	2023	2022
Actuarial gain from changes in demographic assumption	649	-
Actuarial (loss)/gain from changes in financial assumption	(858)	249
Experience adjustments	(2,228)	3,451
Total remeasurements chargeable to OCI	(2,437)	3,700

21.9 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.

21.10 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%	23,240	26,672
Salary increase	1%	26,746	23,147

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

	2023	2022
Discount rates	16.25%	13.25%
Future salary increases	15.25%	12.25%
Expected mortality rate	SLIC (2001-05)	SLIC (2001-05)
Average duration of plan	7 Years	9 Years

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		Note	2023	2022
			----------(Rupees in 000')----------	
22	**RETENTIONS**			
	Maintenance retention fund	22.1	87,378	67,458
	Asset replacement fund	22.2	252,736	139,192
			340,113	206,650

22.1 This represents 5% deduction from the total quarterly payments to the O&M contractor, M/s Tbea Xinjiang Sunoasis Company Limited, against operations and maintenance (O&M) works for the plant maintenance required under the agreement with the contractor.

22.2 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 and construction contract ('EPC Contract').

22.3 In addition to the above, based on the report of consultant, the Company has achieved 76.62% APR against the benchmark APR of 73.63% and produced excessive energy of 6,221.28 MWh units. As a result of which, the Company has recorded an expense, of equivalent units of 5,795.16 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).

23	**TRADE AND OTHER PAYABLES**			
	Payable to contractor	23.1	152,481	145,736
	Payable to consultants		1,504	1,626
	Accrued liabilities		24,310	19,505
	Withholding tax payable		13,375	7,817
	Other liabilities	23.2 & 23.3	61,506	31,012
	Retention money		8,883	1,922
	Sales tax liability		72,031	35,791
	Payable to Director General Public Relations		65	253
	Worker's Profit Participation Fund payable	23.4	163,886	117,257
	Worker's Welfare Fund	23.5	65,554	46,921
			563,595	407,840

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

23.2 This includes an amount of Rs. 16.00 million (2022: Rs. 16.00 million) payable to District Council Bahawalpur as explained in note 27.1 (b) to these financial statements.

23.3 Other liabilities include Rs. 0.558 million (2022: Rs. 0.844 million) due to executives.

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		Note	2023	2022
			----------(Rupees in 000')----------	
23.4	**Workers' Profit Participation Fund**			
	Opening balance		117,257	108,448
	Provision for the year	23.6	163,886	115,898
	Payment during the year		(117,257)	(107,089)
	Closing balance		163,886	117,257
23.5	**Workers' Welfare Fund**			
	Opening balance		46,921	42,835
	Provision for the year	23.6	65,554	46,921
	Payment during the year		(46,921)	(42,835)
	Closing balance		65,554	46,921

23.6 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 will not effect the Company's overall profitability as these are recoverable from CPPA as a pass through item under the terms of the Energy Purchase Agreement (EPA).

24 ACCRUED FINANCE COST

		Note	2023	2022
	Accrued mark-up on long term loan	24.1	189,161	164,286
24.1	**Movement of accrued finance cost is as follows:**			
	Opening balance		164,286	135,669
	Accrued during the year		827,516	678,146
	Paid during the year		(802,641)	(649,529)
	Closing balance		189,161	164,286

25 PROVISION OF TAXATION

	Note	2023	2022
Advance income tax	25.1	1,197,812	867,293
Less: Provision for taxation		(1,401,252)	(947,760)
		(203,440)	(80,467)

25.1 This includes Rs. 68.800 million (2022: Rs. 68.800 million) paid by Company under protest to FBR as disclosed in note 37.5.

26 CURRENT PORTION OF LONG TERM FINANCING

	Note	2023	2022
Long term financing			
The Bank of Punjab	20	1,423,244	1,284,251

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27 CONTINGENCIES AND COMMITMENTS

27.1 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 and penalty amounting to Rs. 11.505 million along with 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 decided the case in favor of (PRA).

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 'Due from PRA' in note 15.1 of 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 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 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 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.

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In the financial year 2018, the Company approached Law and Parliamentary Department through letter dated April 23, 2019 to tender an 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 submission of audited financial statements to the appropriate forum.

The legal counsel of the Company has 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.

