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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
POWER HOLDING LIMITED

Opinion

We have audited the annexed financial statements of **POWER HOLDING LIMITED** (the Company) which comprises the statement of financial position as at June 30, 2023, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of the audit.

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

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditors' 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.

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 the financial statements that are free from material misstatement, whether due to fraud or error.

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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.

Information Other than Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. Other information comprises of directors' report for the year ended June 30, 2023 but doesn't include the financial statements and our auditor's report thereon.

Our opinion on the financial statements doesn't cover the other information and we don't 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 appear 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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Companies business; and

d) 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 C.A Habib.

Place: Islamabad
Dated: 05 OCT 2023
UDIN: AR2023103497nFqOBcid

CROWE HUSSAIN CHAUDHURY & CO
(CHARTERED ACCOUNTANTS)

Crowe Hussain Chaudhary & Co. Chartered Accountant
Member Crowe Global LLP

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POWER HOLDING LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

	Note	2023	2022
		--------------Pak Rupees--------------	
NON - CURRENT ASSETS			
Property and equipment	5	4,831,556	6,062,596
Long term deposits		260,500	260,500
Deferred tax asset	6	201,472	126,134
Finance facilities - principal portion receivable	7	683,253,452,446	553,943,440,250
		683,258,745,974	553,949,889,480
CURRENT ASSETS			
Current portion of receivables	8	287,875,191,892	417,486,163,610
Prepayments - Insurance		87,877	87,868
Advance income tax	9	35,529,975	11,346,666
Cash and bank balances	10	380,864,214	238,649,671
		288,291,673,958	417,736,247,815
		971,550,419,932	971,686,137,295
SHARE CAPITAL AND RESERVES			
Authorized Capital	11	15,000,000	15,000,000
Issued, Subscribed and Paid up Capital	11	15,000,000	15,000,000
Accumulated profit		352,901,190	223,868,238
		367,901,190	238,868,238
NON - CURRENT LIABILITIES			
Long term financing	12	683,253,452,447	553,943,440,250
CURRENT LIABILITIES			
Current portion of long term financing	13	82,000,000,000	246,310,012,196
Markup accrued	14	108,215,082,877	81,477,461,384
Bridge borrowing from CPPA		-	20,219,768,768
Other payables	15	97,661,213,938	69,479,269,918
Provision for taxation		52,769,480	17,316,541
		287,929,066,295	417,503,828,807
		971,550,419,932	971,686,137,295
CONTINGENCIES AND COMMITMENTS	16		

The annexed notes, from 1 to 32, form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER **DIRECTOR**

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POWER HOLDING LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023	2022
		-------------Pak Rupees-------------	
Grant-from power sector, GOP through CPPA-G	17	163,810,001,000	108,873,236,063
Less: Utilized for			
- Finance cost	18	163,137,325,966	108,865,266,063
- Other expenses	19	672,675,034	7,970,000
		163,810,001,000	108,873,236,063
		-	-
Other income	20	200,703,689	77,235,312
Operating cost	21	16,195,046	14,937,818
Financial incidental charges	22	2,781,550	2,888,750
		18,976,596	17,826,568
Profit for the year - before taxation		181,727,094	59,408,744
Provision for taxation	23	(52,694,142)	(17,228,536)
Net profit for the year - after taxation		129,032,952	42,180,208
Earning Per Share	24	86.02	28.12

The annexed notes, from 1 to 32, form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER | **DIRECTOR**

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POWER HOLDING LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	---------- Pak Rupees --------	
Profit for the year	129,032,952	42,180,208
Other comprehensive income	-	-
Total comprehensive income for the year	129,032,952	42,180,208

The annexed notes, from 1 to 32, form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

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POWER HOLDING LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2023

	Share capital	Accumulated profit	Total
	-----------------	Pak Rupees	-----------------
Balance as at July 01, 2021	15,000,000	181,688,030	196,688,030
Profit for the year	-	42,180,208	42,180,208
Balance as at June 30, 2022	15,000,000	223,868,238	238,868,238
Balance as at July 01, 2022	**15,000,000**	**223,868,238**	**238,868,238**
Profit for the year		**129,032,952**	**129,032,952**
Balance as at June 30, 2023	**15,000,000**	**352,901,190**	**367,901,190**

The annexed notes, from 1 to 32, form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER **DIRECTOR**

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POWER HOLDING LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023	2022
		---Pak Rupees---	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax for the year		181,727,094	59,408,744
Adjustments for non-cash and other items:			
- Grant from power sector, GOP through CPPA-G against M-Up		(134,956,138,216)	(86,060,359,241)
- Grant from power sector, GOP through CPPA-G against LDs		(28,181,187,750)	(22,804,906,822)
- Grant from power sector, GOP through CPPA-G against Fees		(672,675,034)	(7,970,000)
- Other income		(200,703,689)	(77,235,312)
- Other charges		672,675,034	7,970,000
- Depreciation on property and equipment		1,231,040	1,113,997
- Finance cost		134,956,138,216	86,060,359,241
- Liquidated damages		28,181,187,750	22,804,906,822
		(199,472,649)	(76,121,316)
Loss for the year before working capital changes		(17,745,556)	(16,712,573)
Changes in working capital:			
- Short term prepayments		(9)	(87,868)
- Other payables		756,272	(4,058,857)
Net changes in working capital		756,263	(4,146,725)
Received from CPPA against markup		107,761,976,929	72,067,917,146
Received from FD against markup		-	292,239,516
Received from CPPA-G against arrangement / trustee fee		672,675,034	7,970,000
		108,434,651,963	72,368,126,662
Finance cost paid		(107,761,976,928)	(72,067,917,156)
Trustee, arrangement and legal fee paid		(672,675,034)	(7,970,000)
Interest on bank deposit		200,703,689	74,777,775
Income tax deducted / paid		(41,499,850)	(21,361,518)
		(108,275,448,123)	(72,022,470,899)
Net cash generated from operating activities		142,214,547	324,796,465
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment		-	(6,881,820)
Sale of Non-current assets		-	2,675,000
Net cash used in investing activities		-	(4,206,820)
CASH FLOWS FROM FINANCING ACTIVITIES			
Financing obtained during the year from banks		283,286,652,447	-
Receipts from Finance Division for onward payment to Banks		35,000,000,000	129,746,550,811
Receipts from Finance Division for onward payment against CPPA bridge borrowi		-	1,871,749,998
Paid to Banks on receipts from Finance Division		(35,000,000,000)	(129,746,550,811)
Paid to CPPA on receipts from FD (Adjustment of bridge borrowing)		-	(2,163,989,524)
Repayments to the banks during the year from proceeds of Fresh facilities		(283,286,652,447)	-
Net cash used from financing activities		-	(292,239,526)
Net (decrease) / increase in cash and cash equivalents		142,214,543	28,350,119
Cash and cash equivalents at beginning of the year	10	238,649,671	210,299,552
Cash and cash equivalents at end of the year	10	380,864,214	238,649,670

The annexed notes, from 1 to 32, form an integral part of these financial statements.

CHIEF EXECUTIVE **DIRECTOR**

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POWER HOLDING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

1 LEGAL STATUS AND OPERATIONS

Power Holding Limited ("the Company") was incorporated in Pakistan on June 24, 2009, as a private limited company under the Companies Ordinance, 1984 (now Companies Act, 2017). The company is established under the administrative control of Ministry of Energy (Power Division) and is wholly owned by the Government of Pakistan. The registered office of the company is situated at Room # 602, Shaheed-e-Millat Secretariat, Jinnah Avenue, Blue Area, Islamabad. The status of the company was converted from private limited to public limited with effect from April 01, 2019.

The company was incorporated as a result of decision by Ministry of Finance in the meeting held on May 21, 2009 under the Chairmanship of the then Advisor to the Prime Minister on Finance to remove the bank borrowings of the power sector companies (National Transmission and Despatch Company Limited (NTDC), Water and Power Development Authority (WAPDA) and Power Distribution Companies (DISCOs)) along with mark-up as a consequence of unpaid subsidies by the Government of Pakistan. The, then Prime Minister of Pakistan also granted approval for the establishment of the company solely for the purpose of facilitation and not to earn profits or undertake any other business. Thus, the company, although public limited, functions as a not for profit entity.

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 (the 'Act'); and
- Provisions of and directives issued under the Act.

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

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention.

2.3 Functional and presentational currency

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

2.4 Significant accounting estimates

The preparation of financial statements in conformity with approved Accounting and Financial Reporting Standard requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, 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, results of which form the basis of making judgment about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which estimates are revised, if the revision affects only that period, or in the period of revision and future periods, if revision affects current period and future periods.

