CENTRAL POWER PURCHASING AGENCY GUARANTEE LIMITED
(A Company of Government of Pakistan)

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Blue Area, Islamabad
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No. CPPA-G/2022/CEO/ 8770

Dated: June 4th, 2022

The Registrar NEPRA
NEPRA Tower,
Islamabad.

SUBJECT: <u>PETITION FOR THE DETERMINATION OF MARKET OPERATION FEE FOR THE FINANCIAL YEAR 2022-23.</u>

Central Power Purchasing Agency (Guarantee) Limited is company functioning as the market operator to carry out market operation in accordance with the National Electric Power Regulatory Authority (Market Operator Registration, Standards and Procedure) Rule, 2015 (the "Market Rules"), since June 2015. Under the Rule-3 of the National Electric Power Regulatory Authority (Market Operator Registration, Standards and Procedure) Rules, 2015, the National Electric Power Regulatory Authority has granted a certificate of registration to Central Power Purchasing Agency (Guarantee) Limited. The registration number of the Market Operator is MOR/01/2018.

As per Clause 11.1.1 of the Commercial Code, CPPA-G requires to file the petition of Market Operation Fee to Authority for the Determination. In this connection please find the documents as follows;

a. Market Operation Fee 2022-23.
b. Affidavit.
c. Certified True Copy of Board Resolution.

It is further submitted that the Authority has not yet finalized the mechanism for determination of petition filing fee. The instant petition is being filed without the fee and the same would be paid once it is decided by the Authority.

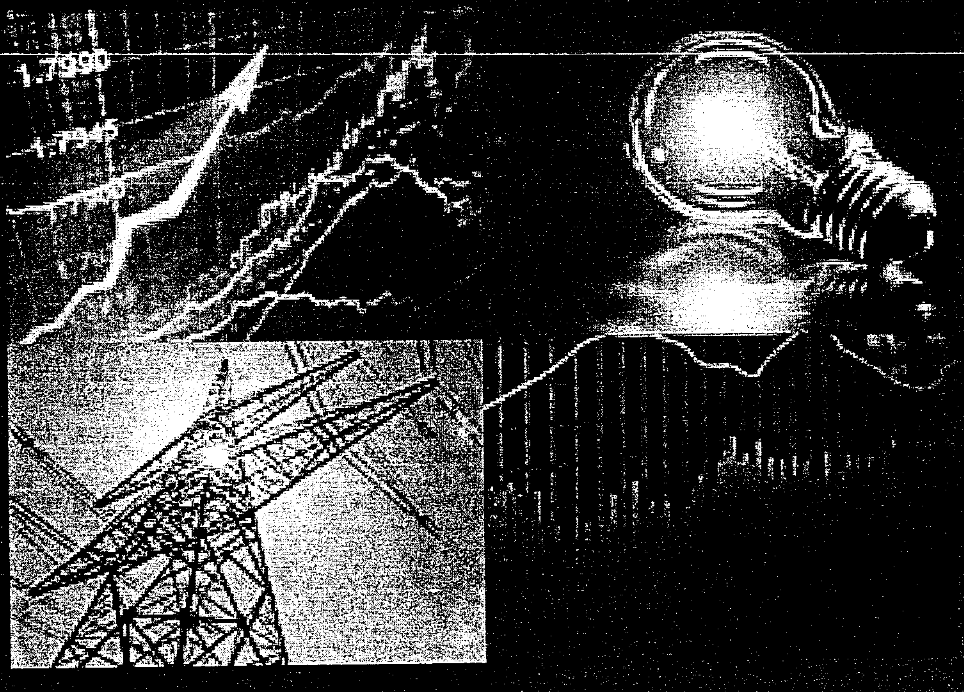
6/6/22

(Rihan Akhtar)
Chief Executive Officer

PETITION FOR DETERMINATION OF

MARKET OPERATION FEE

FINANCIAL YEAR 2022-23



PETITION FOR MARKET OPERATION FEE

UNDER RULE 3 AND SUB-RULE 7 OF RULE 4 OF NEPRA

(TARIFF STANDARDS AND PROCEDURES) RULES, 1998

Before

THE NATIONAL ELECTRIC POWER REGULATORY AUTHORITY (NEPRA)

FOR DETERMINATION OF MARKET OPERATION FEE

FOR FINANCIAL YEAR 2022-23

CENTRAL POWER PURCHASING AGENCY (GUARANTEE) LIMITED (CPPA-G)

ADDRESS: Shaheen Plaza, Plot No. 73-West, Fazal-e-Haq Road, Blue Area, Islamabad.

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1. Petitioner Information

1.1. NAME

Central Power Purchasing Agency (Guarantee) Limited ("CPPA-G").

1.2. ADDRESS

Shaheen Plaza, Plot No. 73-West, Fazal-e-Haq Road, Blue Area, Islamabad.

1.3. COMPANY DETAILS

Central Power Purchasing Agency (Guarantee) Limited CPPA-G (the "Petitioner" or the "Company") is a company incorporated under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017) and granted a Corporate Universal Identification No. 0068608 by the Security Exchange Commission of Pakistan in the year 2009.

In exercise of the powers conferred by Rule-3 of the National Electric Power Regulatory Authority (Market Operator Registration, Standards and Procedure) Rules, 2015, the National Electric Power Regulatory Authority has granted a certificate of registration to Central Power Purchasing Agency (Guarantee) Limited. The registration number of the Market Operator is MOR/01/2018.

1.4. THE BOARD'S AUTHORIZATION

Board of Directors (BoD) authorized the Chief Executive Officer and other senior officers to sign, file and represent this petition and to submit any additional document/information to the Authority **(Annex-A)**.

1.5. COMPANY REPRESENTATIVES

The following officers of CPPA-G have been authorized by the Board of CPPA-G to sign, file and represent this petition and to submit any additional documents/information to the Authority:

- Mr. Rihan Akhtar, Chief Executive Officer / Chief Financial Officer
- Mr. Majid Khan, Chief Legal Officer
- Mr. Mubasher Ahmad, Chief Technical Officer
- Mr. Arshad Minhas, Chief Information Officer
- Mr. Rehan Hameed, Chief HR & Admin Officer

2. GROUNDS AND FACTS FORMING BASIS OF THIS PETITION

i. In order to meet with the expenses for discharging the functions and plans mentioned, the petitioner requires revenue to be approved by the Authority in terms of clause (e) and (j) of subsection 2 of Section 7 of the NEPRA Act and chapter 11 of the Commercial Code.

ii. Chapter 11 of the Commercial Code deals with the Market Operation Fee and clause 11.1.1 provides that the existing cost associated with CPPA of NTDC shall be separated from the Use of System Charge (the "UoSC") of NTDC. In this manner, the UoSC of NTDC, already being paid by the ex-WAPDA DISCOs, shall be reduced by the amount corresponding to the expenses of CPPA-G.

iii. As per the broad guidelines laid down in Chapter 11 of the Commercial Code, the general heads of costs associated with the operations of the petitioner have been provided in clause 11.1.2.

iv. In terms of these broad guidelines the petitioner is also permitted to include any cost estimate for future capital expenditure required for compliance with current and future provisions contained in the Commercial Code.

v. As such the total revenue requirement of the petitioner shall comprise of the existing cost separated from the UoSC of NTDC, additional operating cost in view of present operations independent of NTDC and the Capital cost required for effective operations of CPPA-G for compliance with present and future requirements of the Market Rules and Commercial Code shall form the Market Operation Fee of the petitioner.

vi. These guidelines also provide that the formula for calculating the Market Operation Fee shall be similar to the formula of calculating the UoSC i.e., dividing total determined cost by peak demand of ex-WAPDA DISCOs.

vii. Rule-9 (1) (d) of the NEPRA Market Operator (Registration, Standards and Procedure) Rules, 2015 (the "Market Rules") state that "In addition to the obligations in the applicable documents, each market participant shall have the obligation to pay the market operation fee as per Commercial Code and such other charges as specified by the Authority."

viii. Rule 4 (7) of the NEPRA (Tariff Standards and Procedures) Rules, 1998 state that "The Authority may, while admitting a petition, allow the immediate application of the proposed tariff subject to an order for refund for the protection of consumers, or for satisfactory security to be provided for refund, while the proceedings are pending before the Authority"

The Multiyear Petition for FY 2021-22 to 2023-24 was filed with the Authority for MOF determination however Authority in its decision dated March 18, 2022 stated that since the registration of CPPA-G is only till May 2023, and going forward, MO function would be separated from CPPA-G existing function, the Authority has decided to approve the instant tariff petition only for a period of one year i.e. FY 2021-22 and CPPA-G may file Multi Year Tariff Petition once both CPPA-G and MO functions are legally separated and a clear break-up of costs and manpower is available for both organizations.

In accordance with the revenue requirement of the company, CPPA-G is hereby submitting a petition for Market Operation Fee for FY 2022-23. This petition is filed in line with Rule 3 of the Tariff Standards & Procedure Rules, 1998 and in line with the Chapter 11 of the Commercial Code approved by Authority.

3. COMPLIANCE OF THE AUTHORITY DIRECTIONS

#	Directions	Compliance Status
1.	Submit its Power Purchase Price (PPP) forecast report updated every year after accounting for upcoming addition in Generation, changes in demand pattern, and other variables like exchange rate parity, changes in local/ US CPIs, LIBOR, KIBOR etc., for consideration of the Authority.	PPP report is developed on the basis of IGCEP every year. Currently the development of IGCEP (model) is under process by NTDC. Once the model is finalized, CPPA will develop and submit the PPP report to NEPRA within 14 days as per its regulatory mandate. However, latest Power Purchase Price (PPP) forecast report for FY 2022-30 has been shared with Authority vide letter no CPPA-G/2021/CEO/8340 dated June 14, 2021.
2	Continue sharing its HR development progress at the end of each quarter and also include therein department wise detail of employees, functions being performed by each department and plans for future recruitment, if any, along-with their proposed JDs etc. in its HR Report.	Attached at **Annex-B**
3.	Provide composition of its Board of Directors, with brief profile of each member, basis of	Attached at **Annex-C**

	their appointment and their roles and responsibilities.	
4.	Ensure provision of monthly information to the Authority in terms of energy generated, energy, capacity & other charges, and payments etc. as per the prescribed formats, already shared with the Petitioner, including Fuel stocks held at each Power Plant on monthly basis. CPPA-G is also directed to submit complete details for deviation from EMO, showing hourly generation along-with financial impact for deviation from EMO, and the reasons thereof, in coordination with NPCC, and within the given timelines, as also directed by the Authority in the monthly FCA decisions, while submitting the monthly FCA data.	Information is regularly being shared with the Authority.
5.	Provide party wise breakup of amounts payable & receivables as per the following format on monthly basis, in addition to the monthly circular debt reporting as per the agreed formats.	Latest party wise amount payable & receivables is attached at **Annex-D and D-1.** However, the circular debt reporting Information is regularly being shared with the Authority.
6.	Regarding Market Transactions Audit as required under clause 11.2 of the Commercial Code, the Authority again directs CPPA-G to carry out the Market Transactional Audit according to the Authority's approved ToRs and submit the report to the Authority. Similarly, compliance status on "Terms and Conditions" of its Registration be also submitted.	Market Transactions are covered under the annual statutory audit of CPPA-G by the independent external A-rated chartered accountant audit firm. The audit report on the financial statements for the year ended June 30, 2021, has been shared with the Authority. Compliance status on Terms and Conditions of its registration is Attached at **Annex-E.**
7.	Provide the detail of all legal cases against various entities including international	Attached at **Annex-F.**

	arbitrations and their status and also those cases filed against NEPRA	
8.	To make these legal costs as part of its market operation fees and the same shall be got approved from the Authority.	Since CPPA-G is engaged in the local and international legal proceedings in its capacity as agent of DISCOs, the litigation charges incurred by CPPA-G on behalf of DISCOs are passed on to DISCOs in accordance with the Article III of the Power Procurement Agency Agreement (PPAA) between CPPA-G and DISCOs dated June 03, 2015.
9.	Provide monthly report regarding LDs imposed on Generation Companies along with reasons specifically pursuant to Section 9.4(b)(iii) and (c) of the 2002 Power Policy PPAs.	Attached at **Annex-G**
10.	Ensure submission of its Audited financial reports of every year in time.	CPPA-G is regularly sharing audited financial reports of every year. However the latest audited financial is attached on **Annex-H.**
11.	The Authority directs to complete the digitization of old record at the earliest.	Currently 0.6 million old record is uploaded and the remaining is under process.
12.	The Authority again directs CPPA to resolve the issue completely by June 30, 2022 and updated the status of Authority regarding finalization the agreement of T&T Losses with NTDCL.	A draft UoSC/ T&T losses agreement has been prepared and negotiated with NTDC. Delay is on part of NTDC. NTDC has yet to execute Connection Agreements with the DISCOs & K-Electric prior to the execution of the UoSC / T&T losses agreement.