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 order u/s 161/205 and demand amounting to Rs. 2.139 million for tax year 2014 was created vide said order. The Company being aggrieved filed appeal before CIR (A) and the case has been 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 tax advisor's opinion, the management is confident that no adverse inference will be drawn against the Company in these matters.

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e) Proceedings u/s 161of the Income Tax Ordinance, 2001 were initiated by DCIR for the tax year 2015. The DCIR passed order u/s 161/205 and demand amounting to Rs. 0.946 million for tax year 2015 was created vide said order. The Company being aggrieved filed appeal before CIR (A) and the case has 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 legal advisor's opinion, the management is confident that no adverse inference will be drawn against the Company in these matters.

f) Demand amounting to Rs. 1.962 million has been created by DCIR vide order u/s 11 of Sales Tax Act, 2001 dated August 30, 2018 against Company. The Company being aggrieved filed appeal before CIR (A). CIR (A) remanded the case back to the department. The Company being aggrieved with order passed by CIR (A) filed appeal before ATIR which is still pending for adjudication. 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. 1.962 million (June 30, 2022: Rs. 1.962 million). Based on tax advisor's opinion, the management is confident that no adverse inference will be drawn against the Company in these matters.

g) Proceedings u/s 161 of the Income Tax Ordinance, 2001 were initiated by DCIR for the tax year 2016. The DCIR passed order u/s 161/205 and demand amounting to Rs. 905.431 million for tax year 2016 was created vide said order. The Company being aggrieved filed appeal before CIR (A) and the case has 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. 905.431 million (June 30, 2022: Rs. 905.431 million). Based on tax advisor's opinion, the management is confident that no adverse inference will be drawn against the Company in this matter.

h) 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 current year, the DCIR passed order u/s 122(4) to amend the assessment order and demand amounting to Rs. 0.079 million for tax year 2017 was created vide said order. The Company being aggrieved filed appeal before CIR (A) and expects a favorable outcome of the proceedings.

i) The contingencies relating to other tax matters have been disclosed under the taxation note 37 to these financial statements.

27.2 Commitments

	2023	2022
	----------(Rupees in 000')----------	
Contracts for capital expenditure	-	156,634
Contracts for other than capital expenditure	5,680,416	5,227,301
Commitment for trustee fee, and arrangement and advisory fee to The Bank of Punjab, a related party	2,000	3,000
Rehabilitation arrangement	80,980	-

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28 SIGNIFICANT CONTRACTS

28.1 Energy purchase agreement (EPA)

The Company has 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.

28.2 Implementation agreement (IA)

The Company has entered into an Implementation Agreement (IA) with the President of Islamic Republic of Pakistan for and on behalf of the Islamic Republic of Pakistan (The "GoP") 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 for 25 years.

28.3 Operation and maintenance (O&M)

The Company has 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 Rs. 55.276 million after adjustment of insurance and security cost.

29 SALES

	Note	2023	2022
		----------(Rupees in 000')----------	
Sales			
Central Power Purchasing Agency (Guarantee) Limited			
Gross Energy Purchase Price (EPP)		5,407,478	4,306,200
Less: Sales tax		(800,079)	(630,055)
Add: Mark-up on delayed payment from CPPA	29.2	188,965	316,119
		4,796,364	3,992,264

29.1 Based on mutual understanding with O&M contractor, the Company has assumed responsibility of insuring its plant from second year of operations (since July 15, 2016) and has reduced the O&M agreement 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 and Eighth Year of operations: Rs. 40.00 million) NEPRA vide its order dated June 02, 2016 has allowed the adjustment of insurance cost at actual, subject to a ceiling, and allowed to adjust reference tariff annually as per actual upon production of authentic documentary evidence. The Company, after payment of insurance premium for second year to eighth year, submitted documentary evidence to NEPRA for tariff adjustment. BDO

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 has been rejected by the 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 is decided on December 10, 2021 and writ petition is allowed to the extent that order dated November 29, 2016 is 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 shall be deemed to be pending before it. NEPRA is directed to decide the same afresh expeditiously only to the extent of claim for duties and taxes, if verifiable evidences is provided by the petitioner. The Company has filed the motion for leave on March 29 2022 to review.

The authority on September 16, 2022 decided the case against the Company and dismiss 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 return the petition in original and asked QASPL to refile the petition for modification of tariff after addressing the deficiencies.

29.2 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.