Significant areas requiring the use of management estimates in the financial statements relate to property & equipment and provision for taxation.

a) Property and equipment

The company reviews useful lives and residual value of property and equipment on regular basis. Any change in estimates in future years might effect the carrying amounts of the respective items of property and equipment with a corresponding effect on the 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. Any change in estimates in future years might effect the carrying amounts of the respective assets with a corresponding effect on depreciation/ amortization charge and impairment

c) Provisions

Provisions are recognized when the Company has a present, legal or constructive obligation as a result of a past event, 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. However, provisions are reviewed at each year end date and adjusted to reflect the current best estimates.

3 NEW AND REVISED STANDARDS AND INTERPRETATIONS

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company

	Effective date (reporting periods beginning after
IAS 1 Presentation of Financial Statements (Amendments)	January 01, 2023
IAS 8 Accounting Policies, Changes in Accounting Estimates & Errors (Amendments	January 01, 2023
IAS 12 Income Taxes (Amendments)	January 01, 2023
IFRS 4 Insurance Contracts (Amendments)	January 01, 2023
IAS 7 Statement of cashflows (Amendments)	January 01, 2023
IFRS 9 Financial Instruments (Amendments)	January 01, 2023
IFRS 16 Leases (Amendments)	January 01, 2024

The management anticipates that the adoption of the above standards, amendments and interpretations in future periods will have no material impact on the financial statements other than the impact on presentations/ disclosures.

Further, the following standards and interpretations have been issued by the International Accounting Standards Board (IASB), which are yet to notified by the Securities and Exchange Commission of Pakistan (SECP), for the purpose of their applicability in Pakistan:

- IFRS 1 First-time adoption of International Financial Reporting Standards
- IFRS 17 Insurance Contracts

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The following interpretation issued by the IASB has been waived off by SECP
- IFRIC 12 Service concession arrangements

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently in the preparation of these financial statements:

4.1 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand, balances with bank that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in values.

4.2 Property and equipment

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Cost signifies historical cost, directly attributable cost of bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the management.

Depreciation

Depreciation is charged to statement of profit or loss applying the reducing balance method at the rates specified in note 5 to these financial statements, so as to write off the cost less residual value of assets over their estimated useful lives. Full month's depreciation is charged in the month of purchase and no depreciation is charged in the month of disposal.

Subsequent costs are included in the asset's carrying amount when it is probable that future economic benefits associated with the item will flow to the Company and the cost of item can be measured reliably. Carrying amount of the replaced asset is derecognized. All other repair and maintenance, if any, is charged to statement of profit or loss during the period. The gain or loss on disposal or retirement of assets represented by the difference between the sale proceeds and the carrying amount of the asset is recognized in statement of profit or loss.

Assets are derecognized when disposed off or when no future economic benefits are expected to flow from its use. Gains or losses on disposal of an item of Property and equipment are determined by comparing the proceeds from disposal with the carrying amount of Property and equipment, and are recognized net within "other income" in statement of profit or loss.

4.3 Impairment

The Company assesses at each statement of financial position date whether there is any indication that assets 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 amounts. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in statement of profit or loss. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Where impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised recoverable amount but limited to the extent of the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognized for the asset in prior years. Reversal of impairment loss is charged to income.

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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.

4.4 Taxation

Current

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantially enacted at the reporting date.

Deferred

Deferred income tax is provided using the liability method for all temporary differences arising at the statement of financial position date between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences and deferred income tax assets are recognized for all deductible temporary differences and carry forward of unused tax losses, if any, to the extent that it is probable that taxable profit will be available against which such deductible temporary differences and tax losses can be utilized. Deferred tax assets and liabilities are measured at the tax rate that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the statement of financial position date.

4.5 Financial instruments

(i) Recognition and initial measurement

All financial assets and liabilities are recognized in the statement of financial position when the Company becomes a party to the contractual provisions of an instrument.

A financial asset (unless it is a trade debt without significant financing component) or financial liability is initially measured at fair value, plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

(ii) Classification and subsequent measurement

(a) Financial assets

On initial recognition, a financial asset is classified and measured at amortized cost, FVTOCI or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

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

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Financial assets at amortized cost are subsequently measured using the effective interest method. The amortized cost is reduced by impairment losses. Foreign exchange gains and losses and impairment are recognized in profit or loss.

(b) Financial assets

The Company classified its financial assets into one or more of the following categories:

- FVTPL
- Loans and receivables

Loans and receivables and held to maturity financial assets were subsequently measured at amortized cost using effective interest method.

Financial liabilities-Classification and subsequent measurement

Financial liabilities are measured at amortized cost or FVTPL. A Financial liability is classified as FVTPL if it is classified as held-for-trading, it is derivative or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss.

(iii) Derecognition

(a) Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

(b) Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled, or expired. The Company also derecognizes a financial liability when its terms are modified and the cash flows of modified liability are substantially different, in which case a new financial liability is recognized at the fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid is recognized in profit or loss.

(iv) Off-setting of financial assets and liabilities

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

4.6 Receivables

Receivable from the Finance Division, GOP / power sector, GOP through CPPA-G is recognized on the basis of finance facilities availed by the Company for the purposes of funding of the repayment liabilities of the DISCOs. Other receivables are carried at original invoice amount less impairment, if any.

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4.7 Other payables

Liabilities for amounts payable are measured at cost which is the fair value of the consideration to be paid in the future for goods and services received whether billed to the company or not.

4.8 Grant from power sector, GOP through CPPA-G/ Finance Division, GOP

Grant/receipts from the power sector, GOP through CPPA-G and Finance Division, GOP is recognized when the related markup on term finance facilities is recognized. The grant is charged to statement of profit or loss as and when due, whether received or not.

4.10 Other income

Profit on bank deposits is recognized on time proportion basis taking into account principal outstanding and rates of profit applicable thereon.

4.11 Transactions with related parties

Transactions with related parties are carried out on commercial terms and conditions.

4.12 Provisions

Provisions are recognized when the Company has a present, legal or constructive obligation as a result of a past event, 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. However, provisions are reviewed at each year end date and adjusted to reflect the current best estimates.

4.13 Borrowing costs

All borrowing costs are charged to profit or loss in the period in which they are incurred.

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5 PROPERTY AND EQUIPMENT

2023

	COST					ACCUMULATED DEPRECIATION				WRITTEN DOWN VALUE
	As at 1st July	Additions	(Disposals)	As at 30 June	Rate	As at 1st July	Charge for the year	(Disposals)	As at 30 June	As at 30 June
	Pak Rupees				%	Pak Rupees				Pak Rupees
Vehicles	6,881,820	-	-	6,881,820	20%	1,004,413	1,175,482	-	2,179,895	4,701,925
Office equipments	221,784	-	-	221,784	30%	169,282	15,751	-	185,033	36,751
Computer and equipments	771,414	-	-	771,414	30%	638,727	39,807	-	678,534	92,880
	7,875,018	**-**	**-**	**7,875,018**		**1,812,422**	**1,231,040**	**-**	**3,043,462**	**4,831,556**

2022

	As at 1st July	Additions	(Disposals)	As at 30 June	Rate	As at 1st July	Charge for the year	(Disposals)	As at 30 June	As at 30 June
	Pak Rupees				%	Pak Rupees				Pak Rupees
Vehicles	3,008,140	6,881,820	(3,008,140)	6,881,820	20%	2,760,462	1,034,628	(2,790,677)	1,004,413	5,877,407
Office equipments	221,784	-	-	221,784	30%	146,781	22,501	-	169,282	52,502
Computer and equipments	771,414	-	-	771,414	30%	581,860	56,867	-	638,727	132,687
	4,001,338	6,881,820	(3,008,140)	7,875,018		3,489,103	1,113,997	(2,790,677)	1,812,422	6,062,596

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		Note	2023	2022
			------------Pak Rupees------------	
6	**DEFERRED TAX ASSET**			
	Deferred tax asset	6.1	201,472	126,134

6.1 Deferred tax asset arises due to accelerated depreciation.

7 **FINANCE FACILITIES PRINCIPAL PORTION RECEIVABLE - NON CURRENT**

	Note	2023	2022
From Power Sector, GOP through CPPA	7.1	199,966,800,000	199,966,800,000
From Finance Division, GOP	7.2	483,286,652,446	353,976,640,250
		683,253,452,446	553,943,440,250

7.1 **Non - Current Principal Portion Receivable - From Power Sector, GOP Through CPPA**

	Note	Opening balance as at 01-07-2022	Transferred to current portion	Receivable against fresh facility during the year	Closing balance as at 30-06-2023
		--------Pak Rupees--------			
Rs. 199.9668 bln PES-II (dd: 21-05-20)		199,966,800,000	-	-	199,966,800,000
	7.1.1	199,966,800,000	-	-	199,966,800,000

7.1.1 The receivables represent the outstanding amounts from power sector, Government of Pakistan through Central Power Purchasing Agency (Guarantee) Limited (CPPA) against Pakistan Energy Sukuk - II on behalf and under guarantee of Government of Pakistan for the purposes of funding the repayment liabilities of the DISCOs / power sector.