4. REVENUE REQUIREMENT FOR CPPA-G:

CPPA-G revenue requirement includes General Establishment Cost (Pay & Allowances, Employees benefits, Training & Capacity Building, & Consultancy), Administration Cost (rent rate & taxes, power light & water, office supplies, telephone internet fax & postage, travelling expenses, subscription & periodicals, presentation & entertainment, professional fee & BoD fee, outsourcing services, advertisement & publications expenses, Office running expenses (outsourced services), corporate social responsibilities, NEPRA Petition Fee and NEPRA Licenses Fee, Insurance, Finance Charges, Office

Operation, Services & Maintenance (R&M General, IT Services, R&M, Support Fee, etc.) and Capital Expenditure (Capex) etc.

The head wise breakup of the revenue requirement for FY 2022-23 along with comparison of Authority allowed revenue requirement for FY 2021-22 is given below.

Mln.Rs

Description	FY 2021-22	FY 2022-23
	Allowed	Requested
General Establishment Costs	592	1,018
Administrative Costs	237	254
Office Operations, Services & Maintenance	55	75
Insurance	1	5
Finance Charges	1	3
Total O&M Cost	**885**	**1,355**
CAPEX	155	46
Total	**885**	**1,400**

The requested revenue requirement for FY 2022-23 is discussed in detail in the ensuing paragraphs.

4.1. GENERAL ESTABLISHMENT COST

This head mainly includes cost associated with pay & allowances and other benefits of the employees, training and capacity building cost and cost regarding consultancy services.

The pay and allowances for FY 2022-23 are proposed at Rs. 709 million as compared to the last year allowed figure of Rs. 444 million. Following are the reasons behind the increase in overall pay and allowances cost:

a) Annual Increment Policy for CPPA-G Employees has been approved by the Board, according to which employees are entitled to annual increment based on individual performance as well as annual inflation compensation envisaged by average inflation rate for the immediately preceding year as published by Pakistan Bureau of Statistics. Therefore, the budgeted figure is inclusive of annual CPI rate of 11.04% declared by the Pakistan Bureau of Statistics in April 2022. Keeping in view the above and "pay scales structure" already approved by the Authority, Pay & Allowances for FY 2022-23 are projected after applying 16% increase over "Actual Basis pay" of each employee for the period of April 2022.

b) Board of CPPA-G has also approved "Promotion / Upgradation Policy" for CPPA-G employees upon certain performance and experience-based criteria, therefore, as per the approved promotion policy, increase in pay and allowances for all 43 employees becoming eligible in the next financial year, has also been considered.

c) The pay and allowances expenses pertaining to MOD department of CPPA-G were not included in the cost allowed by the Authority in FY 2021-22 which is also included in the requested amount.

Keeping in view the above and the fact that these expenses cater essential business needs of the company, the Authority is requested to approve the same in the head of Pay & Allowance of the Employees for FY 2022-23.

The **employees benefits** head consist of provident fund, gratuity, earned leave, EOBI, GLI, medical benefits, overtime and Honoraria. Corresponding with the pay and allowances cost, the employees' benefits are projected around Rs. 133 million for FY 2022-23 keeping in view the "pay scales structure" already approved by the Authority.

The Authority is requested to approve the same in the employee benefits for FY 2022-23.

The HR department planned to fill 55 vacant positions in various departments against the vacant posts of 141. Out of which, 53 positions are to be filled in CPPAG & 02 positions are planned to be filled in MO Function. The HR department is of the view that the proposed hiring is in process and would be completed soon, therefore the projected pay and allowance are based on 3 to 6 months salaries.

In this regard the Authority is requested to allow the cost to be incurred against the proposed new hiring in the budget of FY 2022-23.

Training and Capacity Building: - This head mainly includes cost associated with the following training courses planned for the employees of CPPA-G and other sector stakeholders in FY 2022-23:

- Workshops and seminars pertaining to competitive market development
- Process automation and Oracle suits trainings

Market trainings and capacity building of all stakeholders in the power sector are essential for effective implementation of CTBCM and operations of the competitive market. Market Operators across the globe are mandated to offer and organize market-related trainings to the market stakeholders. For this purpose, Power Sector School of Excellence has been established in collaboration with Lahore University of Management Sciences (LUMS) which will roll out various trainings among the participants nominated by power sector organizations. Furthermore, corporate trainings (including soft skills trainings) are envisaged for CPPA employees.

Keeping in view the above and future training needs an amount of Rs. 40 million for FY 2022-23 are proposed in the head of training and capacity building. The required budget would be utilized for CPPA-G MOD, finance, technical, HR& Admin, P&P, Legal, IT, Company Secretary, Internal Audit departments. The Authority is requested to approve an amount of Rs. 40 million for FY 2022-23 under the head of training & capacity building.

Consultancy Services: - This head includes outsourcing of the following consultants:

- Business Process Re-engineering Consultant required for developing, reviewing and improving the Corporate Business Processes of the Market Operator and specialized business functions of the MO as per the defined standards. The consultant will also lead and manage the automation of ERP/Backoffice functions for CPPA-G and MO. Contract executed with consultant and detailed ToRs including key responsibilities and deliverables are attached as **Annex-I**.
- Consultant on Code & Registration matters required for working on the details of Market Model so that it is aligned with the Regulatory Codes, Rules and Regulations of Pakistan. Contract executed with consultant and detailed ToRs including key responsibilities and deliverables are attached as **Annex-J**.
- Recruitment Firms for the transparency in Hiring process of CPPA-G. Agreements are attached as **Annex-K**
- Tax Consultant for tax compliance, advisory and income / sales tax appeal services.
- Legal Consultant to support the Market implementation process.

In this regard the Authority is requested to allow Rs. 17 million to be incurred against the consultancy services for FY 2022-23.

The Authority is requested to approve an amount of Rs. 1,018 million under the head of General Establishment Cost.

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- Tax Consultant for tax compliance, advisory and income / sales tax appeal services.
- Legal Consultant to support the Market implementation process.

In this regard the Authority is requested to allow Rs. 17 million to be incurred against the consultancy services for FY 2022-23.

The Authority is requested to approve an amount of Rs. 1,018 million under the head of General Establishment Cost.

Furthermore, it is delineated that the requested expenses are legitimate and essential in nature and any reduction in these expenses would result in disruption of operational activities of CPPA-G. Hence the Authority is also requested to allow the actualization of expenditure of General Establishment Cost based on the audited financial statements of FY 2022-23 when available.

4.2. ADMINISTRATIVE COST

The sub heads of administrative expenses are rent, rate & taxes, power light & water, telephone internet fax & Postage, office supplies and other expenses, subscription of periodicals, presentation & entertainment, travelling expenses, BOD and auditor fees, Office running expenses (outsourced services) advertisement & publication expenses, corporate social responsibilities (CSR), NEPRA Petition fee and NEPRA Licenses fee.

The head wise breakup of the cost proposed for FY 2022-23 is as follows:

Mln.Rs

Description	FY 2021-22	FY 2022-23
	Allowed	Requested
Rent Rate & Taxes,Power Light etc, Communication	117	134
Office Running Exp.(outsourced services)	8	12
Other Expenses	111	108
Total	**237**	**254**

The administrative expenses are proposed at Rs. 254 million for FY 2022-23 as compared with the last year allowed figure of Rs. 237 million for FY 2021-22. This has increase of 7% over the last year allowed administrative cost. The proposed administrative cost along with justifications is discussed in detail in the following paragraphs.

Rent, Rate & Taxes: - These expenses are mainly related to the building rent, being paid for occupying office space to carry out CPPA-G operations. As per the rent agreement, there is annual increase of 5% over the last year rent, which becomes on average an increase of Rs. 5 million for each financial year. The CPPA-G also hold around 2,325 and 1,589 square feet space in WAPDA house and sunny view Lahore respectively. The estimated rent of these offices is around Rs. 4.7 million. The total amount required in this head are Rs. 101 million for FY 2022-23.

***Power light and Water:* -** In order to estimate expense in this head, the electricity bill of building is assumed @ 1.4 million p/m for each financial year, keeping in view the current and expected increase in electricity prices and the average historical bill of almost of same size NEPRA building. Water expenditures are assumed around Rs. 0.54 million and after consolidating the above figures an amount of Rs. 17 million for FY 2022-23 are proposed in the head of power, light and water.

***Communication:* -** This head mainly includes the following expenses:

- Internet bandwidth and email services amounting to Rs. 6 million (Agreement attached as **Annex-L**).
- Reimbursement of employees' official cell phone connection as per approved limits amounting to Rs. 7 million .
- Telephone charges & courier for external commination amounting to Rs. 2 million.

Keeping in view the historical trend of these expenses an amount of Rs. 16 million is proposed for FY 2022-23.

***Office Running Expenses (Outsourcing Services):* -** This head includes following services:

- Hired Services of Security Company (14 Security Guards + 1 Supervisor) an amount of Rs. 6 million (Contract executed).
- Hired Services for Outsourcing of Manpower (09 Supporting Staff for reception, daycare and other support staff) an amount of Rs. 3 million (Contract executed).
- Other services include Mineral water, Newspapers, TV Cable, Cleaning & Pest Control Service, , Elevator Services, Generator services, Record Shifting, Glass Window Cleaning Services and etc an amount of Rs. 2.7 million.

Keeping in view the recent hike in prices, the budget in this head is proposed to be Rs. 12 million for FY 2022-23.

***Others Administrative Expenses:* -** The remaining head of administrative expense consists of office supplies, entertainment, travelling, advertisement and publications, BOD and auditor fee, corporate social responsibilities (CSR), NEPRA Petition Fee, NEPRA Licenses Fee and other expenses.

Other administrative expenses are proposed at Rs. 108 million for FY 2022-23 against the last year allowed figure of Rs. 111 million for FY 2021-22. This has a decrease of 3% for FY 2022-23 over the last year. Further more, in compliance to the Authority direction that "Licensee shall submit a report on social investment for five years immediately preceding the day these guidelines come into force." CPPAG have initiated to prepare five-year plan on social investment as directed by Authority, tentatively budget of Rs. 5 Million has been incorporated to plan and execute the social investment activities. The Authority is requested to allow an amount of Rs. 108 million for FY 2022-23 in the head of other administrative cost.

In this regard, the Authority is requested to approve an amount of Rs. 254 million under the head of Administrative Cost.

Furthermore, it is delineated that the requested expenses are legitimate and essential in nature and any reduction in these expenses would result in disruption of operational activities of CPPA-G. Hence the Authority is also requested to allow the actualization of expenditure of Administrative Cost based on the audited financial statements of FY 2022-23 when available.

4.3. INSURANCE, FINANCIAL CHARGES

The insurance expenses of Rs. 5 million for FY 2022-23 is proposed for its various assets like office cars, I.T equipment and other assets. Financial charges are normal bank charges, charged by banks against total transactions / projected payments of over Rs. 1.5 trillion. Finance charges of Rs. 3 million is proposed for FY 2022-23.

Furthermore, it is delineated that the requested expenses are legitimate and essential in nature and any reduction in these expenses would result in disruption of operational activities of CPPA-G. Hence the Authority is also requested to allow the actualization of expenditure of Insurance and Financial Charges based on the audited financial statements of FY 2022-23 when available.

4.4. OFFICE OPERATIONS, SERVICES & MAINTENANCE

The office operations, services & maintenance expenses consist of repair and maintenance of furniture, office equipment, vehicle, IT equipment's, I.T services, software's and running cost of vehicle inclusive of fuel, oil and lubricants, annual fee and token taxes.

The head wise breakup of the cost proposed for FY 2022-23 is as follows.

Mln.Rs

Description	FY 2021-22	FY 2022-23
	Allowed	Requested
R&M General	6	7
I.T Services	40	45
Vehicle Running Cost POL, Repair & Licenses	9	23
total	**55**	**75**

The office Operations, Services & Maintenance expenses are proposed an amount of Rs. 75 million for FY 2022-23, against the last year allowed amount of Rs. 55 million. The proposed Office operation, services & maintenance cost along with justifications is discussed in detail in the following paragraphs.