29.3 The Company has 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 of "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 has exceeded the generation as per the formulae given. The degradation clause shall not be applicable when the plant factor remains over 17.50%, however, inadvertently the Company applied degradation to its invoices and as a result the invoices generated were of a lesser amount. In view of the above, the management sent a differential invoice for the years 2017 to 2019 for an amount of Rs. 38.570 million. 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.

29.4 The Governing Council of Pakistan Bureau of Statistics (PBS) in its 5th meeting in 2014 issued a policy directives 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 onwards and publication of National Consumer Price Index (N-CPI) Base Year 2015-16 has been commenced from August 2019 whereas, PBS also published N-CPI data from July 2017 to July 2019.

It is pertinent to mention that the order is not applicable yet on the Company. However, once the order is applicable, the modified index shall be applicable for future indexations with effect from October 01, 2020. Based on notification No. NEPRA/ADG(Trf)/TRF-100/13382-13384 dated March 10, 2021 an adjustment of Rs. 45.643 million (decrease) was made in the previous financial statements and Rs. 6.466 million (increase) in the current financial statements for change of indexation.

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		Note	2023	2022
			----------(Rupees in 000')----------	
29.5	**Timing of revenue recognition - net**			
	Goods and services transferred at a point in time		4,796,364	3,992,264
29.6	**Geographical market**			
	Pakistan		4,796,364	3,992,264
30	**COST OF SALES**			
	Operation and maintenance charges	30.1	372,543	277,245
	Salaries, wages & other benefits	30.2	36,899	35,689
	Utilities		451	1,132
	Consultancy charges		4,356	2,811
	Insurance		34,710	39,140
	Travelling and conveyance		2,055	1,650
	Depreciation on property, plant and equipment	5.1	563,235	561,663
	Security expense		17,600	15,451
	Repairs and maintenance		720	375
	Vehicle running and maintenance		918	516
	Printing and stationery		68	70
	Communication charges		2,595	2,684
	Training and development		1,047	-
	Meeting fee charges		186	58
	Others		535	354
			1,037,918	938,838

30.1 This represents operation and maintenance cost for the year. The Company has 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.

30.2 Salaries, wages and other benefits include provision for gratuity of Rs. 3.396 million (2022: Rs 2.749 million).

		Note	2023	2022
31	**ADMINISTRATIVE EXPENSES**			
	Salaries, wages and other benefits	31.1	81,203	68,263
	Rent, rates and taxes	31.2	14,617	13,362
	Utilities		4,341	3,888
	Advertisement and promotion		470	1,804
	Legal and professional charges		8,622	1,800
	Auditors' remuneration	31.3	1,286	1,286
	Consultancy charges		5,465	6,641

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	Note	2023	2022
		----------(Rupees in 000')	----------
Travelling and conveyance		8,703	7,571
Repairs and maintenance		3,289	1,542
Printing and stationery		1,137	881
Insurance expense		3,061	2,175
Depreciation on property, plant and equipment	5.1	3,996	2,209
Depreciation on right of use of assets	8.1	50	50
Amortization of intangible assets	9	46	139
Communication charges		1,597	1,635
Meeting fee/ expense		14,491	13,194
Security expense		952	727
License fee		962	412
Training and development		4,291	480
Corporate social responsibility activities		-	2,010
Others		1,403	1,761
		159,982	131,830

31.1 Salaries, wages and other benefits includes provision for gratuity of Rs. 7.122 million (2022: Rs 4.865 million).

31.2 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 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).

31.3 Auditors' remuneration

	2023	2022
Statutory audit	1,286	1,286

32 EXPENSES INCURRED DURING THE YEAR UNDER ANNUAL DEVELOPMENT PROGRAM

	Note	2023	2022
Survey and design	32.1	1,910	148,381
Solar modules and inverters	32.2	60,064	330,991
Installation and testing charges	32.3	119,068	158,341
Consultants	32.4	9,175	17,649
Others		10,342	8,599
		200,559	663,961

32.1 Survey and design

	2023	2022
Sky Blue Builders	-	41,660
Solar Tech (Private) Limited	-	48,034
Zonergy (Tianjin) Company Limited	1,910	40,207
Energy Conscious Energy (Private) Limited	-	18,480
	1,910	148,381

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	Note	2023	2022
		----------(Rupees in 000')----------	

32.2 Solar modules and inverters

Sky Blue Builders		6,517	152,599
Solar Tech (Private) Limited		-	98,274
Zonergy (Tianjin) Company Limited		42,633	52,397
Energy Conscious Energy (Private) Limited		10,914	27,721
		60,064	330,991

32.3 Installation and testing charges

Sky Blue Builders		-	71,782
Solar Tech (Private) Limited		29,741	81,537
Zonergy (Tianjin) Company Limited		63,772	2,865
Energy Conscious Energy (Private) Limited		25,555	2,157
		119,068	158,341

32.4 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 16 of these financial statements.