7.2 **Non-Current Principal Portion Receivable - From Finance Division, GOP**

	Note	Opening balance as at 01-07-2022	Transferred to current portion	Receivable against fresh facility during the year	Closing balance as at 30-06-2023
		--------Pak Rupees--------			
Rs. 200.00 bln PES-I (dd: 01-03-19)		200,000,000,000	-	-	200,000,000,000
Rs. 136.4542 bln (dd: 30-09-19)		56,855,916,667	56,855,916,667	-	-
Rs. 115.969 bln (31-03-23)		-	-	115,969,466,667	115,969,466,667
Rs. 110.283 bln (dd 31-03-23)		-	-	110,283,333,333	110,283,333,333
Rs. 44.534 bln (dd 31-03-23)		-	-	44,533,852,446	44,533,852,446
Rs. 41.457 bln (dd: 30-09-19)		17,273,890,248	17,273,890,249	-	-
Rs. 41.00 bln (dd:21-05-20)		27,333,333,334	27,333,333,334	-	-
Rs. 35.806 bln (dd: 20-11-18)		5,967,666,667	5,967,666,667	-	-
Rs. 30.95 bln (dd 30-09-20)		23,212,500,000	23,212,500,000	-	-
Rs. 30.00 bln (dd: 20 -12-19)		15,000,000,000	15,000,000,000	-	-
Rs. 25.00 bln (I) (dd: 15-03-19)		8,333,333,334	8,333,333,334	-	-
Rs. 12.50 bln (I) (dd 31-03-23)		-	-	12,500,000,000	12,500,000,000
	7.2.1	353,976,640,250	153,976,640,251	283,286,652,446	483,286,652,446

7.2.1 The receivables represent the outstanding amounts of bank loans receivable from Finance Division, Government of Pakistan against syndicated term finance facilities, syndicated Islamic term finance facility, privately placed term finance certificates, term finance facilities and Pakistan Energy Sukuk - I on behalf and under guarantee of Government of Pakistan for the purposes of funding the repayment liabilities of the DISCOs / power sector.

Power Division in consultation with the Finance Division has devised a comprehensive plan for retirement of PHL debt liabilities which has been duly approved by the ECC of the Cabinet whereby PHL Debt has been being taken-over by the Finance Division from Power Sector. In this regard Rs. 35.00 billion was allocated by the Finance Division during FY 2022-23 (Rs. 129.746 billion for FY 2021-22) for principal repayment of PHL finance facilities and has been released to the lenders as stated in note 8.1.

		Note	2023	2022
			------------Pak Rupees------------	
8	**CURRENT PORTION OF RECEIVABLE**			
	Current portion of Principal receivable - from Finance Division	8.1	82,000,000,000	246,310,012,196
	Mark-up receivable	8.2	108,215,082,879	101,047,895,258
	Liquidated Damages receivable	8.3	97,660,109,013	69,478,921,262
	Receivable from Finance Division against fee settlements by CPPA		-	649,334,894
			287,875,191,892	417,486,163,610

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8.1 The break-up of current portion of principal receivable from Finance Division is as follows:

	Opening balance as at 01-07-2022	Transferred from long term portion during the year	Adjusted against fresh facilities	Receipts during the year	Closing balance as at 30-06-2023
	---	---	Pak Rupees	---	---
Rs. 136.4542 bln (dd: 30-09-19)	45,484,733,333	56,855,916,667	90,969,466,668	11,371,183,332	-
Rs. 80.00 bln (dd:30-03-2018)	20,000,000,000	-	13,333,333,333	6,666,666,667	-
Rs. 50.00 bln (1st tranche) (dd: 04-05-18)	16,666,666,666	-	12,500,000,000	4,166,666,666	-
Rs. 50.00 bln (2nd tranche) (dd: 30-05-18)	16,666,666,666	-	12,500,000,000	4,166,666,666	-
Rs. 41.457 bln (dd: 30-09-19)	13,819,112,198	17,273,890,248	29,614,685,779	1,478,316,667	-
Rs. 41.00 bln (dd:21-05-20)	13,666,666,667	27,333,333,333	41,000,000,000	-	-
Rs. 35.806 bln (dd: 20-11-18)	11,935,333,333	5,967,666,669	14,919,166,667	2,983,833,335	-
Rs. 30.95 bln (dd 30-09-20)	7,737,500,000	23,212,500,000	30,950,000,000	-	-
Rs. 30.00 bln (dd: 20 -12-19)	10,000,000,000	15,000,000,000	25,000,000,000	-	-
Rs. 25.00 bln (I) (dd: 15-03-19)	8,333,333,333	8,333,333,334	12,500,000,001	4,166,666,667	-
	164,310,012,196	153,976,640,251	283,286,652,449	35,000,000,000	-
From non-banking companies - secured					
Rs 82.00 bln (dd: 10-09-12)	82,000,000,000	-	-	-	82,000,000,000
	246,310,012,196	153,976,640,251	283,286,652,449	35,000,000,000	82,000,000,000

	Note	2023	2022
		Pak Rupees	
8.2 MARK-UP RECEIVABLE			
Mark-up receivable from Power Sector, GOP through CPPA-G	8.2.1	108,215,082,878	81,464,481,858
Mark-up receivable from Finance Division, GOP	8.2.2	-	19,583,413,400
		108,215,082,879	101,047,895,258

8.2.1 Mark-Up Receivable - From Power Sector, GOP Through CPPA-G

	2023	2022
Rs. 200.00 bln PES-I (dd: 01-03-19)	13,944,767,125	7,908,273,973
Rs. 199.9668 bln PES-II (dd: 21-05-20)	4,932,660,495	3,317,640,961
Rs. 136.4542 bln (dd: 30-09-19)	-	4,110,533,238
Rs. 115.969 bln (31-03-23)	6,603,237,887	-
Rs. 110.283 bln (dd 31-03-23)	6,279,472,571	-
Rs 82.00 bln (dd: 10-09-12)	73,207,468,493	58,694,636,712
Rs. 80.00 bln (dd:30-03-2018)	-	897,819,178
Rs. 50.00 bln (1st tranche) (dd 04-05-2018)	-	417,043,379
Rs. 50.00 bln (2nd tranche) (dd 30-05-2018)	-	222,684,931
Rs. 44.534 bln (dd 31-03-23)	2,535,733,156	-
Rs. 41.457 bln (dd: 30-09-19)	-	1,248,856,833
Rs. 41.00 bln (dd:21-05-20)	-	717,073,151
Rs. 35.806 bln (dd: 20-11-18)	-	330,077,366
Rs. 30.95 bln (dd 30-09-20)	-	1,002,305,151
Rs. 30.00 bln (dd: 20 -12-19)	-	1,946,865,752
Rs. 25.00 bln (I) (dd 15-03-19)	-	650,671,233
Rs. 12.50 bln (I) (dd 31-03-23)	711,743,151	-
	108,215,082,878	81,464,481,858

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8.2.2 **Mark-Up Receivable - From Finance Division, GOP**

Rs. 80.00 bln (dd:30-03-2018)	-	2,988,361,643
Rs. 50.00 bln (1st tranche) (dd: 04-05-2018)	-	1,982,410,959
Rs. 50.00 bln (2nd tranche) (dd: 30-05-2018)	-	2,032,821,918
Rs. 35.806 bln (dd: 20-11-18)	-	1,963,659,899
Rs. 30.00 bln (dd: 08-03-17)	-	5,386,569,863
Rs. 25.00 bln (dd: 29-04-2016)	-	1,903,417,809
Rs. 25.00 bln (I) (dd: 15-03-19)	-	3,313,191,783
Rs. 7.487 bln (dd: 02-07-15)	-	12,979,526
	-	19,583,413,400

8.3 **LIQUIDATED DAMAGES RECEIVABLE**

Liquidated damages on interest	56,379,287,095	44,115,085,646
Liquidated damages on principal amount	41,280,821,918	25,363,835,616
	97,660,109,013	69,478,921,262

9 **ADVANCE INCOME TAX**

Balance at the beginning of the year		11,346,666	14,968,801
Income tax withheld/Advance income tax paid during the year		35,529,975	11,346,666
		46,876,641	26,315,467
Less: Adjusted against tax liability		11,346,666	14,968,801
Balance at the end of the year	9.1	35,529,975	11,346,666

	Note	2023	2022
		------------Pak Rupees------------	
9.1 The Income tax withheld/Advance income tax paid during the year comprise of:			
Tax deducted u/s 151 on profit on bank deposits		30,075,815	11,216,666
Tax deducted u/s 231 on purchase of vehicle		5,000	130,000
Tax deducted u/s 234 along with token tax		8,200	-
Tax deducted u/s 147		5,440,960	-
		35,529,975	11,346,666

10 **CASH AND BANK BALANCES**

Cash in hand		-	-
Cash at bank:			
Current accounts		-	6,093
Saving accounts	10.1	380,864,214	238,643,578
		380,864,214	238,649,671
		380,864,214	238,649,671

10.1 This carries effective markup rate of 9.85% per annum (2022: 6.5%).

11 **SHARE CAPITAL**

Authorized Capital		
1,500,000 (2022: 1,500,000) ordinary shares of Rs. 10 each.	15,000,000	15,000,000
Issued, Subscribed and Paid up Capital		
1,500,000 (2022: 1,500,000) ordinary shares of Rs. 10 each.	15,000,000	15,000,000

All ordinary shares rank equally with regard to voting power and company's residual assets.