Repair & Maintenance General:- This head includes R&M of office furniture, Sanitary & Plumbing works, Carpentry items, Electrical Fixtures, Gardening, R&M Lifts and other misc items. These expenditures mainly relate to office day to day operations. The budget in this head is proposed to be Rs. 7 million for FY 2022-23. R&M general expenses are projected after applying 13% average inflation for the month of April-22 (Pakistan Bureau of Statistics) over last year allowed amount in this head.

The Authority is requested to allow an amount of Rs. 7 million for FY 2022-23.

IT Services:- This head mainly include the cost related to software licenses fee, I.T support, I.T services and I.T repair & maintenance. These expenses represent annual subscriptions and licence renewal of already executed contacts. The head wise breakup of the cost proposed for FY 2022-23 is as follows.

Project Description	Detail Description	Amount	Recurrence
Office 365 E3 Renewal"+20 Additional Licenses	Annual Subscription of 180 Microsoft Office 365 E3 Licenses (SharePoint ECM, MS Office, MS Teams, One Drive etc)	11,160,258	Recurring
Adobe CC 2019 Package (Creative Cloud for Teams - Annual Subscription) Renewal	Annual Subscription to be paid for Graphics Designing Tools.	263,000	Recurring
Geny Motion (Emulator for Android	Emulator for Android Development -Annual Subscription) Renewal	35,000	Recurring

Development -Annual Subscription) Renewal			
IOS Store Account	It is required to publish IOS apps that will be developing for CPPA-G	35,000	Recurring
Robotic Automation - Automation of Data Collection Direct from the Source	Version Control System Annual Subscription	2,500,000	First time
Trello Task Management	Annual Subscription of Trello	360,000	Recurring
Power Apps and Power Automate Licenses	Provide professional developers the tools to seamlessly extend app capabilities with Azure Functions and custom connectors to proprietary or on-premises systems.	500,000	Recurring
Board PAC Subscription	Annual Subscription for Board Pac used for conducting Board meetings Electronically	900,000	Recurring
SMS Gateway	SMS Gateway for sending System Generated Notification of Critical Events to Internal and External Stake holders of CPPA-G	300,000	First time
Dark Trace (Enterprise Immune System) License renewal	Renewal - To provide Darktrace's Enterprise Immune System in CPPA network which determines what data is collected and what information Darktrace is able to use for analysis. Using machine learning and AI algorithms, Darktrace creates a unique behavioral model that defines this 'pattern of life' for each device, user and the network as a whole.	4,000,000	Recurring
Info Blox (Blox One DDI & Threat Defence Advanced)	Renewal - To protect corporate users and roaming users of CPPA from DNS based Threat Vectors and to provide the visibility what is going on DNS protocol.	4,400,000	Recurring
Oracle EBS Applications License (Renewal of Licensing)	ERP Phase-1 licensing fee	1,300,000	Recurring

Oracle EBS Applications License (Renewal of Licensing)	Renewal of FMC (Maintenance and support) required after 30-06-2022	500,000	Recurring
Solar Wind NPM License Renewal	Solar Wind NPM License Renewal agreement has been signed between CPPA-G and M/s Techaccess for 3 years starting from 18th April 2021. Next renewal is due on 19th April 2023 followed by yearly payment to M/S Techaccess	500,000	Recurring
Renewal of Symantec Antivirus Endpoint Protection (200 Clients) with Techaccess	Symantec Antivirus Endpoint Protection (200 Clients) License Renewal agreement has been signed between CPPA-G and M/s Techaccess for 3 years starting from 12th May 2021. Next renewal is due on 11th May 2023 followed by yearly payment to M/S Techaccess	420,000	Recurring
CPPA-ZOOM Account Yearly Renewal. License Expiry Date: Sep 15, 2021 and one New Account	ZOOM account has been purchased which is due for renewal on Sep 15, 2022.	90,000	Recurring
Website (Hosting+Domain Name Registration)	CPPA-G's Web hosting and domain Registration Fee needs to be paid annually	250,000	Recurring
Annual ERP Phase-I (Renewal of Support)	Annual Support Renewal of ERP Phase -I	5,500,000	Recurring
Maintenance & Support Services for IT Infrastructure including Data Centre & backup Site Facilities (with parts)- Renewal of agreement with Fortek	Maintenance & Support Services for IT Infrastructure including Data Centre & backup Site Facilities (with parts) agreement has been signed between CPPA-G and M/s Fortek for Three Agreement Years (Started from 16-02-2021) the support contract is required for continuity of business in case of any fault occurred in datacenter facility.	1,753,169	Recurring
The Maintenance & Renewal of Support Services and Service Level Agreement	The Maintenance & Renewal of Support Services and Service Level Agreement (SLA) For Servers, Storage Software and Network Equipment (with parts)-agreement has	7,250,565	Recurring

(SLA) For Servers, Storage Software and Network Equipment (with parts)-Renewal of agreement with CNS-E	been signed between CPPA-G and M/s CNS-E for three years starting from 2020. The support contract is required for continuity of business in case of any fault occurred in		
	critical IT equipment (Servers, Storage Network Equipment etc)		
Old Record Migration to ECM	Digitization of Old Historical Record to ECM to Vendor	2,500,000	Recurring
Misc. (External Hard Disk, USB Flash , & Data Recovery services etc, Laptops computers, Printers Repair Not covered under warranty)	Purchase of Misc IT Equipment or Services like External Hard Disk, USB Flash , & Data Recovery services etc, Laptops computers, Printers Repair which Not covered under warranty	500,000	Recurring

The Authority is requested to allow an amount of Rs. 45 million for FY 2022-23 in the head of I.T Services.

Vehicle Running Cost:- This head includes the following:

- Vehicle running cost (Petrol/ Diesel, Oil lubricant & etc) amounting Rs. 20 million. The major increase in this head is due to recent hike as well as expected future increase (almost double) in Petrol Oil Lubricant prices in international and local market.
- Vehicle R&M and vehicle registration & annual token tax an amounting Rs. 3 million which almost last year allowed amount.

The Authority is requested to allow an amount of Rs. 23 million for FY 2022-23 in the head of vehicle running cost.

In view of above, the Authority is requested to approve an amount of Rs. 75 million for FY 2022-23 in the head of office operations, services & maintenance.

Furthermore, it is delineated that the requested expenses are legitimate and essential in nature and any reduction in these expenses would result in disruption of operational activities of CPPA-G. Hence the Authority is also requested to allow the actualization of expenditure of Office Operations, Services and Maintenance based on the audited financial statements of FY 2022-23 when available.

4.5. CAPITAL EXPENDITURE

The requirement of capital expenditure for FY 2022-23 have been estimated in the following categories.

- ✓ IT Equipment & Software
- ✓ New Vehicle
- ✓ Other Capex

The summary of CAPEX required for FY 2022-23 is given as below.

Mln. Rs.

Description	FY 2021-22	FY 2022-23
	Allowed	Requested
IT Equipment & Software	155	23
New Vehicle	-	10
Other Capex	-	13
Total	**155**	**46**

IT Equipment and Software's: **- -** The proposed expenses in the head of IT equipment mainly include Rs. 15 million for Purchase of new laptops. This amount is required for the new hiring staff as well as replacement of old laptop as per the IT policy, Rs. 5 million for Server/ Storage expansion for Primary and Backup Site (to meet the growing requirement of CPPA-G Primary and Backup Site new machines for new applications and SAN storage to cater the growing data needs), Rs. 2 million for Datacenter Expansion Phase-I (For enabling CTBCM and ensuring 24/7 availability of services the current CPPA-G's Datacenter space is being used at its full capacity. Therefore, new datacenter facility is required to be established), Rs. 0.5 million for Window Server Licenses (CPPA critical IT services hosted on the newly procured server, will run on Window Server machines and require Window servers licenses for security and smooth operations), Rs. 0.2 million for Network Expansion including Parts and Labor (New data/telephony points expansion to accommodate new employees), and Rs. 0.5 million for Contingent Hardware/Software (In Order to Cater Unforeseen Compulsory Procurement of IT Hardware /Software). The Authority is requested to approve an amount of Rs. 23 million for FY 2022-23 in the head of IT software's and equipment.

New Vehicle:- It is highlighted that 16 numbers of vehicles have been returned to NTDC as per BoD direction. After handing over of these 16 no of vehicles, it will be difficult to manage the transportation with the current fleet of vehicles. Transportation include routine staff local / outstation movement, visits of technical staff on power testing and other departments outstation visits on trainings/seminars etc.

Therefore, it is proposed to procure One Hiace (Hi-roof) 09-11 passengers for covering all official outstation tours i.e., group visits of technical staff to different power plants for testing and group visits of MOD departments for seminars / trainings etc and one car (1000 CC) for Admin Pool duty in order to run transport functions more efficiently and effectively.

The Authority is requested to approve an amount of Rs. 10 million for FY 2022-23 in the head of New Vehicle.

Other Capex:- :- In other capex, procurement of installation of new racks at basement for record after scanning, installation of new workstations and furniture for new incumbent, Creative Agency, Gym Setup in CPPA-G Building, additional camera installation in building. The Authority is requested to approve an amount of Rs. 12.5 million for FY 2022-23 the head of other capex.

Furthermore, it is delineated that the requested expenses are legitimate and essential in nature and any reduction in these expenses would result in disruption of operational activities of CPPA-G. Hence the Authority is also requested to allow the actualization of Capital Expenditure based on the audited financial statements of FY 2022-23 when available.

5. RECOVERABLE LOAN ADVANCES TO EMPLOYEES

As a practice in public sector organizations, CPPAG tends to take care of employees' personal and social needs so that they are in a better position to perform their duties. Employee loan has been approved by BoD of CPPAG, to be disbursed upon certain eligibility criteria in terms of service tenure with CPPAG. Hence, the budget amount in employee loan has been incorporated for eligible employees only and will be recoverable in equal monthly installments. As per the approved SOP, the loan amount shall not exceed the terminal benefits available on the date of loan disbursement.

The Authority is requested to allow an amount of Rs. 240 million for FY 2022-23 for employee's loan.

6. PRIOR YEAR ADJUSTMENT (PYA)

The Authority has determined the MOF of Rs. 2.71/kW/M to meet the revenue requirement of the company for FY 2021-22. Therefore, the working of the PYA for FY 2021-22 (Projected) has been computed based on the determination of FY 2021-22 and Projected expenditure of CPPA-G for FY 2021-22 as tabulated below:

FY 2021-22		Mln. Rs.
Determined		**864**
Recovery (Projected)		**620**
		243
O&M Expenses		
Determined	885	
Projected	1,023	***138***
Capex		
Determined	155	
Projected	42	***(113)***
Other Income		
Determined	269	
Projected	416	***(147)***
Tax		
Determined	46.9	
Actual	46.6	***(0.31)***
Prior Years Tax	95.0	***95***
PYA for FY 2021-22		**216**

It is brought to consideration of the Authority that, a reconciliation has been carried out for the tax amount paid by CPPA-G as per audited financial statements / tax returns and tax allowed by the NEPRA in Market Operation Fee during the period of FY 2016 to 2021. As per the reconciliation, it is observed that CPPA-G has paid an amount of Rs. 391 million however NEPRA has allowed Rs. 297 million, in the aforesaid period. The difference of Rs. 95 million is yet to be allowed by the Authority. The reconciliation and documentary evidence of Tax paid by CPPA-G for said period is already submitted to the Authority's perusal vide letter no. CPPA-G/2021/CFO/27839-40 dated: December 10, 2021.

In view of the above submissions, the Authority is requested to allow Rs. 216 million in the head of Prior Year Adjustment.

7. COST ACTUALIZATION

It is delineated that CPPA-G, operating under Market Rules 2015 and performing various functions on behalf of DISCOs, meets its operational needs solely through Market Operation Fee determined by the Authority. It is important to highlight that around 70% of total Market Operation Fee represents salaries & wages of employees and remaining 30% portion covers other essential needs like office rent for space requirement, travelling, office supplies, repair & maintenance, BoD & Audit Fee, NEPRA Licensing Fee, IT services, capex etc. It is submitted to the Authority that all expenditures are essential and legitimate in nature and by applying a cut on the actual expenditure, CPPAG will be unable to run its operational activities smoothly. Hence the Authority is requested to allow the actualization of expenditure based on the audited financial statements of FY 2022-23 when available.

8. PROPOSED MARKET OPERATORS FEE

In view of the above discussion the summary of the revenue requirement is produced hereunder.

Mln.Rs.