33 CORPORATE SOCIAL RESPONSIBILITY (EXPENSES) /INCOME - NET

	Note	2023	2022
Consultancy services		(2,710)	(3,146)
Travelling and conveyance		(274)	(1,192)
Depreciation on CSR project assets	5.1	(6,142)	-
Others		(2,192)	-
		(11,318)	(4,338)
Profit on bank deposits	19.3	1,603	-
Income on net metering - MEPCO	19.5	5,599	-
		(4,116)	(4,338)

34 OTHER CHARGES

	Note	2023	2022
Loss on foreign exchange-net	34.1	54,516	15,955
Company portion/allocation on other income:			
Worker's Profit Participation Fund	34.2	32,192	24,652
Worker's Welfare Fund	34.2	12,877	9,879
Provision for carbon credit	34.3	17,135	-
Provision for doubtful receivables	15.4	597	-
		117,317	50,486

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

34.2 This represent 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.

34.3 The Company has created a provision for an amount of Rs. 17.135 million on a prudence basis for sharing of carbon credit proceed which will be paid once all the legal and administrative formalities with CPPA are completed.

	Note	2023	2022
		----------(Rupees in 000')----------	
35 OTHER INCOME			
Income from financial assets			
Return on saving accounts		526,474	161,295
Return on short term investment	35.1	79,734	-
		606,208	161,295
Income from non-financial assets			
Income from carbon credits	35.2	29,407	15,456
Others		8,241	172
		37,648	15,628
		643,856	176,923

35.1 This represents mark up income earned on term deposit receipts at the rate of 16.35% during the year. The investment has matured during the year.

35.2 The Company is registered with CDM-UNFCCC since February 22, 2018 under Project Code 10365. During the second crediting year i.e from February 22, 2019 to February 21, 2020, the Company managed to earn 94,669 (2022: 95,237) carbon credits (CERs), which have been issued in January 2023. The Company approached different parties for the sale of CERs in international market and made agreement with Emergent Venture International PTE Limited for the sale of current volume of CERs only. During the year the Company has sold current volume of CERs for Rs. 29.407 million (2022: Rs. 15.456 million).

36 FINANCE COST

	Note	2023	2022
Mark-up on long term loan		827,516	678,146
Transaction cost		15,345	20,088
Bank charges		305	314
		843,166	698,548

37 TAXATION

	Note	2023	2022
Current	37.1	(174,094)	(81,189)
Super tax	37.2	(61,445)	(19,103)
Prior adjustment	37.3	(53,587)	(42,518)
		(289,126)	(142,810)

37.1 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 (2022: Normal Tax) (ACT), the total provision for taxation is Rs. 908.303 million (2022: Rs. 510.947 million) of which Rs. 672.764 million (2022: Rs. 410.654 million), included as receivable from CPPA in note 12 as a pass-through item, represents normal tax / ACT on profit before tax excluding income on bank deposits and liquidated damages from contractor.

The remaining provision of Rs. 235.539 million (2022: Rs. 100.292 million) representing normal tax / ACT on income from bank deposits and liquidated damages from contractor, which may not be claimable from CPPA as a pass-through item, not being construed as directly related to the generation, sale, exportation or supply of electricity.

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

37.3 Prior year adjustment for 2023 represents difference of provision recorded and tax return filed during the year for tax year 2022.

37.4 Tax charge reconciliation

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

	2023 %	2022 %
Applicable tax rate	29	29
Tax losses and credits not recognized/other adjustments	-	(5.07)
Taxes claimable as pass through items	(20.20)	(17.87)
Prior year tax	0.02	0.02
Average effective tax rate charged to profit or loss	8.82	6.08

37.5 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 3, 2019 and the Court issued a notice to the tax payer and power of attorney has been filed on January 27, 2020. The reference is pending adjudication.