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12 LONG TERM FINANCING

	Note	Opening balance as at 01-07-2022	Transferred to current portion	Fresh Facility obtained during the year	Closing balance as at 30-06-2023
		Pak Rupees			
Conventional facilities	12.1	124,309,973,583	124,309,973,583	224,196,561,206	224,196,561,206
Islamic facilities	12.2	429,633,466,667	29,666,666,667	59,090,091,241	459,056,891,241
		553,943,440,250	153,976,640,250	283,286,652,447	683,253,452,447

12.1 Conventional facilities

From banking companies- secured:

	Note	Opening balance as at 01-07-2022	Transferred to current portion	Fresh Facility obtained during the year	Closing balance as at 30-06-2023
Rs. 136.4542 bln (dd: 30-09-19)	12.1.1	56,855,916,667	56,855,916,667	-	-
Rs. 115.969 bln (Rs 103.046 bln - C) (31-03-2	12.1.2	-	-	103,046,042,092	103,046,042,092
Rs. 110.283 bln (76.617 bn C) (dd 31-03-23)	12.1.3	-	-	76,616,666,667	76,616,666,667
Rs. 44.534 bln (dd 31-03-23)	12.1.4	-	-	44,533,852,446	44,533,852,446
Rs. 41.457 bln (dd: 30-09-19)	12.1.5	17,273,890,249	17,273,890,249	-	-
Rs. 41.00 bln / (24.00-C) (dd:21-05-20)	12.1.6	16,000,000,000	16,000,000,000	-	-
Rs. 35.806 bln (dd: 20-11-18)	12.1.7	5,967,666,667	5,967,666,667	-	-
Rs. 30.95 bln (dd 30-09-20)	12.1.8	23,212,500,000	23,212,500,000	-	-
Rs. 30.00 bln / (10.00-C) (dd: 20 -12-19)	12.1.9	5,000,000,000	5,000,000,000	-	-
		124,309,973,583	124,309,973,583	224,196,561,206	224,196,561,206

12.1.1 This represents conventional syndicated term finance facility for five (05) years, inclusive of grace period of twenty four (24) months from the date of first disbursement, on markup basis at daily average of three months KIBOR plus 2.00% prevailing on issue date for first installment period and subsequently one day prior to each installment period for the markup due to the end of that quarter. However, in case installment payments are made on due dates or maximum within 30 days after due date, then PHL is entitled to a rebate of 1.00%. The financing was repayable by September, 2024 and was secured by unconditional, irrevocable first demand and continuing guarantee of the Government of Pakistan however outstanding principal portion of this facility has been fully settled on March 31, 2023 through disbursement proceeds of fresh facility of Rs. 115.969 billion.

The facility was raised for purposes of funding repayment of liabilities of the DISCOs towards Central Power Purchasing Agency (CPPA) for onward payment to Power Generation Companies (GENCOs) and Independent Power Producers (IPPs).

12.1.2 This represents conventional portion of Rs. 115.969 bln syndicated term finance facility for five (05) years, inclusive of grace period of twenty four (24) months from the date of first disbursement, on markup basis at daily average of three months KIBOR plus 1.20% prevailing on issue date for first installment period and subsequently one day prior to each installment period for the markup due to the end of that quarter. However, in case installment payments are made on due dates or maximum within 30 days after due date, then PHL would be given rebate of 0.60%. The financing is repayable by March, 2028 and is secured by unconditional, irrevocable first demand and continuing guarantee of the Government of Pakistan.

The facility is raised for purposes of funding repayment of liabilities of the DISCOs towards Central Power Purchasing Agency (CPPA) and disbursement proceeds from the subject facility is utilized for settlement of outstanding principal portion of Rs. 136.454 bln term finance facility, Rs. 50.00 bln (1st tranche) term finance facility and Rs. 50.00 bln (2nd tranche) term finance facility.

12.1.3 This represents conventional portion of Rs. 110.283 bln syndicated term finance facility for five (05) years, inclusive of grace period of twenty four (24) months from the date of first disbursement, on markup basis at daily average of three months KIBOR plus 1.20% prevailing on issue date for first installment period and subsequently one day prior to each installment period for the markup due to the end of that quarter. However, in case installment payments are made on due dates or maximum within 30 days after due date, then PHL would be given rebate of 0.60%. The financing is repayable by March, 2028 and is secured by unconditional, irrevocable first demand and continuing guarantee of the Government of Pakistan.

The facility is raised for purposes of funding repayment of liabilities of the DISCOs towards Central Power Purchasing Agency (CPPA) and disbursement proceeds from the subject facility is utilized for settlement of outstanding principal portion of Rs. 80.00 bln term finance facility, Rs. 41.00 bln term finance facility, Rs. 30.95 bln term finance facility and Rs. 30.00 bln term finance facility.

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12.1.4 This represents conventional syndicated term finance facility for five (05) years, inclusive of grace period of twenty four (24) months from the date of first disbursement, on markup basis at daily average of three months KIBOR plus 1.20% prevailing on issue date for first installment period and subsequently one day prior to each installment period for the markup due to the end of that quarter. However, in case installment payments are made on due dates or maximum within 30 days after due date, then PHL would be given rebate of 0.60%. The financing is repayable by March, 2028 and is secured by unconditional, irrevocable first demand and continuing guarantee of the Government of Pakistan.

The facility is raised for purposes of funding repayment of liabilities of the DISCOs towards Central Power Purchasing Agency (CPPA) and disbursement proceeds from the subject facility is utilized for settlement of outstanding principal portion of Rs. 41.457 bln term finance facility, Rs. 35.806 bln term finance facility.

12.1.5 This represents conventional syndicated term finance facility for five (05) years, inclusive of grace period of twenty four (24) months from the date of first disbursement, on markup basis at daily average of three months KIBOR plus 2.00% prevailing on issue date for first installment period and subsequently one day prior to each installment period for the markup due to the end of that quarter. However, in case installment payments are made on due dates or maximum within 30 days after due date, then PHL is entitled to a rebate of 1.00%. The financing was repayable by September, 2024 and was secured by unconditional, irrevocable first demand and continuing guarantee of the Government of Pakistan however outstanding principal portion of this facility has been fully settled on March 31, 2023 through disbursement proceeds of fresh facility of Rs. 44.534 billion.

The facility was raised for purposes of funding repayment of liabilities of the DISCOs towards Central Power Purchasing Agency (CPPA) for onward payment to Power Generation Companies (GENCOs) and Independent Power Producers (IPPs).

12.1.6 This represents conventional portion of Rs. 41.00 bln syndicated term finance facility for five (05) years, inclusive of grace period of twenty four (24) months from the date of first disbursement, on markup basis at daily average of six months KIBOR plus 2.00% prevailing on issue date for first installment period and subsequently one day prior to each installment period for the markup due to the end of that semi-annual period. However, in case installment payments are made on due dates or maximum within 30 days after due date, then PHL is entitled to a rebate of 1.30%. The financing was repayable by May, 2025 and was secured by unconditional, irrevocable first demand and continuing guarantee of the Government of Pakistan however outstanding principal portion of this facility has been fully settled on March 31, 2023 through disbursement proceeds of fresh facility of Rs. 110.283 billion.

The facility was raised for purposes of funding repayment of liabilities of the DISCOs towards Central Power Purchasing Agency (CPPA) for onward payment to Power Generation Companies (GENCOs) and Independent Power Producers (IPPs).