Description	FY 22 Allowed	FY 23 Requested
General Establishment Costs	592	1,018
Administrative Costs	237	254
Office Operations, Services & Maintenance	55	75
Insurance	2	5
Finance Charges		3
CAPEX	155	46
Total Revenue Requirement	**1,040**	**1,400**
Less: other income	(269)	(416)
Recoverable loan Advances to Employees	-	240
Tax	47	70
PYA	45	216
Revenue Requirement + CAPEX	**864**	**1,510**
Avg. MDI	26,535	27,588
Rs. /kW/M	**2.71**	**4.56**

9. PRAYERS:

(i) In view of above submissions, it is respectfully prayed that the Authority may approve the Market Operation Fee @ Rs.4.56 per kW / Month for FY 2022-23.

(ii) Authority is requested to allow the actualization of expenditure based on the audited financial statements of FY 2022-23 when available.

(iii) Authority may allow immediate application of above-mentioned Market Operations Fee under Sub-Rule 7 of Rule 4 of the NEPRA (Tariff Standards and Procedures) Rules, 1998.

(iv) Any other relief which the Authority deems fit in the circumstances may also be granted.

6/6/22

(Rihan Akhtar)
Chief Executive Officer CPPA-G

118577 ONLY USED FOR ISLAMABAD

500 Rupees

۵۰۰ روپیہ

The Affidavit of the Chief Executive Officer of the Petitioner, in Support of the Application

AFFIDAVIT

I, Rihan Akhtar, Chief Executive Officer, Central Power Purchasing Agency (Guarantee) Limited being duly authorized representative / attorney of Central Power Purchasing Agency (Guarantee) Limited, hereby solemnly affirm and declare that the contents of the accompanying petition including all supporting documents are true and correct to the best of my knowledge and belief and that nothing has been concealed. I also affirm that all further documentations to be provided by me in connection with the accompanying petition shall be true to the best of my knowledge and belief.

DEPONENT

6/6/22

Rihan Akhtar
Chief Executive Officer

Central Power Purchasing Agency Guarantee Limited

A Company of Government of Pakistan

No. CPPA-G/2022/CS/2083-89 01st June 2022

BOARD RESOLUTION IX (I) / 82

APPROVAL OF BUDGET AND MARKET OPERATION FEE FOR FY 2022-23

A meeting of Board of Directors of Central Power Purchasing Agency (Guarantee) Limited (CPPA-G) was held on 26th May 2022 at CPPA-G office, Shaheen Plaza, 73-west, Fazal-e-Haq Road, Blue Area Islamabad.

The Board of Directors of Central Power Purchasing Agency Guarantee Limited (CPPA-G) has decided as follows;

I. *Resolved that "CPPA-G Budget of Rs. 1,400 million and Rs. 240 million for Employees Loan for FY 2022-23 and its utilization as per Book of Financial Powers, be and is hereby approved."*

II. *Further resolved that "Chief Executive Officer be and is hereby authorized for re-appropriation of O&M and Capital expenditure budget among their respective sub-heads on the recommendations of CFO CPPA-G, as per allowed limit of Book of Financial Powers."*

III. *Further resolved that "CPPA-G management be and is hereby allowed to file approved Budget, after incorporating impact of Prior Year Adjustment, as CPPA-G's Market Operation Fee for FY 2022-23, before National Electric Power Regulatory Authority (NEPRA)."*

IV. *Further resolved that "CEO CPPA-G be and is hereby authorized to:*

   i. *sign individually or jointly the necessary documents for filing of Market Operations Fee (MOF) application for MOF for FY 2022-23.*

   ii. *file subsequent review motion petition after determination on the said application of FY 2022-23.*

   iii. *pay the necessary Market Operations Fee (MOF) petition filing fees.*

   iv. *appear before the Authority as needed and do all acts necessary for completion and processing of the applications.*

CERTIFIED TO BE TRUE COPY

Certified that the above resolution was passed by the Board of Directors of Central Power Purchasing Agency (Guarantee) Limited in its 82nd meeting held on 26th May 2022 and has been duly recorded in the minutes book of the Company.

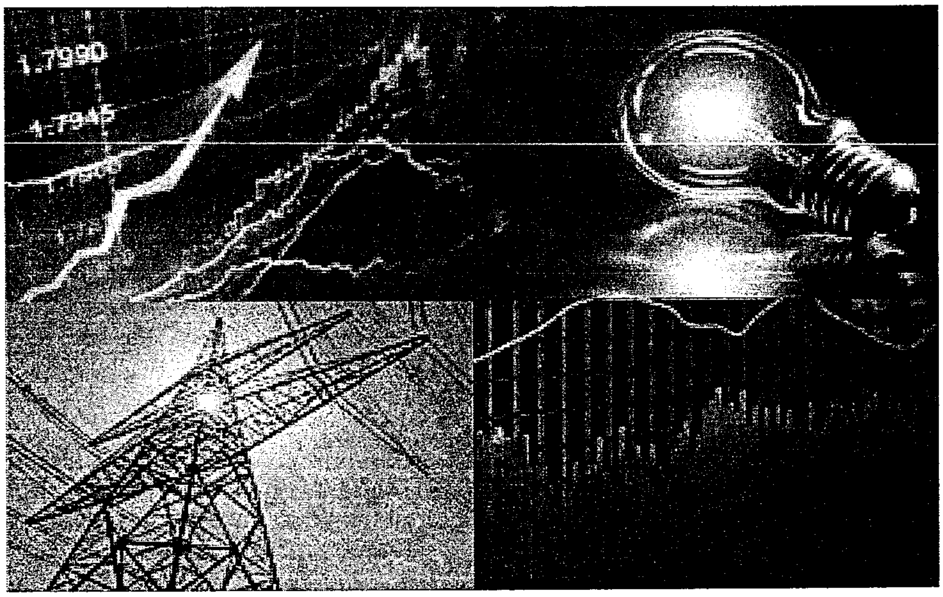
Noman Rafiq
Company Secretary

Distribution:

i. Chief Executive Officer, CPPA (G) Ltd.
ii. Chief Financial Officer, CPPA (G) Ltd.

Annex- B

HUMAN RESOURCE & ADMIN PROGRESS REPORT
JAN - MAR (Q1), 2022



CENTRAL POWER PURCHASING AGENCY GUARANTEE

Introduction:

This report succinctly details the key development areas and progress made by the Human Resource & Admin Department CPPA-G during the first quarter i.e., from ***Jan*** to ***Mar* 2022**, as directed by NEPRA as an obligation under determination of its market fee. Here at CPPA-G, HR&A Department has transformed itself from support function to a corporate Business Partner and take every step to support the organization functions while maintaining a congenial & conducive working environment.

Brief Details of HR&A Functions:

HR&A department covers multitude of HR functions to provide smooth and non-stop services to all the sections of CPPA-G. The synopsis of HR role is given as under:

HR Operations ➢ HR Service Delivery ➢ Employee Record Mgt ➢ Employee Relations ➢ Contract & Vendor Mgt	**Recruitment & Selection** ➢ Job Advertisement ➢ Written Test & Interview ➢ Onboard & Orientation ➢ Offer & Acceptance	**Compensation & Benefit** ➢ Payroll Processing ➢ Exit Management ➢ Employee Terminal Benefits ➢ Group Health Insurance ➢ Life Insurance
Organization Development ➢ Organization Restructuring ➢ Policies & Procedures ➢ HR Manual ➢ Employee Handbook ➢ Recreation Activities	**Training & Development** ➢ Training Need Assessment ➢ Profiling of Training Needs ➢ Training Programs in collaboration with PPRA Rules ➢ Training Feedbacks & ROI	**HR Legal Framework** ➢ Employee Grievance ➢ Legal Matters ➢ Legal Compliance ➢ Contract Management
Procurement & Logistics ➢ Ensuring all procurements while following the designated Supply Chain procedures ➢ Keeping ample quantity of different kinds of entities' stocks	**Fleet Management** ➢ Vehicle Record Keeping ➢ Vehicle Fuel Management ➢ Vehicle Timely Maintenance ➢ Vehicle Tour Operations	**Facility Management** ➢ Keeping Office Ambiance ➢ Facilitating all in-house meetings/trainings etc ➢ Office House Keeping ➢ Travel Arrangements

HR&A and Support Staff Working Strength:

HR&A Department	
Functional Head	01
Deputy Manager	03
Assistant Manager	04
Admin Officer	01
Assistant Private Secretary	01
Senior Assistant	02
Junior Assistant	01
Transport Supervisor	01

Support Staff	
Caretaker	01
Drivers	08
Electrician	01
Naib Qasid	20
Sanitary Workers	05
Daily Wager	03

CPPA-G Departments & its Functions:

Finance Department:

All financial matters of CPPA, both internal and external are performed by this department. The core functions which are performed under this department for CPPA-G includes:

- Billing and Settlements
- DISCOs and Bulk Consumers Billing
- Internal Accounting
- Market Accounting
- Treasury

Finance Department Working Strength:

Finance Department	
Functional Head	01
Deputy General Manager	03
Manager	07
Deputy Manager	14
Assistant Manager	21
Accounts Officer	05
Senior Assistant	03
Assistant Personal Secretary	01

Technical Department:

This department manages the procurement of power and energy on behalf of DISCOs through negotiating and finalizing Power Purchase Agreements (PPAs) and Energy Purchase Agreements (EPAs) with the generators. In addition, the Technical Department is also responsible for the verification of the invoices raised by the NTDC and generators. The core activities of this department include:

- Procurement of power on behalf of DISCOs
- Establishing contracts for supply
- Coordination with PPIB, AEDB, Ministry of Energy (MOE) Power Division, Ministry of Finance, Ministry of Law and other governmental agencies
- Meter Readings Management
- Supplier and NTDC Invoice Verification
- Meter Audit & Annual Capacity Testing of Power Plants

Technical Department Working Strength:

Technical Department	
Deputy General Manager / Functional Head	01
Manager	05
Deputy Manager	07
Assistant Manager	14
Junior Assistant	01
MTO	02
Assistant Personal Secretary	01

Market Operations & Development (MOD):

This department of CPPA-G leads the development of a competitive wholesale electricity market and facilitates its implementation in Pakistan. MOD department is also involved in outlining the business strategy of CPPA-G along with the preparation of the company's Strategic Plan. The main objectives of this department are:

- Designing of a wholesale electricity competitive market model and its transition road map.
- Research and document conclusions for the next stage of market reforms.
- Play the role on behalf of CPPA-G in facilitating the implementation of CTBCM Plan to develop a competitive market.
- Market coordination and development activities including the training and capacity building of market stakeholders.
- Suggesting and building strategic partnerships with global like institutions
- Market simulations for analysis of market architecture on prices moving forward.

- Program management and coordination for donor funded projects.

MOD Working Strength:

MOD Department	
Functional Head	01
Manager	06
Deputy Manager	06
Assistant Manager	09

Legal and Corporate Affairs Department:

The work of Legal Department spans the breadth of the Company and is hallmarked by the unique ability to work collaboratively and to respond quickly to major issues and changing priorities. Bearing in mind the motive of sustainable growth and development of CPPA's objectives, Legal Department has remained actively and prudently involved in the affairs of the Company. Our core function encapsulates ensuring compliance through advisory within the ambit of sustainable solutions for the energy sector while maintaining effective contract management with adequacy of safeguards ranging multitude of dimensions from negotiations to litigation/dispute resolution.

Legal and Corporate Affairs Working Strength:

Legal Department	
Functional Head	01
Manager	03
Assistant Manager	03
Junior Assistant	01

Policy & Planning (P&P) and CEO Office:

This department of CPPA-G provides executive support in a one-on-one working relationship with CEO. The main functions of this department are:

- Acting as the primary point of contact for internal and external constituencies on all matters related to the functions/ responsibilities of CEO especially pertaining to Policies, Governance & Corporate Planning
- Supporting CEO in development/changes of power/ energy policies for sustainable power market operations and to reduce liabilities and guarantees of Government of Pakistan.
- Facilitation in internal development and streamlines operations to align with the prevailing policies.
- Collaboration for the strategic initiatives being taken in the sector for long term sustainability.

P&P and CEO Working Strength:

P&P and CEO Office	
CEO/Functional Head	01
Manager	01
Assistant Manager	05
Technical Assistant	06
Assistant	02

Office of Company Secretary:

The Office of the Company Secretary maintains compliance of SECP Act, 2017 and Public Sector Companies (Corporate Governance) Rules 2013. The other functions of this office are:

- Engagement of external audit and preparation of Directors Report; organizing important hi-level meetings for CPPA-G including Annual General Meetings/Extra Ordinary General Meetings (EoGMs) Board meetings, Board Committee meetings, and Commercial Code Review Panel (CCRP) meetings.
- Maintaining documentation of above-mentioned meetings; provide Secretarial support to the General body, Board of Directors, Board Committees and CCRP and follow-up implementation on the General body, Board of Directors, Board Committees and CCRP decisions.
- Maintaining the Record, maintenance of Books of Accounts, preparation of financial statements and filing of tax returns of CPPA Employees Gratuity Fund & CPPA Employees Provident Fund.