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37.6 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 has 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 Hon'ble 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 had preferred an appeal before the Commissioner Inland Revenue (Appeals) and has also 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 date February 28, 2020 in ICA # 134758 of 2018. Later on, the Company has filed writ petition before the Supreme Court of Pakistan against this order which is pending adjudication. However, the Supreme Court has granted leave on November 26, 2020.

37.7 Federal Govt. 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 Ordinance subject to depositing of post dated cheque of differential amount. Later-on 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 16th February 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 decline all the petitions and declare super tax as valid. In July 2023, the Company paid the remaining 50% of the Super Tax amounting to Rs. 56.136 million. 1300

37.8 Comparison of tax provision against tax assessments

Years	Excess/ (Short)	Tax provision	Tax assessment/ tax return
	------------- (Rupees in 000')	---------------	
2021-22	(53,587)	454,732	508,319
2020-21	(16,514)	364,103	380,617
2019-20	-	422,242	422,242
2018-19	-	293,773	293,773

37.9 As at June 30, 2023, 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.

37.10 The deferred tax liability of Rs. 3,456.274 million (2022: Rs. 2,238.472 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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38 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 27 and remuneration of key management personnel is disclosed in note 46. Other significant transactions with related parties are as follows:

Name of related party	Relationship with the Company	Nature of transactions	2023 Transactions during the year	2023 Closing balance	2022 Transactions during the year	2022 Closing balance
			(Rupees in 000)			
Directorate General Public Relation	Department of Government of Punjab	Payable balance	-	65	-	253
		Advertisement expenses charged	470	-	1,803	253
The Bank of Punjab	Associated Company	Long term loan payable	-	3,603,332	-	4,986,051
		Loan repaid by the Company	1,396,225	-	1,210,449	-
		Financing fees and charges	305	-	314	-
		Mark-up on loan payable	-	189,161	-	164,286
		Mark-up on long term loan	827,516	-	678,146	-
		Interest income	606,208	-	161,295	-
		Bank balance	-	4,309,392	-	3,432,443
Government of the Punjab (Finance Department)	Department of Government of Punjab	Funds received	257,719	-	594,849	-
		Expenses incurred	(200,559)	-	(663,961)	-
		Funds receivable		11,952		69,112
		Dividend paid	(1,980,980)	-	(500,000)	-
		Payment on behalf	(19,020)	-	-	-
Quaid-e-Azam Wind Power (Private) Limited	Associated Company	Receivable balance	-	429	-	429
		Provision for,doubtful receivable	(429)	-	-	-
Khadim-e-Punjab Ujala Programme	Department of Government of Punjab	Receivable balance	-	18	-	18
		Provision for doubtful receivable	(18)	-	-	-
WASA	Department of Government of Punjab	Receivable balance	-	150	-	150
		Provision for doubtful receivable	(150)	-	-	-
Chief Executive Officer	Employee	Advance against gratuity	3,117	2,321	5,847	-
Executives	Employees	Advance against gratuity	9,653	5,710	19,391	10,251

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38.1 The details of compensation paid to key management personnel are shown under the heading of "Remuneration of Chief Executive, Directors and Executive (note 46)". There are no transactions with key management personnel other than under their terms of employment.

38.2 Key management personnel are those 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.

38.3 All transactions with Govt. 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 disclose such transactions 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 party being owned by the same government.

39 FINANCIAL RISK MANAGEMENT

39.1 Financial risk factors

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

Risk management is carried out by the Company's 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. 71.654 million (2022: Rs. 32.201 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, 2023 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. 12.092 million (2022: Rs. 2.395 million) lower / higher mainly as a result of foreign exchange losses / gains on translation of USD-denominated financial assets and liabilities. Bou

At June 30, 2023 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 (2022: Rs. 0.03 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	
	2023	2022	2023	2022
USD to PKR	246.55	181.00	287.10	206.00
EUR to PKR	265.01	201.88	314.27	215.75

(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. 0.719 million (2022: Rs. 1.580 million) respectively.

		2023	2022
		Carrying amount	
Financial liabilities/(Assets)	**Effective rates**	------------ (Rupees in 000') ------------	
Variable rate instruments:			
Long term financing	12.74% to 22.12%	3,616,528	5,012,753
Bank balances	12.25% to 19.50%	(4,335,825)	(3,432,443)
Net exposure		(719,297)	1,580,310

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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 2023.