12.1.7 This represents conventional syndicated term finance facility for five (05) years, inclusive of grace period of twenty four (24) months from the date of first disbursement, on markup basis at daily average of three months KIBOR plus 2.00% prevailing on issue date for first installment period and subsequently one day prior to each installment period for the markup due to the end of that quarter. However, in case installment payments are made on due dates or maximum within 30 days after due date, then PHL is entitled to a rebate of 1.00%. The financing was repayable by November, 2023 and was secured by unconditional, irrevocable first demand and continuing guarantee of the Government of Pakistan however outstanding principal portion of this facility has been fully settled on March 31, 2023 through disbursement proceeds of fresh facility of Rs. 44.534 billion.

The facility was raised for purposes of funding repayment of liabilities of the DISCOs towards Central Power Purchasing Agency (CPPA) for onward payment to Power Generation Companies (GENCOs) and Independent Power Producers (IPPs).

12.1.8 This represents conventional syndicated term finance facility for five (05) years, inclusive of grace period of twenty four (24) months from the date of first disbursement, on markup basis at daily average of three months KIBOR plus 2.00% prevailing on issue date for first installment period and subsequently one day prior to each installment period for the markup due to the end of that quarter. However, in case installment payments are made on due dates or maximum within 30 days after due date, then PHL is entitled to a rebate of 1.00%. The financing was repayable by September, 2025 and was secured by unconditional, irrevocable first demand and continuing guarantee of the Government of Pakistan however outstanding principal portion of this facility has been fully settled on March 31, 2023 through disbursement proceeds of fresh facility of Rs. 110.283 billion.

The facility was raised for purposes of funding repayment of liabilities of the DISCOs towards Central Power Purchasing Agency (CPPA) for onward payment to Power Generation Companies (GENCOs) and Independent Power Producers (IPPs).

12.1.9 This represents conventional sportion of Rs. 30.00 bln yndicated term finance facility for five (05) years, inclusive of grace period of twenty four (24) months from the date of first disbursement, on markup basis at daily average of six months KIBOR plus 2.00% prevailing on issue date for first installment period and subsequently one day prior to each installment period for the markup due to the end of that semi-annual period. However, in case installment payments are made on due dates or maximum within 30 days after due date, then PHL is entitled to a rebate of 1.30%. The financing was repayable by December, 2024 and was secured by unconditional, irrevocable first demand and continuing guarantee of the Government of Pakistan however outstanding principal portion of this facility has been fully settled on March 31, 2023 through disbursement proceeds of fresh facility of Rs. 110.283 billion.

The facility was raised for purposes of funding repayment of liabilities of the DISCOs towards Central Power Purchasing Agency (CPPA) for onward payment to Power Generation Companies (GENCOs) and Independent Power Producers (IPPs).

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		Note	Opening balance as at 01-07-2022	Transferred to current portion	Fresh Facility obtained during the year	Closing balance as at 30-06-2023
			-----------------------------Pak Rupees-----------------------------			
12.2	**Islamic facilities from banking companies - secured**					
	Rs. 200.00 bln PES-I (dd: 01-03-19)	12.2.1	200,000,000,000	-	-	200,000,000,000
	Rs. 199.9668 bln PES-II (dd: 21-05-20)	12.2.2	199,966,800,000	-	-	199,966,800,000
	Rs. 115.969 bln (Rs 12.923 bln - I) (31-03-23)	12.2.3	-	-	12,923,424,575	12,923,424,575
	Rs. 110.283 bln (33.667 bn I) (dd 31-03-23)	12.2.4	-	-	33,666,666,666	33,666,666,666
	Rs. 41.00 bln / (17.00-I) (dd: 21-05-20)	12.2.5	11,333,333,333	11,333,333,333	-	-
	Rs. 30.00 bln / (20.00-I) (dd: 20 -12-19)	12.2.6	10,000,000,000	10,000,000,000	-	-
	Rs. 25.00 bln (I) (dd: 15-03-19)	12.2.7	8,333,333,334	8,333,333,334	-	-
	Rs. 12.50 bln (I) (dd 31-03-23)	12.2.8	-	-	12,500,000,000	12,500,000,000
			429,633,466,667	29,666,666,667	59,090,091,241	459,056,891,241

12.2.1 This represents privately placed sukuk issued as a redeemable capital instrument under section 66 of the companies act, 2017 based on Ijarah (sale and lease back arrangement) against unencumbered assets comprising of land in usable form owned by IESCO, LESCO, GEPCO, MEPCO, PESCO, FESCO, NPGCL, and CPGCL. The sukuk was issued for ten (10) years, redeemable in bullet at the expiry of the tenor on profit/rental basis at six months KIBOR plus 2.00% prevailing on issue date for first installment period and subsequently one day prior to each installment period for the profit due to the end of that semi-annual. However, in case profit payments are made on due dates or maximum within 30 days after due date, then PHL would be given rebate of 1.20%. The financing is repayable by March 2029 and is secured by unconditional, irrevocable first demand and continuing guarantee of the Government of Pakistan, creation of security interest/charge over the underlying transaction assets in favor of the Investors and tri-partite escrow arrangement between the PHL, Meezan Bank Limited and Central Power Purchasing Agency (Guarantee) Limited ("CPPA").

The sukuk is issued for funding repayment of liabilities of the distribution companies (DISCOs) towards Central Power Purchasing Agency (CPPA) for onward payment to Power Generation Companies (GENCOs) and Independent Power Producers (IPPs).

12.2.2 This represents privately placed sukuk issued as a redeemable capital instrument under section 66 of the companies act, 2017 based on Ijarah (sale and lease back arrangement) against unencumbered assets comprising of land in usable form owned by IESCO, LESCO, QESCO, GEPCO, HESCO, MEPCO, PESCO, FESCO, SEPCO, and TESCO.he sukuk was issued for ten (10) years, redeemable in bullet at the expiry of the tenor on profit/rental basis at six months KIBOR minus 0.10% prevailing on issue date for first installment period and subsequently one day prior to each installment period for the profit due to the end of that semi-annual. The financing is repayable by May 2030 and is secured by unconditional, irrevocable first demand and continuing guarantee of the Government of Pakistan, creation of security interest/charge over the underlying transaction assets in favor of the Investors and tri-partite escrow arrangement between the PHL, Meezan Bank Limited and Central Power Purchasing Agency (Guarantee) Limited ("CPPA").

The sukuk is issued for funding repayment of liabilities of the distribution companies (DISCOs) towards Central Power Purchasing Agency (CPPA) for onward payment to Power Generation Companies (GENCOs) and Independent Power Producers (IPPs).

12.2.3 This represents islamic portion of Rs. 115.969 bln syndicated term finance facility for five (05) years, inclusive of grace period of twenty four (24) months from the date of first disbursement, on markup basis at daily average of three months KIBOR plus 1.20% prevailing on issue date for first installment period and subsequently one day prior to each installment period for the markup due to the end of that quarter. However, in case installment payments are made on due dates or maximum within 30 days after due date, then PHL would be given rebate of 0.60%. The financing is repayable by March, 2028 and is secured by unconditional, irrevocable first demand and continuing guarantee of the Government of Pakistan.

The facility is raised for purposes of funding repayment of liabilities of the DISCOs towards Central Power Purchasing Agency (CPPA) and disbursement proceeds from the subject facility is utilized for settlement of outstanding principal portion of Rs. 136.454 bln term finance facility, Rs. 50.00 bln (1st tranche) term finance facility and Rs. 50.00 bln (2nd tranche) term finance facility.

12.2.4 This represents islamic portion of Rs. 110.283 bln syndicated term finance facility for five (05) years, inclusive of grace period of twenty four (24) months from the date of first disbursement, on markup basis at daily average of three months KIBOR plus 1.20% prevailing on issue date for first installment period and subsequently one day prior to each installment period for the markup due to the end of that quarter. However, in case installment payments are made on due dates or maximum within 30 days after due date, then PHL would be given rebate of 0.60%. The financing is repayable by March, 2028 and is secured by unconditional, irrevocable first demand and continuing guarantee of the Government of Pakistan.

The facility is raised for purposes of funding repayment of liabilities of the DISCOs towards Central Power Purchasing Agency (CPPA) and disbursement proceeds from the subject facility is utilized for settlement of outstanding principal portion of Rs. 80.00 bln term finance facility, Rs. 41.00 bln term finance facility, Rs. 30.95 bln term finance facility and Rs. 30.00 bln term finance facility.

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12.2.5 This represents islamic portion of Rs. 41.00 bln syndicated term finance facility for five (05) years, inclusive of grace period of twenty four (24) months from the date of first disbursement, on markup basis at daily average of six months KIBOR plus 2.00% prevailing on issue date for first installment period and subsequently one day prior to each installment period for the markup due to the end of that semi-annual period. However, in case installment payments are made on due dates or maximum within 30 days after due date, then PHL is entitled to a rebate of 1.00%. The financing was repayable by May, 2025 and was secured by unconditional, irrevocable first demand and continuing guarantee of the Government of Pakistan however outstanding principal portion of this facility has been fully settled on March 31, 2023 through disbursement proceeds of fresh facility of Rs. 110.283 billion.