Office of Company Secretary Working Strength:

Office of Company Secretary	
Company Secretary/Functional Head	01
Assistant Manager	02
Junior Assistant	01

Information Technology (IT) Department:

IT Department is focused on optimizing Information Technology (IT) investments and more rapidly deployment of IT capabilities, drawing on our highly skilled and innovative workforce positioned to meet emerging and expanding requirements. IT Department of CPPA-G is the custodian of all the ERP modules and CPPA-G's IT infrastructure.

IT Department Working Strength:

IT Department	
Functional Head	01
Manager	02

Deputy Manager	03
Assistant Manager	20
IT Officer	01
Assistant System Engineer	01
Network Technician	01
MTO	06
Assistant Private Secretary	01
Technical Assistant IT	05

Sanctioned Positions of CPPA-G / MOD and Total Working Strength:

According to the Vacancy Statement of CPPA-G & MOD, it has a sanctioned strength of working employees. It also includes the daily wagers to support the important assignments and necessary tasks. The complete snapshot of CPPA-G / MOD sanctioned, working, vacant, other employees and total strength is summarized in the table below:

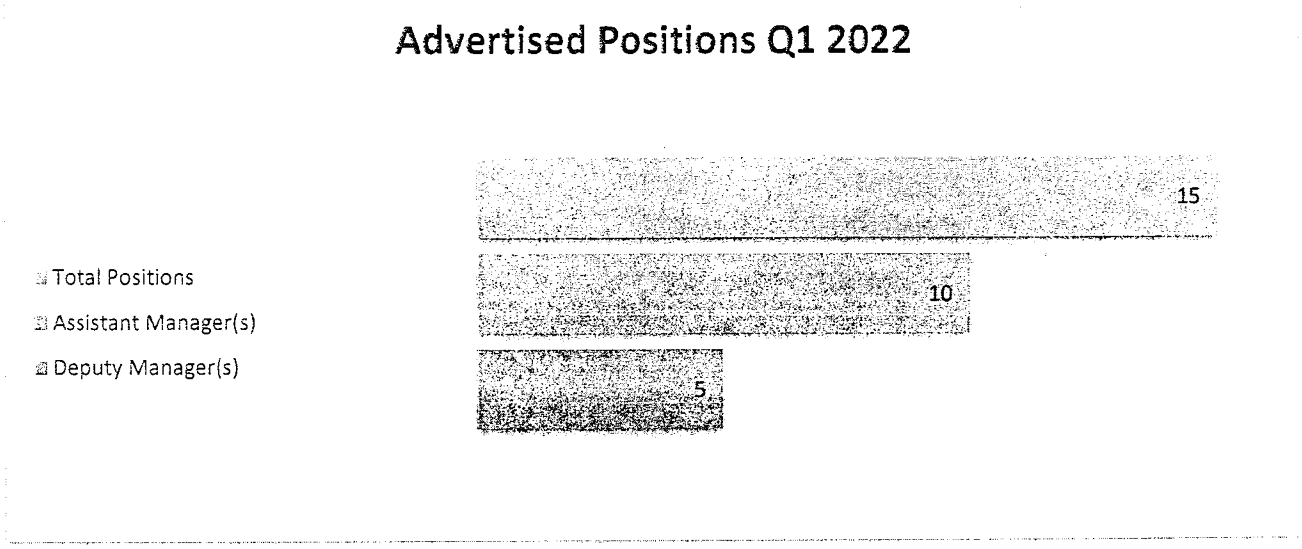
Total Working Strength of CPPA-G		
Sanctioned Positions	Working (including MTO & Daily Wagers etc)	Vacant
256	**198**	**58**

Total Working Strength of MOD		
Sanctioned Positions	Working (including consultants)	Vacant
99	**32**	**67**

HR&A Function-Wise Progress:

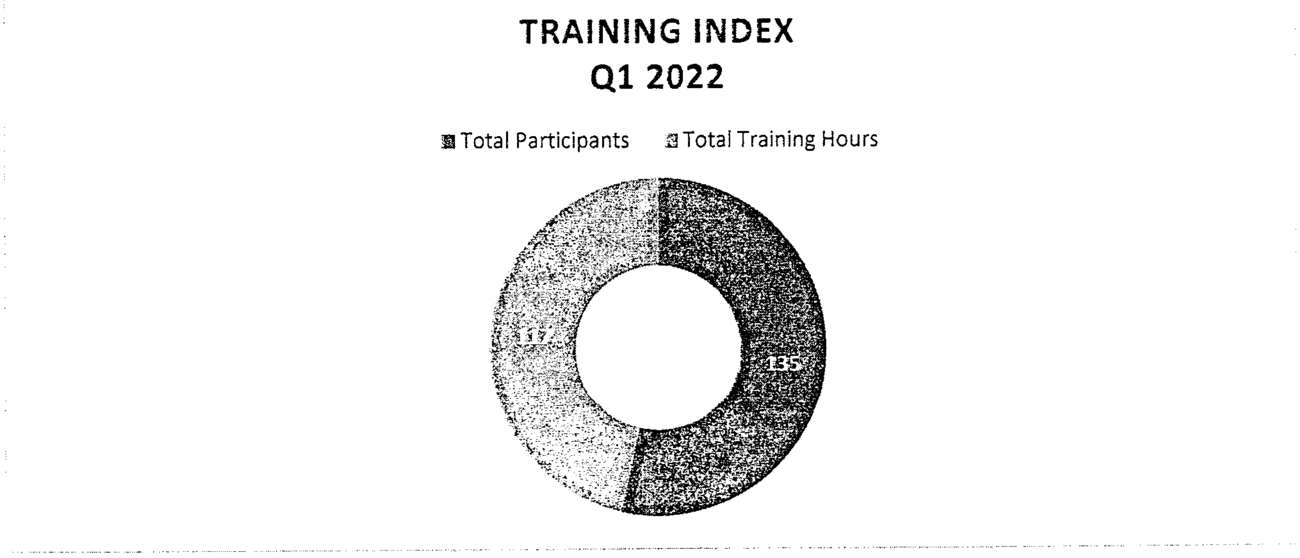
Recruitment:

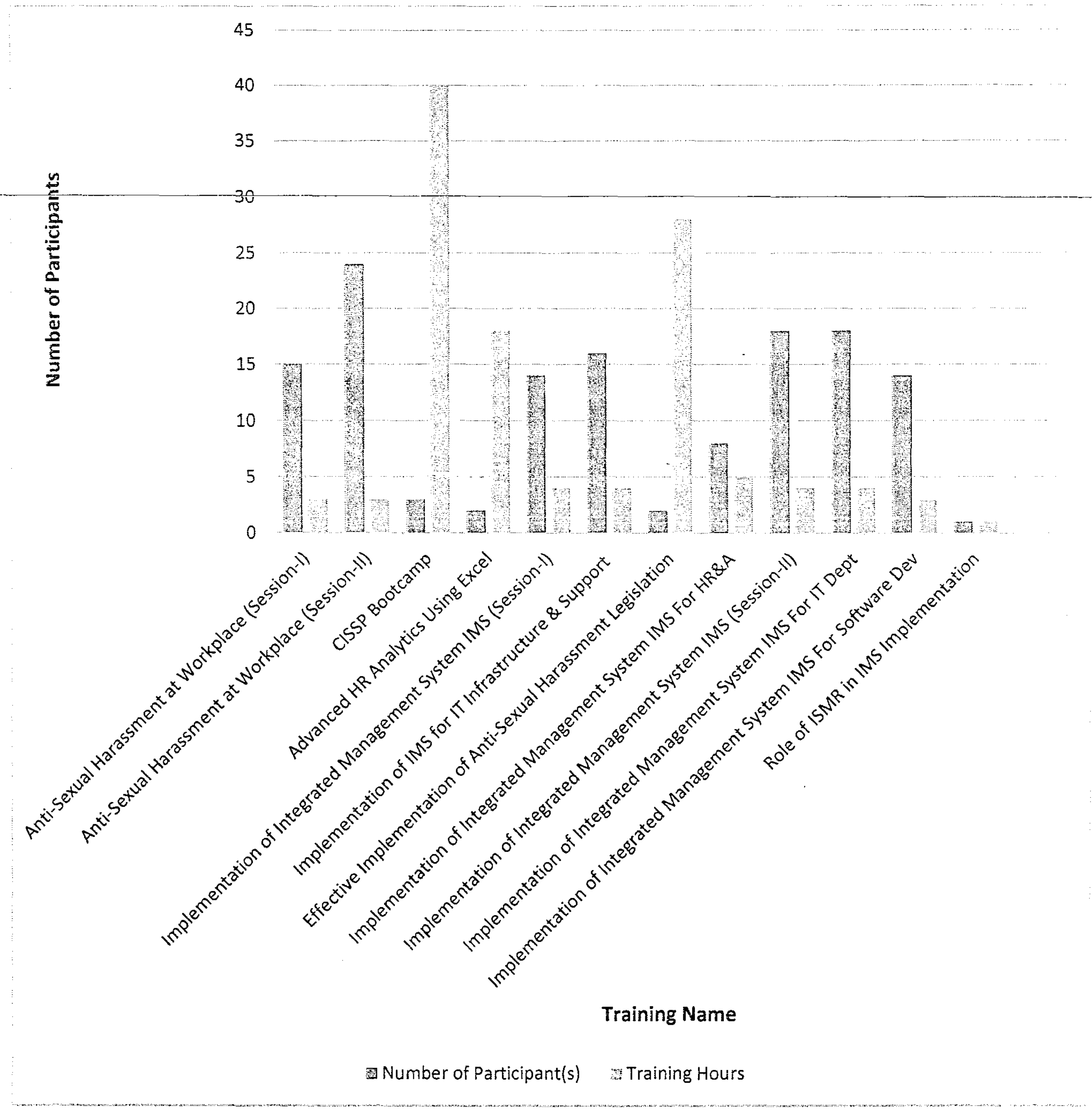
CPPA-G advertised multiple positions to fulfil its manpower needs during the first quarter of 2022. The recruitment process is currently underway. The snapshot for the various positions advertised by CPPA-G is as follows:



Trainings:

The first quarter of 2022 saw an uptrend in number of trainings at CPPA-G. There was a total of 11 on-site and 01 off-site training session organized for the capacity building of CPPA-G employees. Training providers who rendered their services included Mehergarh: A Centre for Learning, Security Experts Pvt Ltd, Corporate Trainings & PR and QMS.9000. The Training Dashboard for the first quarter is as under:





Promotion & Travelling Policy:

The HR Team worked extensively on the Promotion & Travelling Policy for CPPA-G which was long overdue. After countless manhours and thorough analysis of various policies & practices in the power sector, the final draft policy for Promotion & Travelling was finalized and submitted before the HR Committee of CPPA-G for vetting and onward submission to the Board of Directors CPPA-G.

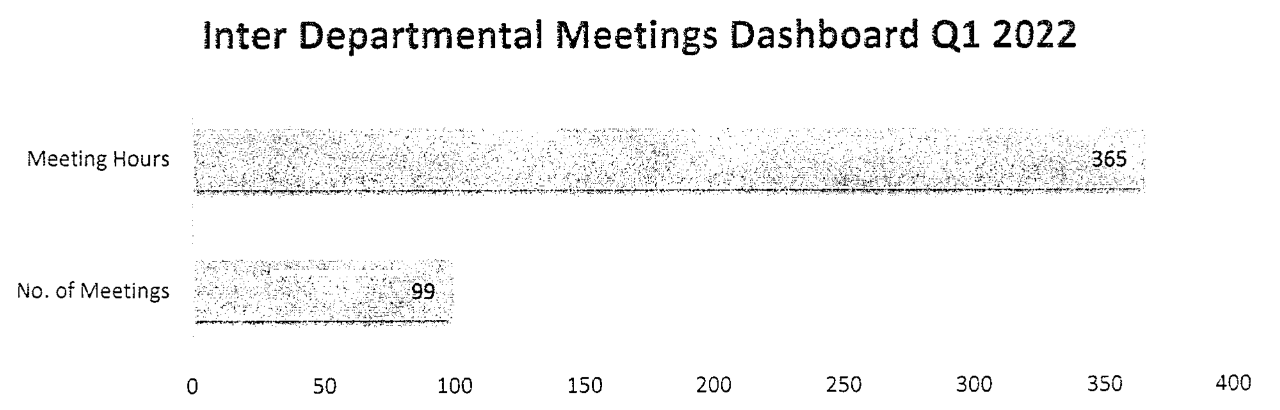
Common Room for Female Employees:

The Admin Section played a pivotal role in setting up a separate space in the form of Common Room for the female employees to relax and pray while taking short break from office hours.