	Profit or loss	
	100 bp increase	**100 bp decrease**
As at June 30, 2023		
Cash flow sensitivity - Variable rate financial liabilities	(7,193)	7,193
As at June 30, 2022		
Cash flow sensitivity - Variable rate financial liabilities	15,803	(15,803)

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

39.2 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:

	2023	**2022**
	----------- (Rupees in 000') -----------	
Long term deposits	401	401
Trade debts	3,113,851	3,735,232
Contract assets	1,374,353	1,030,602
Short term deposits	1,926	1,926
Short term loans and advances	8,452	10,886
Other receivables	11,155	34,120
Bank balances	4,335,825	3,522,443
	8,845,963	8,335,610

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.

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Trade debts - considered good

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

	2023	2022
	(Rupees in 000')	
The aging of trade receivable at the reporting date is:		
Neither past due nor impaired	574,885	226,788
Past due but not impaired:		
1 to 30 days	568,015	479,268
31 to 90 days	708,812	529,079
91 to 180 days	223,688	1,695,264
181 to 365 days	171,170	109,905
Above 365 days	867,281	694,928
	2,538,966	3,508,444
	3,113,851	3,735,232

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

	Rating 2022			2022
	Short term	Long term	Agency	(Rupees in 000')
Bank of Punjab (BOP)	A1+	AA	PACRA	3,432,443

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.

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39.3 Liquidity risk

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

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')				
2023					
Long term loan	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	-
2022					
Long term loan	5,012,753	6,526,385	2,012,760	4,513,625	-
Trade and other payables	364,232	364,232	364,232	-	-
Accrued finance cost	164,286	164,286	164,286	-	-
Retentions	206,650	206,650	206,650	-	-
	5,747,921	7,261,553	2,747,928	4,513,625	-

40 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.

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

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

There were no financial instruments held by the Company which are measured at fair value as of June 30, 2023 and June 30, 2022.

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.

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41 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, 2023								
Financial assets								
Financial assets at amortized cost								
Long term deposits	10	401	-	401	-	-	-	-
Trade debts	11	3,113,851	-	3,113,851	-	-	-	-
Contract assets	12	1,374,353	-	1,374,353	-	-	-	-
Short term loans and advances	13	8,452	-	8,452	-	-	-	-
Short term deposits	14	1,926	-	1,926	-	-	-	-
Other receivables	15	11,155	-	11,155	-	-	-	-
Cash and bank balances	17	4,335,825	-	4,335,825	-	-	-	-
		8,845,963	-	8,845,963	-	-	-	-
Financial liabilities at amortized cost								
Long term financing	20	-	3,616,528	3,616,528	-	-	-	-
Trade and other payables	23	-	478,189	478,189	-	-	-	-
Retentions	22	-	340,113	340,113	-	-	-	-
Accrued finance cost	24	-	189,161	189,161	-	-	-	-
		-	4,623,991	4,623,991	-	-	-	-
On-Statement of financial position - financial instruments								
As at June 30, 2022								
Financial assets								
Financial assets at amortized cost								
Long term deposits	10	401	-	401	-	-	-	-
Trade debts	11	3,735,232	-	3,735,232	-	-	-	-
Contract assets	12	1,030,602	-	1,030,602	-	-	-	-
Short term loans and advances	13	10,886	-	10,886	-	-	-	-
Short term deposits	14	1,926	-	1,926	-	-	-	-
Other receivables	15	34,120	-	34,120	-	-	-	-
Cash and bank balances	17	3,522,443	-	3,522,443	-	-	-	-
		8,335,610	-	8,335,610	-	-	-	-
Financial liabilities at amortized cost								
Long term financing	20	-	5,012,753	5,012,753	-	-	-	-
Trade and other payables	23	-	364,232	364,232	-	-	-	-
Retentions	22	-	206,650	206,650	-	-	-	-
Accrued finance cost	24	-	164,286	164,286	-	-	-	-
		-	5,747,921	5,747,921	-	-	-	-

41.1 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.

42 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.

	2023	2022
	(Rupees in 000')	
The proportion of debt to equity at the year end was:		
Long term finances	3,616,528	5,012,753
Net debt	3,616,528	5,012,753
Share capital	3,809,780	3,809,780
Reserves	9,967,935	8,994,787
Total equity	13,777,715	12,804,567
Total capital employed	17,394,243	17,817,320
Gearing Ratio	21%	28%

43 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.