The facility was raised for purposes of funding repayment of liabilities of the DISCOs towards Central Power Purchasing Agency (CPPA) for onward payment to Power Generation Companies (GENCOs) and Independent Power Producers (IPPs).

12.2.6 This represents islamic sportion of Rs. 30.00 bln yndicated term finance facility for five (05) years, inclusive of grace period of twenty four (24) months from the date of first disbursement, on markup basis at daily average of six months KIBOR plus 2.00% prevailing on issue date for first installment period and subsequently one day prior to each installment period for the markup due to the end of that semi-annual period. However, in case installment payments are made on due dates or maximum within 30 days after due date, then PHL is entitled to a rebate of 1.30%. The financing was repayable by December, 2024 and was secured by unconditional, irrevocable first demand and continuing guarantee of the Government of Pakistan however outstanding principal portion of this facility has been fully settled on March 31, 2023 through disbursement proceeds of fresh facility of Rs. 110.283 billion.

The facility was raised for purposes of funding repayment of liabilities of the DISCOs towards Central Power Purchasing Agency (CPPA) for onward payment to Power Generation Companies (GENCOs) and Independent Power Producers (IPPs).

12.2.7 This represents Islamic syndicated term finance facility for five (05) years, inclusive of grace period of twenty four (24) months from the date of first disbursement, on markup basis at daily average of six months KIBOR plus 2.00% prevailing on issue date for first installment period and subsequently one day prior to each installment period for the markup due to the end of that semi-annual period. However, in case installment payments are made on due dates or maximum within 30 days after due date, then PHL is entitled to a rebate of 1.15%. The financing was repayable by March, 2024 and was secured by unconditional, irrevocable first demand and continuing guarantee of the Government of Pakistan however outstanding principal portion of this facility has been fully settled on March 31, 2023 through disbursement proceeds of fresh facility of Rs. 12.50 billion.

The facility was raised for purposes of funding repayment of liabilities of the DISCOs towards Central Power Purchasing Agency (CPPA) for onward payment to Power Generation Companies (GENCOs) and Independent Power Producers (IPPs).

12.2.8 This represents syndicated term finance facility for five (05) years, inclusive of grace period of twenty four (24) months from the date of first disbursement, on markup basis at daily average of three months KIBOR plus 1.20% prevailing on issue date for first installment period and subsequently one day prior to each installment period for the markup due to the end of that quarter. However, in case installment payments are made on due dates or maximum within 30 days after due date, then PHL would be given rebate of 0.60%. The financing is repayable by March, 2028 and is secured by unconditional, irrevocable first demand and continuing guarantee of the Government of Pakistan.

The facility is raised for purposes of funding repayment of liabilities of the DISCOs towards Central Power Purchasing Agency (CPPA) and disbursement proceeds from the subject facility is utilized for settlement of outstanding principal portion of Rs. 25.00 bln term finance facility.

13 CURRENT PORTION OF LONG TERM FINANCING

	Note	Opening balance as at 01-07-2022	Transferred from long term portion	Payments during the year	Adjusted against fresh facilities	Closing Balance as at 30-06-2023
		----------Pak Rupees----------				
Conventional facilities	13.1	222,451,612,196	124,309,973,582	30,035,400,000	234,726,185,781	82,000,000,000
Islamic Facilities	13.2	23,858,400,000	29,666,666,667	4,964,600,000	48,560,466,667	-
		246,310,012,196	153,976,640,249	35,000,000,000	283,286,652,449	82,000,000,000

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	Opening balance as at 01-07-2022	Transferred from long term portion	Payments during the year	Adjusted against fresh facilities	Closing Balance as at 30-06-2023
	----------------------------Pak Rupees			----------------------------	
13.1 Conventional facilities					
Rs. 136.4542 bln (dd: 30-09-19)	45,484,733,333	56,855,916,667	11,371,183,332	90,969,466,668	-
Rs. 80.00 bln (dd:30-03-2018)	20,000,000,000	-	6,666,666,667	13,333,333,333	-
Rs. 50.00 bln (1st tranche) / (45.55-C) (dd: 04	15,183,333,333	-	3,795,833,333	11,387,500,000	-
Rs. 50.00 bln (2nd tranche) / (44.8748-C) (dd	14,958,266,667	-	3,739,566,666	11,218,700,001	-
Rs. 41.457 bln (dd: 30-09-19)	13,819,112,197	17,273,890,249	1,478,316,667	29,614,685,779	-
Rs. 41.00 bln / (24.00-C) (dd:21-05-20)	8,000,000,000	16,000,000,000	-	24,000,000,000	-
Rs. 35.806 bln (dd: 20-11-18)	11,935,333,333	5,967,666,667	2,983,833,333	14,919,166,667	-
Rs. 30.95 bln (dd 30-09-20)	7,737,500,000	23,212,500,000	-	30,950,000,000	-
Rs. 30.00 bln / (10.00-C) (dd: 20 -12-19)	3,333,333,333	5,000,000,000	-	8,333,333,333	-
	140,451,612,196	124,309,973,582	30,035,400,000	234,726,185,781	-
From non-banking companies - secured					
Rs 82.00 bln (dd: 10-09-12)	82,000,000,000	-	-	-	82,000,000,000
	222,451,612,196	124,309,973,582	30,035,400,000	234,726,185,781	82,000,000,000
13.2 Islamic Facilities					
Rs. 50.00 bln (1st tranche) / (4.45-I) (dd: 04-(	1,483,333,333	-	370,833,333	1,112,500,000	-
Rs. 50.00 bln (2nd tranche) / (5.1252-I) (dd: :	1,708,400,000	-	427,100,000	1,281,300,000	-
Rs. 41.00 bln / (17.00-I) (dd: 21-05-20)	5,666,666,667	11,333,333,333	-	17,000,000,000	-
Rs. 30.00 bln / (20.00-I) (dd: 20 -12-19)	6,666,666,667	10,000,000,000	-	16,666,666,667	-
Rs. 25.00 bln (I) (dd: 15-03-19)	8,333,333,333	8,333,333,334	4,166,666,667	12,500,000,001	-
	23,858,400,000	29,666,666,667	4,964,600,000	48,560,466,667	-

14 MARKUP ACCRUED

	Note	2023	2022
		-------------Pak Rupees	-------------
Markup / interest accrued on conventional facilities	14.1	85,973,097,841	67,945,698,744
Profit accrued on Islamic facilities	14.2	22,241,985,036	13,531,762,640
		108,215,082,877	81,477,461,384

14.1 Markup / interest accrued on conventional facilities

	2023	2022
Rs. 136.4542 bln (dd: 30-09-19)	-	4,110,533,238
Rs. 115.969 bln (Rs 103.046 bln - C) (31-03-23)	5,867,385,173	-
Rs. 110.283 bln (76.617 bn C) (dd 31-03-23)	4,362,511,018	-
Rs 82.00 bln (dd: 10-09-12)	73,207,468,493	58,694,636,712
Rs. 80.00 bln (dd:30-03-2018)	-	897,819,178
Rs. 50.00 bln (1st tranche) / (45.55-C) (dd: 04-05-18)	-	379,926,518
Rs. 50.00 bln (2nd tranche) / (44.8748-C) (dd: 30-05-18)	-	199,858,835
Rs. 44.534 bln (dd 31-03-23)	2,535,733,156	-
Rs. 41.457 bln (dd: 30-09-19)	-	1,248,856,833
Rs. 41.00 bln / (24.00-C) (dd:21-05-20)	-	419,750,137
Rs. 35.806 bln (dd: 20-11-18)	-	330,077,366
Rs. 30.95 bln (dd 30-09-20)	-	1,002,305,151
Rs. 30.00 bln / (10.00-C) (dd: 20 -12-19)	-	648,955,250
Rs. 7.487 bln (dd: 02-07-15)	-	12,979,526
	85,973,097,841	67,945,698,744

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		Note	2023	2022
			------------Pak Rupees------------	
14.2	**Profit accrued on Islamic facilities**			
	Rs. 200.00 bln PES-I (dd: 01-03-19)		13,944,767,124	7,908,273,973
	Rs. 199.9668 bln PES-II (dd: 21-05-20)		4,932,660,495	3,317,640,961
	Rs. 115.969 bln (Rs 12.923 bln - I) (31-03-23)		735,852,714	-
	Rs. 110.283 bln (33.667 bn I) (dd 31-03-23)		1,916,961,552	-
	Rs. 50.00 bln (1st tranche) / (4.45-I) (dd: 04-05-18)		-	37,116,861
	Rs. 50.00 bln (2nd tranche) / (5.1252-I) (dd: 30-05-18)		-	22,826,096
	Rs. 41.00 bln / (17.00-I) (dd: 21-05-20)		-	297,323,014
	Rs. 30.00 bln / (20.00-I) (dd: 20 -12-19)		-	1,297,910,502
	Rs. 25.00 bln (I) (dd: 15-03-19)		-	650,671,233
	Rs. 12.50 bln (I) (dd 31-03-23)		711,743,151	-
			22,241,985,036	13,531,762,640

15 OTHER PAYABLES

	Note	2023	2022
Liquidated damages on Interest - 82.00 bn	15.1	56,379,287,095	44,115,085,646
Liquidated damages on Principal Amount - 82.00 bn	15.1	41,280,821,918	25,363,835,616
Accrued liabilities		1,004,925	248,656
Payable to CPPA-G against Pakistan Energy Sukuk - I CDC Security		100,000	100,000
		97,661,213,938	69,479,269,918

15.1 This represents additional amount payable at the rate of 20% per annum on the amounts not paid after 15 days from the due date in respect of the financing facility availed by the company from OGDCL amounting to Rs. 82.00 bn.