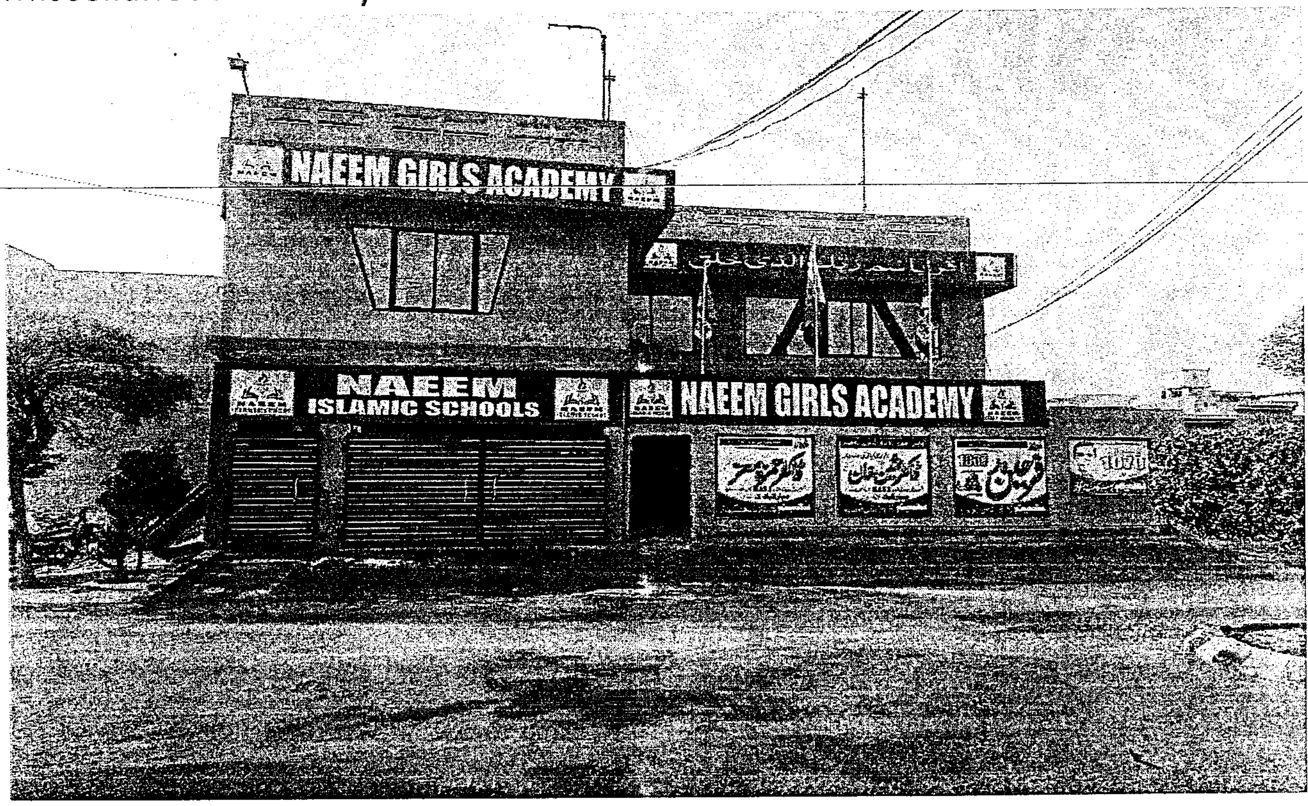
Furthermore, keeping in view the working mothers' hassle, a day-care facility has been established so that female officers having babies & toddlers can bring them to office under the supervision of babysitter.

Admin Support:

A brief snapshot of Admin Services with regards to meetings is provided below:



Miscellaneous Gallery CPPA-G:

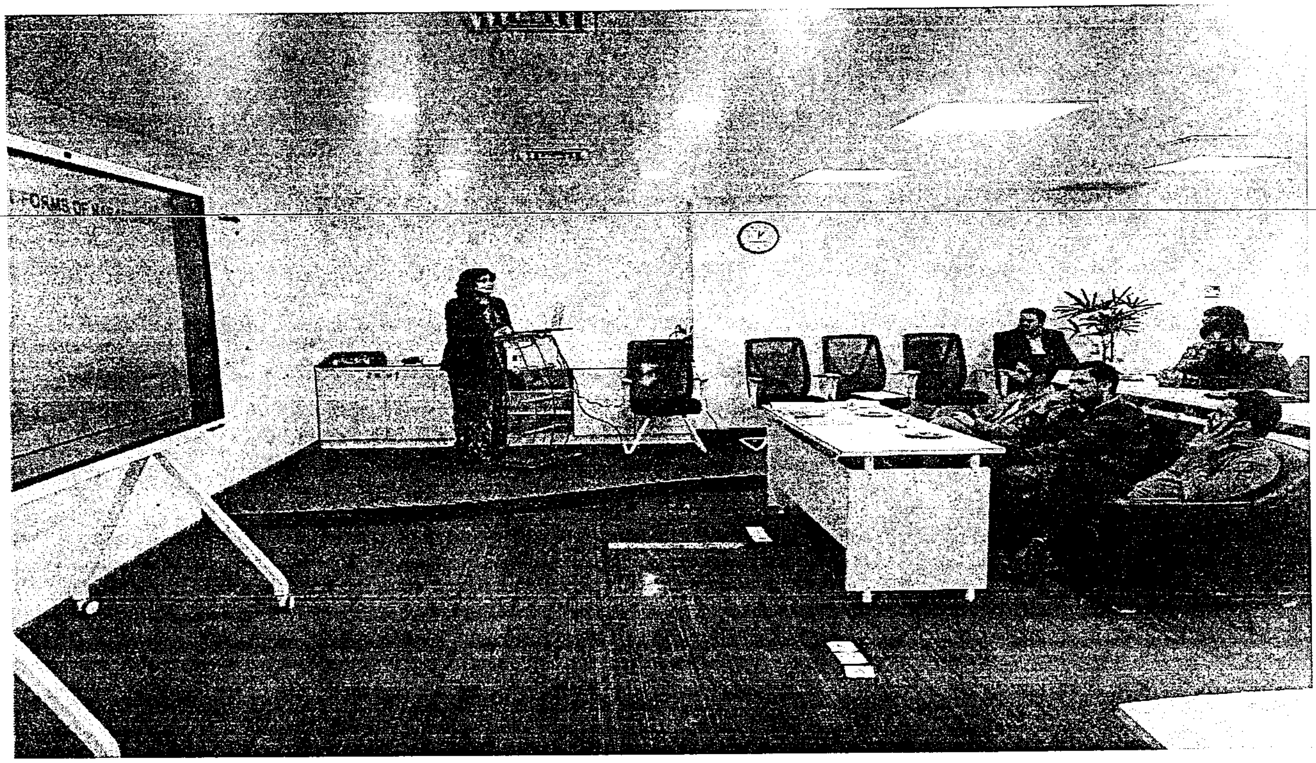


Test Centre Multan

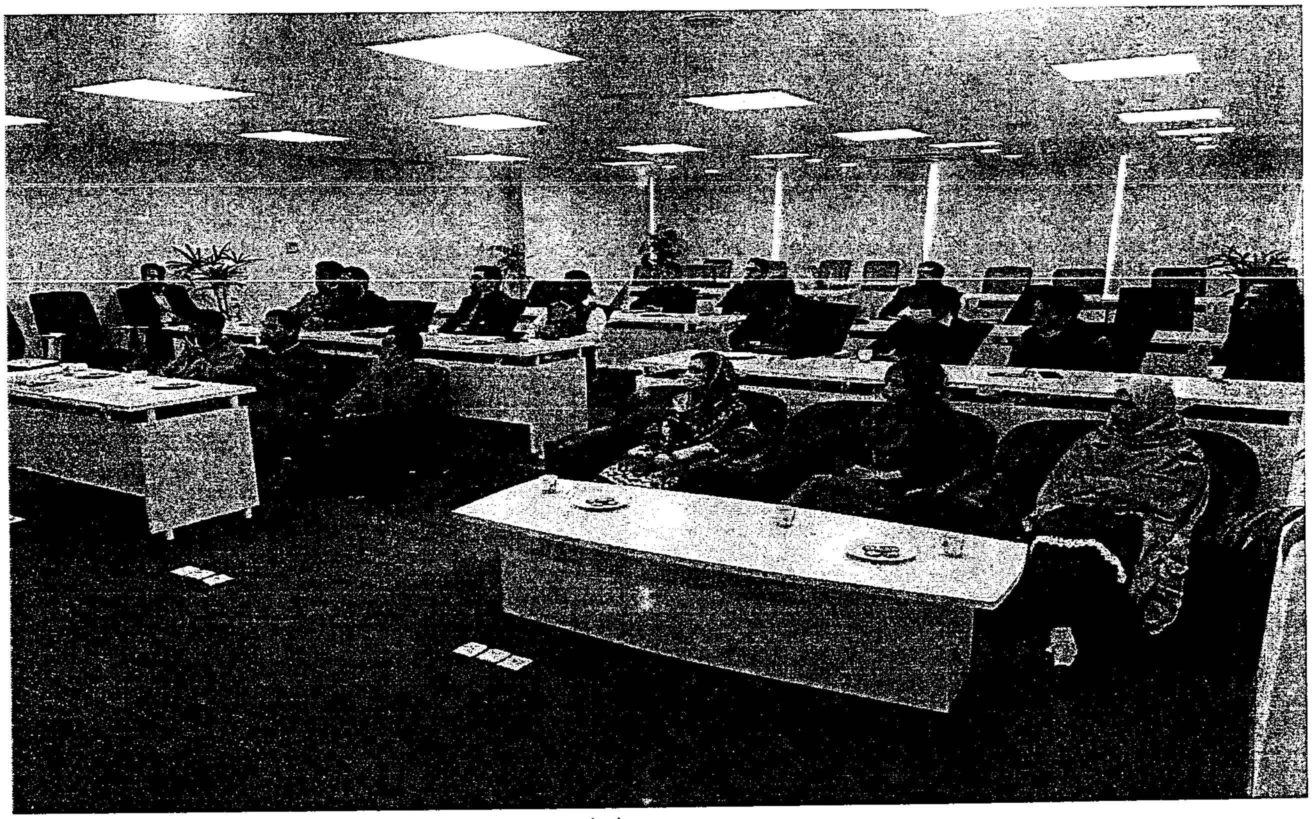
Test Centre Islamabad

Test in progress

Test in progress



Awareness session on Anti-Sexual Harassment at Workplace



Awareness session on Anti-Sexual Harassment at Workplace

CPPA-G Recruitment Plan FY 2022-23

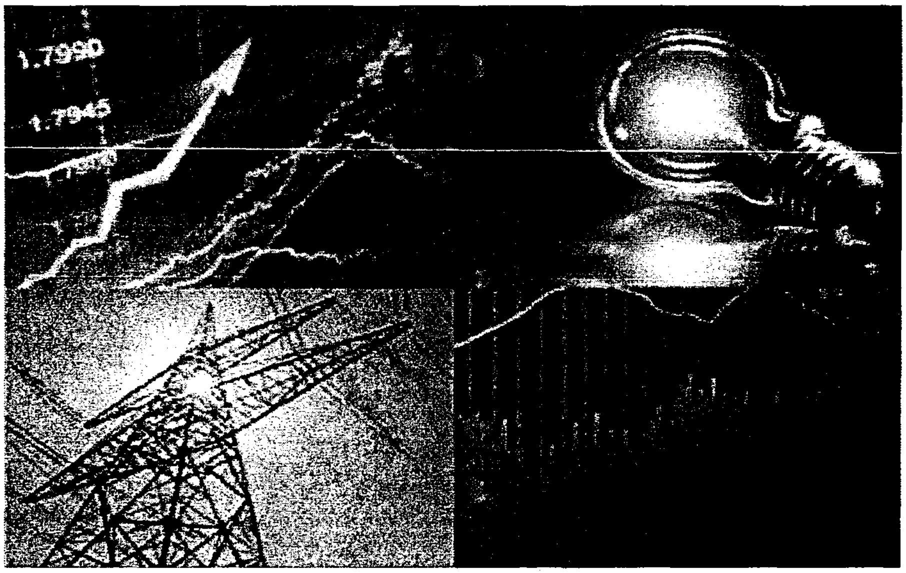
Sr. No.	Nomenclature of Post	CPPA-G Grade	sanctioned	Working	Vacant	Remarks (Status of Working Employees)
a.	b.	c.	d.	e.	f.	g.
1	CEO Office					
1	Chief Executive Officer	G-11	1	0	1	Vacant
	Sub-Total		1		1	
2	Risk Management					
2	Asstt. Manager	G-06	1	0	1	Recruitment in Process
	Sub-Total		1	0	1	
3	Policy & Planning				0	
5	Asstt. Manager (Market& Simulation)	G-06	2	0	2	Recruitment in Process
6	Asstt. Manager (Finance)	G-06	1	0	1	Recruitment in Process
7	Asstt. Manager (P&P)	G-06	1	0	1	Recruitment in Process
8	Asstt. Manager (Economics Studies)	G-06	1	0	1	Recruitment in Process
10	Sr. Technical Assistant	S-01	3	0	3	Recruitment in Process
	Sub-Total		8	0	8	
4	Company Secretary					
2	Deputy Manager	G-08	1	0	1	Recruitment in Process
5	Office Assistant	G-05	1	0	1	Recruitment in Process
	Sub-Total		2	0	2	
5	MOD					
1	Dy Mananger Legal	G-09	1	0	1	Vacant
2	Dy Mananger Taxation	G-06	1	0	1	Vacant
	Sub-Total		2	0	2	
6	Internal Audit					
1	Chief Internal Auditor	G-10	1	0	1	Vacant
2	Audit Associate	G-05	1	0	1	Recruitment in Process
	Sub-Total		2	0	2	
7	Technical					
1	Chief Technical Officer (CTO)	G-10	1	0	1	Vacant
2	Dy.G.M (Tech)	G-10	1	0	1	Vacant
3	Manager (Tech)	G-09	1	0	1	Vacant
4	Dy. Manager (Tech)	G-08	2	0	2	Recruitment in Process
5	Asstt. Manager (Tech)	G-06	6	0	6	Recruitment in Process
	Sub-Total		11	0	11	
8	Finance					
7	Dy. Manager (Fin)	G-08	1	0	1	Recruitment in Process
8	Asstt. Manager (Fin)	G-06	9	0	9	Recruitment in Process
	Sub-Total		10	0	10	

Sr. No.	Nomenclature of Post	CPPA-G Grade	sanctioned	Working	Vacant	Remarks (Status of Working Employees)
a.	b.	c.	d.	e.	f.	g.
9	**Information Technology / ERP**					
4	Dy. Manager (DBA)	G-08	1	0	1	Recruitment in Process
17	Software Enineer (Oracle Developer)	G-06	1	0	1	Recruitment in Process
18	Asstt. Manager (Software Engineer)	G-07	1	0	1	Recruitment in Process
	Sub-Total		3	0	3	
9 (a)	**R&I Section (IT Department)**					
2	Junior Assisatnt	G-04	2	0	2	Recruitment in Process
3	Dispatch Rider	G-01	1	0	1	Recruitment in Process
	Sub-Total		3	0	3	
10	**Legal**					
4	Office Assistant	G-05	1	0	1	Recruitment in Process
	Sub-Total		1	0	1	
11	**HR & Admn**					
(a)	**(HR Section)**					
2	Manager (HR)	G-09	1	0	1	Vacant
4	Asstt. Manager (HR)	G-06	2	0	2	Recruitment in Process
8	Office Assistant	G-05	2	0	2	Recruitment in Process
	Sub-Total		5	0	5	
(b)	**Admin. Section**					
3	Receptionist	G-05	1	0	1	Recruitment in Process
	Sub-Total		1	0	1	
(b-i)	**Transport Section**					
2	Drivers	G-02	5	0	5	Recruitment in Process
	Sub-Total		5	0	5	
	Sub-Total		11	0	11	
		Total (a)	55	-	55	

Annex-B-1

HUMAN RESOURCE & ADMIN PROGRESS REPORT

JUL - DEC (Q3 & Q4), 2021



CENTRAL POWER PURCHASING AGENCY GUARANTEE

Introduction:

This report succinctly details the key development areas and progress made by the Human Resource & Admin Department CPPA-G during the third & fourth quarter i.e., from ***July*** to ***December*** **2021**, as directed by NEPRA as an obligation under determination of its market fee. Here at CPPA-G, HR&A Department has transformed itself from support function to a corporate Business Partner and take every step to support the organization functions while maintaining a congenial & conducive working environment.

Brief Details of HR&A Functions:

HR&A department covers multitude of HR functions to provide smooth and non-stop services to all the sections of CPPA-G. The synopsis of HR role is given as under:

HR Operations ➢ HR Service Delivery ➢ Employee Record Mgt ➢ Employee Relations ➢ Contract & Vendor Mgt	**Recruitment & Selection** ➢ Job Advertisement ➢ Written Test & Interview ➢ Onboard & Orientation ➢ Offer & Acceptance	**Compensation & Benefit** ➢ Payroll Processing ➢ Exit Management ➢ Employee Terminal Benefits ➢ Group Health Insurance ➢ Life Insurance
Organization Development ➢ Organization Restructuring ➢ Policies & Procedures ➢ HR Manual ➢ Employee Handbook ➢ Recreation Activities	**Training & Development** ➢ Training Need Assessment ➢ Profiling of Training Needs ➢ Training Programs in collaboration with PPRA Rules ➢ Training Feedbacks & ROI	**HR Legal Framework** ➢ Employee Grievance ➢ Legal Matters ➢ Legal Compliance ➢ Contract Management
Procurement & Logistics ➢ Ensuring all procurements while following the designated Supply Chain procedures ➢ Keeping ample quantity of different kinds of entities' stocks	**Fleet Management** ➢ Vehicle Record Keeping ➢ Vehicle Fuel Management ➢ Vehicle Timely Maintenance ➢ Vehicle Tour Operations	**Facility Management** ➢ Keeping Office Ambiance ➢ Facilitating all in-house meetings/trainings etc ➢ Office House Keeping ➢ Travel Arrangements

HR&A and Support Staff Working Strength:

HR&A Department	
Functional Head	01
Deputy Manager	03
Assistant Manager	04
Admin Officer	01
Assistant Private Secretary	01
Senior Assistant	02
Junior Assistant	01
Transport Supervisor	01

Support Staff	
Caretaker	01
Drivers	08
Electrician	01
Naib Qasid	20
Sanitary Workers	05
Daily Wager	03

CPPA-G Departments & its Functions:

Finance Department:

All financial matters of CPPA, both internal and external are performed by this department. The core functions which are performed under this department for CPPA-G includes:

- Billing and Settlements
- DISCOs and Bulk Consumers Billing
- Internal Accounting
- Market Accounting
- Treasury

Finance Department Working Strength:

Finance Department	
Functional Head	01
Deputy General Manager	03
Manager	07
Deputy Manager	14
Assistant Manager	21
Accounts Officer	05
Senior Assistant	03
Assistant Personal Secretary	01

Technical Department:

This department manages the procurement of power and energy on behalf of DISCOs through negotiating and finalizing Power Purchase Agreements (PPAs) and Energy Purchase Agreements (EPAs) with the generators. In addition, the Technical Department is also responsible for the verification of the invoices raised by the NTDC and generators. The core activities of this department include:

- Procurement of power on behalf of DISCOs
- Establishing contracts for supply
- Coordination with PPIB, AEDB, Ministry of Energy (MOE) Power Division, Ministry of Finance, Ministry of Law and other governmental agencies
- Meter Readings Management
- Supplier and NTDC Invoice Verification
- Meter Audit & Annual Capacity Testing of Power Plants

Technical Department Working Strength:

Technical Department	
Deputy General Manager / Functional Head	01
Manager	05
Deputy Manager	07
Assistant Manager	14
Junior Assistant	01
MTO	02
Assistant Personal Secretary	01

Market Operations & Development (MOD):

This department of CPPA-G leads the development of a competitive wholesale electricity market and facilitates its implementation in Pakistan. MOD department is also involved in outlining the business strategy of CPPA-G along with the preparation of the company's Strategic Plan. The main objectives of this department are:

- Designing of a wholesale electricity competitive market model and its transition road map.
- Research and document conclusions for the next stage of market reforms.
- Play the role on behalf of CPPA-G in facilitating the implementation of CTBCM Plan to develop a competitive market.
- Market coordination and development activities including the training and capacity building of market stakeholders.
- Suggesting and building strategic partnerships with global like institutions
- Market simulations for analysis of market architecture on prices moving forward.

- Program management and coordination for donor funded projects.

MOD Working Strength:

MOD Department	
Functional Head	01
Manager	06
Deputy Manager	06
Assistant Manager	09

Legal and Corporate Affairs Department:

The work of Legal Department spans the breadth of the Company and is hallmarked by the unique ability to work collaboratively and to respond quickly to major issues and changing priorities. Bearing in mind the motive of sustainable growth and development of CPPA's objectives, Legal Department has remained actively and prudently involved in the affairs of the Company. Our core function encapsulates ensuring compliance through advisory within the ambit of sustainable solutions for the energy sector while maintaining effective contract management with adequacy of safeguards ranging multitude of dimensions from negotiations to litigation/dispute resolution.

Legal and Corporate Affairs Working Strength:

Legal Department	
Functional Head	01
Manager	03
Assistant Manager	03
Junior Assistant	01

Policy & Planning (P&P) and CEO Office:

This department of CPPA-G provides executive support in a one-on-one working relationship with CEO. The main functions of this department are:

- Acting as the primary point of contact for internal and external constituencies on all matters related to the functions/ responsibilities of CEO especially pertaining to Policies, Governance & Corporate Planning
- Supporting CEO in development/changes of power/ energy policies for sustainable power market operations and to reduce liabilities and guarantees of Government of Pakistan.
- Facilitation in internal development and streamlines operations to align with the prevailing policies.
- Collaboration for the strategic initiatives being taken in the sector for long term sustainability.

P&P and CEO Working Strength:

P&P and CEO Office	
CEO/Functional Head	01
Manager	01
Assistant Manager	05
Technical Assistant	06
Assistant	02

Office of Company Secretary:

The Office of the Company Secretary maintains compliance of SECP Act, 2017 and Public Sector Companies (Corporate Governance) Rules 2013. The other functions of this office are:

- Engagement of external audit and preparation of Directors Report; organizing important hi-level meetings for CPPA-G including Annual General Meetings/Extra Ordinary General Meetings (EoGMs) Board meetings, Board Committee meetings, and Commercial Code Review Panel (CCRP) meetings.
- Maintaining documentation of above-mentioned meetings; provide Secretarial support to the General body, Board of Directors, Board Committees and CCRP and follow-up implementation on the General body, Board of Directors, Board Committees and CCRP decisions.
- Maintaining the Record, maintenance of Books of Accounts, preparation of financial statements and filing of tax returns of CPPA Employees Gratuity Fund & CPPA Employees Provident Fund.

Office of Company Secretary Working Strength:

Office of Company Secretary	
Company Secretary/Functional Head	01
Assistant Manager	02
Junior Assistant	01

Information Technology (IT) Department:

IT Department is focused on optimizing Information Technology (IT) investments and more rapidly deployment of IT capabilities, drawing on our highly skilled and innovative workforce positioned to meet emerging and expanding requirements. IT Department of CPPA-G is the custodian of all the ERP modules and CPPA-G's IT infrastructure.