44 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, 2023 except as follows for better presentation.

Statement of financial position

Reclassification from	Reclassification to	Amount (Rupees in 000)
Trade debts	Contract assets	149,154
Other receivables	Contract assets	881,448

Statement of profit or loss **Reclassification from**	**Reclassification to**	**Amount (Rupees in 000)**
Other income	Sales	316,119
Salaries, wages and other benefits	Meeting fee/ expense	12,570
Salaries, wages and other benefits	Utilities	104
Salaries, wages and other benefits	Travelling and conveyance	2,214
Salaries, wages and other benefits	Communication charges	80
Salaries, wages and other benefits	Training and development	480
Salaries, wages and other benefits	Others	(3)
Consultancy charges	Legal and professional charges	1,070

45 NUMBER OF EMPLOYEES

	2023 Numbers	**2022 Numbers**
Number of employees at June 30		
Permanent		
Head office	18	23
Plant	12	13
Average number of employees during the year		
Permanent		
Head office	21	23
Plant	13	11

45.1 The number of employees as at year end was 30 (2022: 36) and average number of employees during the year was 34 (2022: 34).

46 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	
	2023	2022	2023	2022	2023	2022
	----------Rupees in thousand----------					
Short term employee benefits						
Managerial Remuneration	15,526	10,186	-	-	64,628	67,680
Utilities	234	-	-	-	-	-
Bonus	4,099	1,674	-	-	8,501	5,915
Medical expenses	167	19	-	-	-	1,047
Meeting fee	-	-	12,423	12,533	-	-
Others	-	-	-	-	-	-
	20,026	11,879	12,423	12,533	73,129	74,642

	Chief Executive		Directors		Executives	
	2023	2022	2023	2022	2023	2022
	----------Rupees in thousand----------					
Post employment benefit						
Expenses incurred in respect of gratuity	-	-	-	-	8,461	12,514
	20,026	11,879	12,423	12,533	81,590	87,156
Number of person(s)	1	1	11	13	18	23

46.1 The Company has 11 (2022: 13) directors who have not received any remuneration and other benefits, except aggregating fee for attending meetings amounting to Rs. 12.422 million (2022: Rs. 12.533 million).

46.2 Certain executives of the Company are provided with Company maintained vehicles.

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

47 CAPACITY AND PRODUCTION

	2023 MWH	2022 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	160,961	164,787

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

48 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, 2022	-	5,012,753	5,012,753
Dividend announced	2,000,000	-	2,000,000
Dividend paid	(2,000,000)	-	(2,000,000)
Repayment	-	(1,396,225)	(1,396,225)
Balance as at June 30, 2023	-	3,616,528	3,616,528

48.1 There is no non-cash transaction during the year, however, dividend payment includes expenses amounting to Rs. 19.020 million paid by the Company on behalf of the Government of Punjab and the same amount has been deducted from the payment of dividend.

49 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.

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50 EVENTS AFTER THE DATE OF STATEMENT OF FINANCIAL POSITION

50.1 The Board of Directors of the Company has proposed an interim cash dividend for the year ended June 30, 2023, of Nil (June 30, 2022: Rs. 3,937.24 per share amounting to Rs. 1,500 million). The respective effect of the transaction is incorporated in the Statement of Changes in equity during the year.

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

51 EARNINGS PER SHARE - BASIC AND DILUTED

		2023	2022
Profit for the year	Rupees in thousand	2,988,595	2,202,337
Weighted average number of ordinary shares	Number	380,978	380,978
Earnings per share	Rupees	7.84	5.78

51.1 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, 2023 and June 30, 2022 which would have any effect on the earnings per share if the option to convert is exercised.

52 DATE OF AUTHORIZATION OF ISSUE

These financial statements were authorized for issue on 2 8 SEP 2023 by the Board of Directors of the Company.

53 GENERAL

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

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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 **10th Annual General Meeting** (AGM) of QASPL to be held on the **26th day of October 2023** and at any adjournment thereof."

Signed by me this ______ day of October, 2023

____

(Signature of Appointee)

____

(Signature of Appointer)

Witness 1:

Signature ______________________

Name ______________________

CNIC No. ______________________

Address ______________________

Witness 2:

Signature ______________________

Name ______________________

CNIC No. ______________________

Address ______________________