	Note	2023	2022
		------------Pak Rupees------------	

16 CONTINGENCIES AND COMMITMENTS

There are no other contingencies and commitments at the date of statement of financial position except guarantees from Government of Pakistan furnished to the financial institutions from whom financing facilities have been raised as explained in note 12.

17 GRANT - FROM POWER SECTOR, GOP THROUGH CPPA-G

This represents grant from Power sector, Government of Pakistan through Central Power Purchasing Agency Guarantee Limited (CPPA-G) for repayment of markup/profit, trustee fee, arrangement fee, legal charges, liquidated damages and other incidental charges in respect of power sector's obligation component of financing facilities availed by the company from banking companies/Oil and Gas Development Company (OGDCL)/Sukuk

	2023	2022
	------------Pak Rupees------------	
Grant against markup / profit on financing facilities	134,956,138,216	86,060,359,241
Grant against trustee fee, arrangement fee and legal	672,675,034	7,970,000
Grant against liquidated damages on Interest - Rs. 82.00 bn facility	12,264,201,450	10,437,509,562
Grant against liquidated damages on Principal Amount - Rs. 82.00 bn facility	15,916,986,300	12,367,397,260
	163,810,001,000	108,873,236,063

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18 FINANCE COST

Markup on conventional financing facilities	18.1	58,590,470,141	42,500,283,064
Profit on Islamic financing facilities	18.2	76,365,668,075	43,560,076,177
		134,956,138,216	86,060,359,241
Liquidated damages on Rs. 82.00 bln delayed interest payments		12,264,201,450	10,437,509,562
Liquidated damages on Rs. 82.00 bln delayed principal repayment		15,916,986,300	12,367,397,260
		163,137,325,966	108,865,266,063

18.1 Markup on conventional facilities:

Rs. 136.4542 bln (dd: 30-09-19)	12,263,880,417	13,270,765,998
Rs. 115.969 bln (Rs 103.046 bln - C) (31-03-23)	5,867,385,173	-
Rs. 110.283 bln (76.617 bn C) (dd 31-03-23)	4,362,511,018	-
Rs 82.00 bln (dd: 10-09-12)	14,512,831,781	7,979,521,096
Rs. 80.00 bln (dd:30-03-2018)	2,111,890,414	3,651,168,950
Rs. 50.00 bln (1st tranche) / (45.55-C) (dd: 04-05-18)	1,602,690,267	2,240,801,054
Rs. 50.00 bln (2nd tranche) / (44.8748-C) (dd: 30-05-18)	1,691,056,636	2,295,651,336
Rs. 44.534 bln (dd 31-03-23)	2,535,733,156	-
Rs. 41.457 bln (dd: 30-09-19)	3,837,385,142	4,031,906,769
Rs. 41.00 bln / (24.00-C) (dd:21-05-20)	2,879,546,302	2,382,115,068
Rs. 35.806 bln (dd: 20-11-18)	2,041,157,820	2,469,412,293
Rs. 30.95 bln (dd 30-09-20)	3,842,997,904	3,134,149,633
Rs. 30.00 bln / (10.00-C) (dd: 20 -12-19)	1,041,404,111	1,044,790,867
	58,590,470,141	42,500,283,064

18.2 Markup / interest on Islamic facilities:

Rs. 200.00 bln PES-I (dd: 01-03-19)	34,625,643,837	19,050,410,960
Rs. 199.9668 bln PES-II (dd: 21-05-20)	32,131,815,918	18,247,929,245
Rs. 115.969 bln (Rs 12.923 bln - I) (31-03-23)	735,852,714	-
Rs. 110.283 bln (33.667 bn I) (dd 31-03-23)	1,916,961,552	-
Rs. 50.00 bln (1st tranche) / (4.45-I) (dd: 04-05-18)	156,574,572	218,914,702
Rs. 50.00 bln (2nd tranche) / (5.1252-I) (dd: 30-05-18)	193,137,428	262,188,850
Rs. 41.00 bln / (17.00-I) (dd: 21-05-20)	2,039,678,631	1,687,331,506
Rs. 30.00 bln / (20.00-I) (dd: 20 -12-19)	2,082,808,218	2,089,581,736
Rs. 25.00 bln (I) (dd: 15-03-19)	1,771,452,054	2,003,719,178
Rs. 12.50 bln (I) (dd 31-03-23)	711,743,151	-
	76,365,668,075	43,560,076,177

19 OTHER EXPENSES

Participation and advisory fee	656,905,034	-
Trustee fee	13,770,000	7,970,000
Legal Council fee	2,000,000	-
	672,675,034	7,970,000

POWER HOLDING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

		Note	2023	2022
			-------------Pak Rupees-------------	
20	**OTHER INCOME**			
	Financial Assets			
	Profit on N.I.D.A No. 000063 (NBP B-Block Branch, Islamabad)		40,030,799	16,047,904
	Profit on N.I.D.A No. 3148981107 (NBP Super Market Branch, Islamabad)		158,692,261	58,648,789
	Profit on PES-I & PES-II escrow accounts		1,782,374	81,082
	Non-Financial Assets			
	Gain on disposal of Vehicles		-	2,457,537
	Receipt from NBP against excess payment against Rs. 44.534 bln facility		176,891	-
	Reversal of expenses		21,365	-
			200,703,689	77,235,312
21	**OPERATING COST**			
	Salaries and other benefits	21.1	10,474,335	10,519,246
	Legal and professional		1,196,000	818,200
	Insurance		277,488	189,616
	Travelling & conveyance		-	150,850
	Vehicles' running and maintenance		1,121,724	1,063,379
	Entertainment		55,890	90,985
	Auditors' remuneration	21.2	677,324	163,016
	Electricity		144,804	149,713
	Communication		83,125	98,589
	Printing and stationery		151,301	61,229
	Repair and maintenance		29,470	9,250
	Fee and subscription		24,980	19,860
	Director's fee		700,000	420,000
	Advertisement		10,819	27,010
	Depreciation	5	1,231,040	1,113,997
	Bank charges and commission		7,212	1,027
	Miscellaneous		9,533	41,852
			16,195,046	14,937,818

21.1 Salaries and other benefits includes remuneration and allowances including all benefits to the chief executive, directors and other executives of the company. Further details are provided in Note-30.

		2023	2022
21.2	**Auditors' remuneration**		
	Professional fee	628,724	148,016
	Out of pocket expenses	48,600	15,000
		677,324	163,016
22	**FINANCIAL INCIDENTAL CHARGES**		
	Pakistan Energy Sukuk - I - Incidental Fee	1,385,900	1,385,900
	Pakistan Energy Sukuk - II - Incidental Fee	1,395,650	1,502,850
		2,781,550	2,888,750
23	**PROVISION FOR TAXATION**		
	Current Year		
	Current	52,769,480	17,316,541
	Deferred	(75,338)	(91,265)
		52,694,142	17,225,276
	Prior Years	-	3,260
		52,694,142	17,228,536

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24 EARNING PER SHARE (BASIC AND DILUTED)

Profit for the year (Rupees)	129,032,952	42,180,208
Shares outstanding during the year (Number)	1,500,000	1,500,000
Earnings per share (Rupees)	86.02	28.12

No figures for diluted earnings per share has been presented as the company has not issued any instruments carrying options which would have an impact on earnings per share when exercised.

25 NUMBER OF EMPLOYEES

	2023	2022
	----------Number----------	
Number of employees at the year end	8	8
Average number of employees at the year end	8	8

26 FINANCIAL RISK MANAGEMENT

The Company has exposure to the following risks from its use of financial instruments:
- Credit risk
- Liquidity risk
- Market risk

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

The Board of Directors have overall responsibility for the establishment and oversight of the Company's risk management framework and policies.

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

26.1 Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk from its operating and financing activities including deposits with bank. The Company's credit risk exposure are categorized under the following headings:

26.1.1 Counterparties

The Company conducts transactions with the following major types of counterparties:

Government of Pakistan

The Company has major receivables from the Government of Pakistan related entities and the Company does not expect any threat to its recoverability.

Banks

The Company limits its exposure to credit risk by maintaining bank accounts only with counterparties that have a credit rating of at least A1 and A. Given these high credit ratings, management does not expect any counterparty to fail to meet its obligations.

26.1.2 Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2023	2022
	------------Pak Rupees------------	
Long term deposits	260,500	260,500
Bank balances	380,864,214	238,649,671
	381,124,714	238,910,171

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After giving due consideration to their strong financial standing the Company believes that no impairment allowance is necessary in respect of deposits, receivable from the Government of Pakistan related entities and other receivables as the Company is satisfied that recovery of the amount owing is possible. Accordingly the credit risk is minimal.

26.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

Management believes the liquidity risk to be low because of the government guarantee issued by the Ministry of Finance to honor the commitments. Following are the contractual maturities of financial liabilities, including interest payments.

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

	Carrying Amount	Less than one year	Later than one year but not later than five years
	Pak Rupees		
30th June, 2023			
Long term financing	765,253,452,447	82,000,000,000	683,253,452,447
Other payables	97,661,213,938	97,661,213,938	-
Markup accrued	108,215,082,877	108,215,082,877	-
	971,129,749,262	287,876,296,815	683,253,452,447
30th June, 2022			
Long term financing	800,253,452,446	246,310,012,196	553,943,440,250
Other payables	89,699,038,686	89,699,038,686	-
Markup accrued	81,477,461,384	81,477,461,384	-
	971,429,952,516	417,486,512,266	553,943,440,250

26.3 Market risk

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

26.3.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

The Company is not exposed to currency risk as all of its transactions are in local currency and no foreign currency receivables and payables exists at the balance sheet date.

26.3.2 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 instrument traded in the market. The Company is not exposed to other price risk.

26.3.3 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 markup rates.

The Company's exposure to markup rate risk relates primarily to redeemable capital in the form of Term Finance Certificate (TFCs). The TFCs obtained at variable rates expose the Company to cash flow markup rate risk. The Company is maintaining a National Income Daily Account on which profit rate is 6.50% which is the only interest-bearing asset.

Profile

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

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	2023	2022
	------------Pak Rupees------------	
Financial assets		
Bank balance	380,864,214	238,643,578
Financial liabilities		
Floating rate instruments:		
Long term loans - secured	683,253,452,447	553,943,440,250
Current portion long term loans	82,000,000,000	246,310,012,196
	765,253,452,447	800,253,452,446
Markup rate sensitivity analysis	7,652,534,524	8,002,534,524

Sensitivity to markup rate risk arises from mismatches of financial assets and liabilities that mature in a given period. If interest rates at the year end date, fluctuates by 1% higher/ lower with all other variables held constant, mark up expense for the year would have been Rs. 7.653 billion (2022: 8,002 billion) higher/ lower, mainly as a result of higher/ lower interest expense on floating rate borrowings. This analysis is prepared assuming the amounts of liability outstanding at balance sheet date was outstanding for the whole period.

26.3.4 Financial instruments by categories

	2023	2022
	------------Pak Rupees------------	
Financial assets as per statement of financial position		
At amortized cost		
Finance facilities - principal portion receivable	683,253,452,446	553,943,440,250
Current portion of receivables	287,875,191,892	417,486,163,610
Cash and bank balances	380,864,214	238,649,671
	971,509,508,552	971,668,253,531
Financial liabilities as per statement of financial position		
At amortized cost		
Long term financing	683,253,452,447	553,943,440,250
Current portion of long term financing	82,000,000,000	246,310,012,196
Markup accrued	108,215,082,877	81,477,461,384
Bridge borrowing from CPPA	-	20,219,768,768
Other payables	97,661,213,938	69,479,269,918
	971,129,749,262	971,429,952,517

26.3.5 Fair values of financial instruments

Fair value is the amount for which as asset could be exchanged or a liability settled between knowledgeable willing parties is an arms length transactions. The carrying values of all financial assets and liabilities reflected in financial statements approximate their fair values.

The fair value hierarchy has not been presented in these financial statements, as the Company does not hold any such financial instruments in its portfolio, that could be presented.

26.4 Capital management

The Company manages its capital to ensure that it will be able to continue as a going concern. Further, the Company is not subject to any externally imposed capital requirements.

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7 RELATED PARTIES TRANSACTIONS

Related parties comprise of associated undertakings and key management personnel. Following are the associated companies and related parties with whom the Company had entered into transactions during the year:

	Basis of Relationship	Number of shares held in the Company	Aggregate %age shareholding in the Company
Central Power Purchasing Agency (CPPA)	Federal Government Owned	N/A	N/A
Ministry of Finance	Federal Government Owned	N/A	N/A

7.1 Transactions with related parties

The transactions with related parties are made under commercial terms and conditions. The remuneration of the chief executive, directors and executives is disclosed in note 30 to these financial statements. Transactions during the year and balances as at year end with the related parties are as follows:

	Note	2023	2022
		------------Pak Rupees------------	
- **Transactions during the year are as follows:**			
Central Power Purchasing Agency (CPPA)			
Grant against markup / profit on financing facilities	17	134,956,138,216	86,060,359,241
Grant against trustee fee, arrangement fee and legal	17	672,675,034	7,970,000
Grant against liquidated damages on Interest - Rs. 82.00 bn facility	17	12,264,201,450	10,437,509,562
Grant against liquidated damages on Principal Amount - Rs. 82.00 bn facility	17	15,916,986,300	12,367,397,260
- **Balances as at year end are as follows:**			
Central Power Purchasing Agency (CPPA)			
Receivable in respect of principal amount of loan - Non current		199,966,800,000	199,966,800,000
Amount receivable against markup		108,215,082,878	81,464,481,858
Liquidated Damages receivable		97,660,109,013	69,478,921,262
Bridge borrowing from CPPA		-	20,219,768,768
Payable to CPPA-G against Pakistan Energy Sukuk - I, CDC Security		100,000	100,000
Ministry of Finance (MOF)			
Receivable in respect of principal amount of loan		483,286,652,446	353,976,640,250
Receivable in respect of principal amount of loan - Current		82,000,000,000	246,310,012,196
Amount receivable against mark-up		-	19,583,413,400
Receivable from Finance Division against fee settlements by CPPA		-	649,334,894

Amount receivable against mark-up

	2023	2022
From power sector, GOP through CPPA-G	108,215,082,878	81,464,481,858
From Ministry of Finance, GOP	-	19,583,413,400
	108,215,082,878	101,047,895,258

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Amount receivable against liquidated damages from power sector, GOP through CPPA-G	97,660,109,013	69,478,921,262
Receivable in respect of principal amount of loan		
From power sector, GOP through CPPA-G	199,966,800,000	199,966,800,000
From Ministry of Finance, GOP	565,286,652,446	600,286,652,446
	765,253,452,446	800,253,452,446
Bridge borrowing from CPPA	-	20,219,768,768

The maximum outstanding amount outstanding at any time during the year from related parties was Rs. 971,429,603,860/- (2022: Rs. 1,066,542,795,265).

The above stated parties are related to the company merely by way of Government holding.

8 RECONCILITAION OF MOVEMENT OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

Balance as at 01 July	800,253,452,445	931,871,753,251
New Financing obtained	-	-
Repayment of financing	(35,000,000,000)	(131,618,300,806)
Balance as at 30 June	765,253,452,445	800,253,452,445

29 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged in these financial statements in respect of remuneration and allowances including all benefits to the chief executive, directors and other executives of the company are given below:

	2023		
	Numbers	Salaries	Fee/Allowances
Chief Executive	1	-	-
Directors' Meeting Fee	5	-	700,000
Executive	1	6,661,655	144,000
		6,661,655	844,000

	2022		
	No.	Salaries	Fee/Allowances
Chief Executive	1	-	72,000
Directors' Meeting Fee	5	-	420,000
Executive	1	5,590,200	144,000
		5,590,200	636,000

The chief executive officer and executive is also provided with company maintained cars.

30 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparision. However, no significant rearrangements of reclassifications have been made.

1 DATE OF AUTHORIZATION

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

2 FIGURES

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

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