IT Department Working Strength:

IT Department	
Functional Head	01
Manager	02

Deputy Manager	03
Assistant Manager	20
IT Officer	01
Assistant System Engineer	01
Network Technician	01
MTO	06
Assistant Private Secretary	01
Technical Assistant IT	05

Sanctioned Positions of CPPA-G / MOD and Total Working Strength:

According to the Vacancy Statement of CPPA-G & MOD, it has a sanctioned strength of working employees. It also includes the daily wagers to support the important assignments and necessary tasks. The complete snapshot of CPPA-G / MOD sanctioned, working, vacant, other employees and total strength is summarized in the table below:

Total Working Strength of CPPA-G		
Sanctioned Positions	Working (including MTO & Daily Wagers etc)	Vacant
256	**198**	**58**

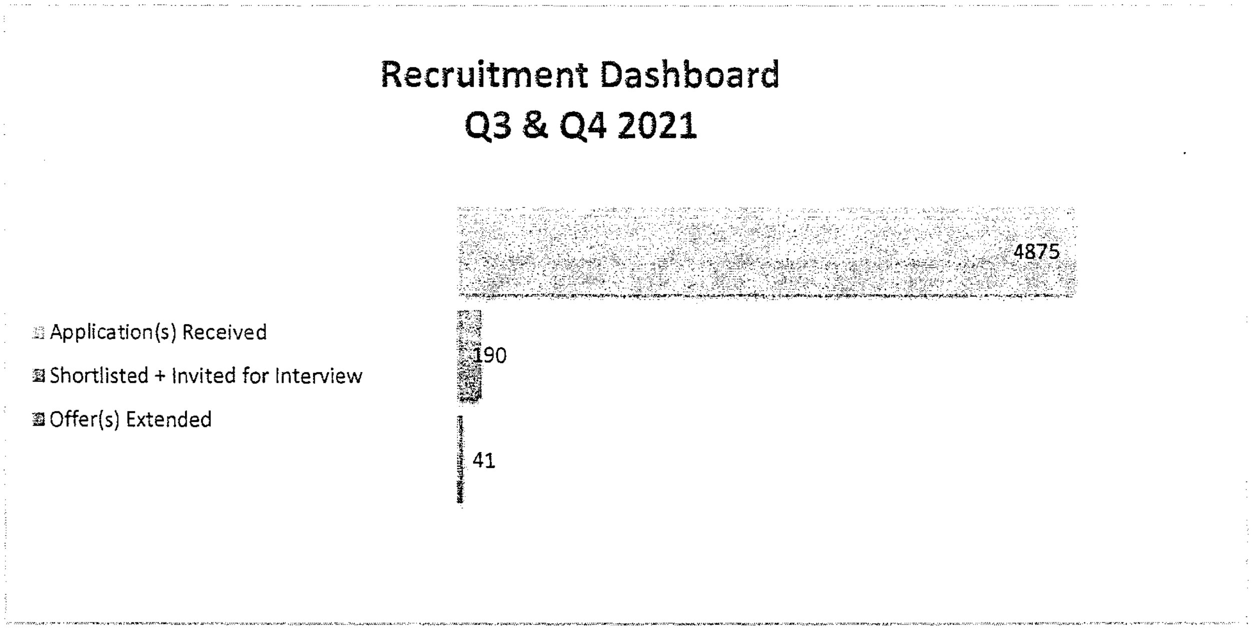
Total Working Strength of MOD		
Sanctioned Positions	Working (including consultants)	Vacant
99	**32**	**67**

HR&A Function-Wise Progress:

Recruitment:

CPPA-G, as per its sanctioned strength, fulfilled its manpower needs to keep up with the high demands of the Power Sector. The recruitment domain made sure that the finest resources take up the key positions within CPPA-G to sustain and surpass high-level objective of the transition from current single-buyer model to competitive market.

The snapshot for the recruitment numbers for **third & fourth quarter Q3 & Q4** are as under:



Orientation of New Hires:

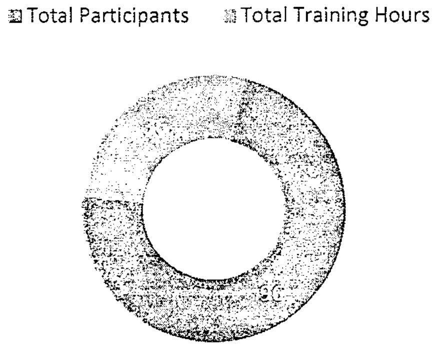
The orientation of all the new hires was organized by the HR&A Dept. in the Training Hall of CPPA-G. The CEO CPPA-G was the chief guest for the occasion. The proceedings were started with the welcome note followed by the speeches from each Functional Head of CPPA-G. The new hires were given the information regarding the CPPA-G's operations, achievements, and the future plans. Finally, the session was culminated in an interactive exercise where the new hires got to know each other.

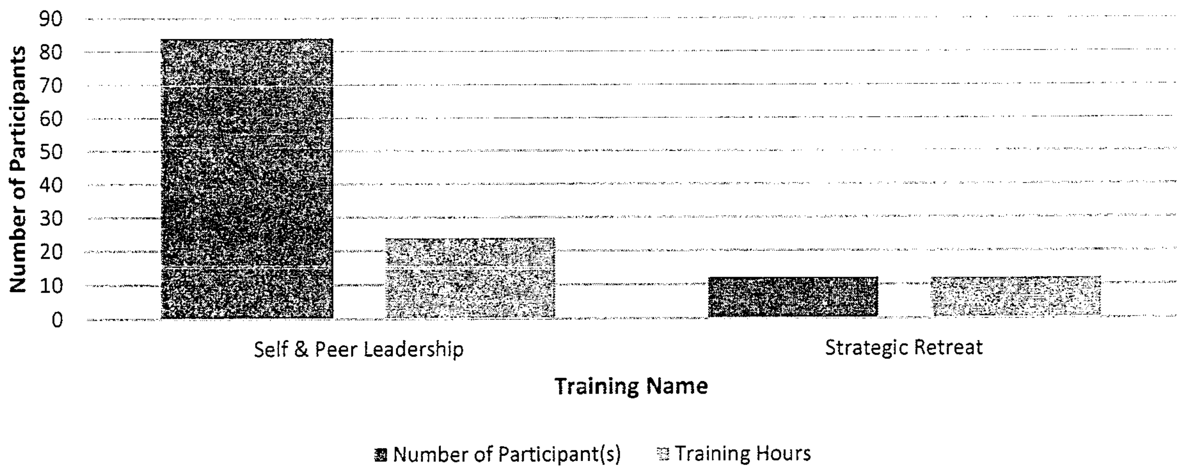
Trainings:

The training programmes for the third & fourth quarter were arranged in collaboration with Schuitema, Human Excellence Group (one of the leading training service providers in Pakistan who are credited with their own patent work). The second leg of **"Self & Peer Leadership"** was organized in-house specifically targeting the Mid-Career Management Professionals of CPPA-G to equip them with leadership traits. Furthermore, an off-site strategic retreat on **"Leadership Challenges & it's Resolution for the Public Sector Organizations"** was arranged for the senior management of CPPA-G. It was focussed on a unique intervention regarding leadership role during turbulent times, dealing with red-tape and striving for strategic excellence while consolidating leadership traits to deliver the organizational objectives. It was a huge success as everything was executed perfectly ranging from logistic to technical support of the Admin Section of the HR&A Dept. The Training Dashboard for **third & fourth quarter** are as under:

TRAINING INDEX

Q3 & Q4 2021





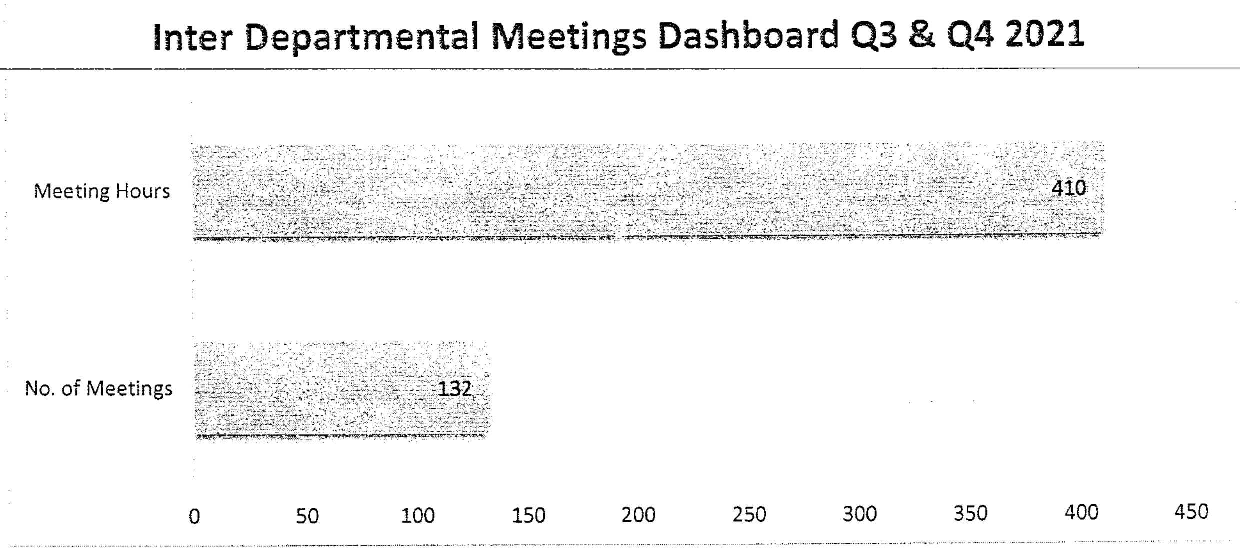
Admin Work Progress:

The Admin Section played a pivotal role in establishment and smooth operations of Receive & Issuance (R&I) Section alongside sorting the official record. Furthermore, the renovation and expansion of the Ladies Common Room was carried out.

The meeting of USAID and World Bank representatives with Market Operations & Development (MOD) Department, previously known as Strategy & Market Development (SMD) was organized. Furthermore, Admin Section also facilitated the meeting between Secretary Power Division with the World Bank at CPPA-G premises.

Admin Support:

A brief snapshot of Admin Services with regards to meetings is provided below:



Miscellaneous Operations:

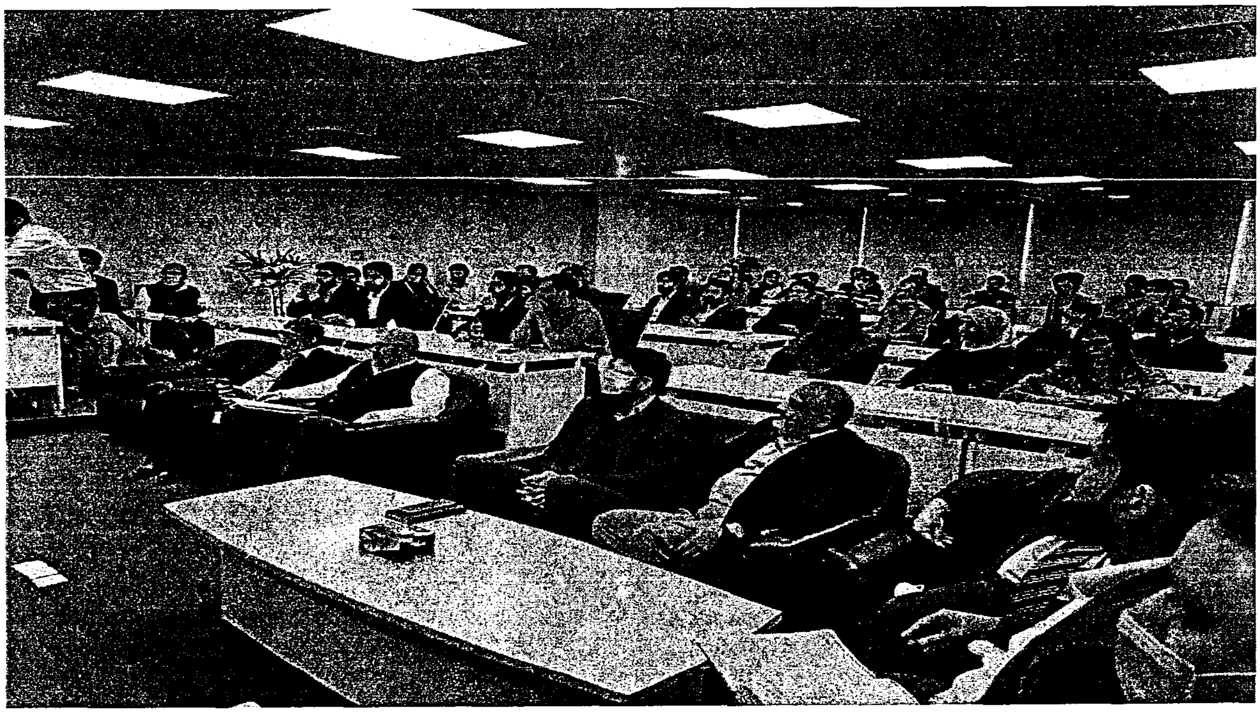
- Initiative taken to automate leave management process in ERP to achieve paper less environment.
- Provident Fund of the employees who opted for regular service in CPPA-G were regulated in the ERP.
- Initiative was undertaken for retrieving tax related documents in ERP.
- Initiative was undertaken for the Day Care facility for female employees of CPPA-G.
- Hire / Resign report has been updated with basic salary on last day and details of all the designations held by the incumbent.

Highlights of the Workshops/Sessions at CPPA-G:

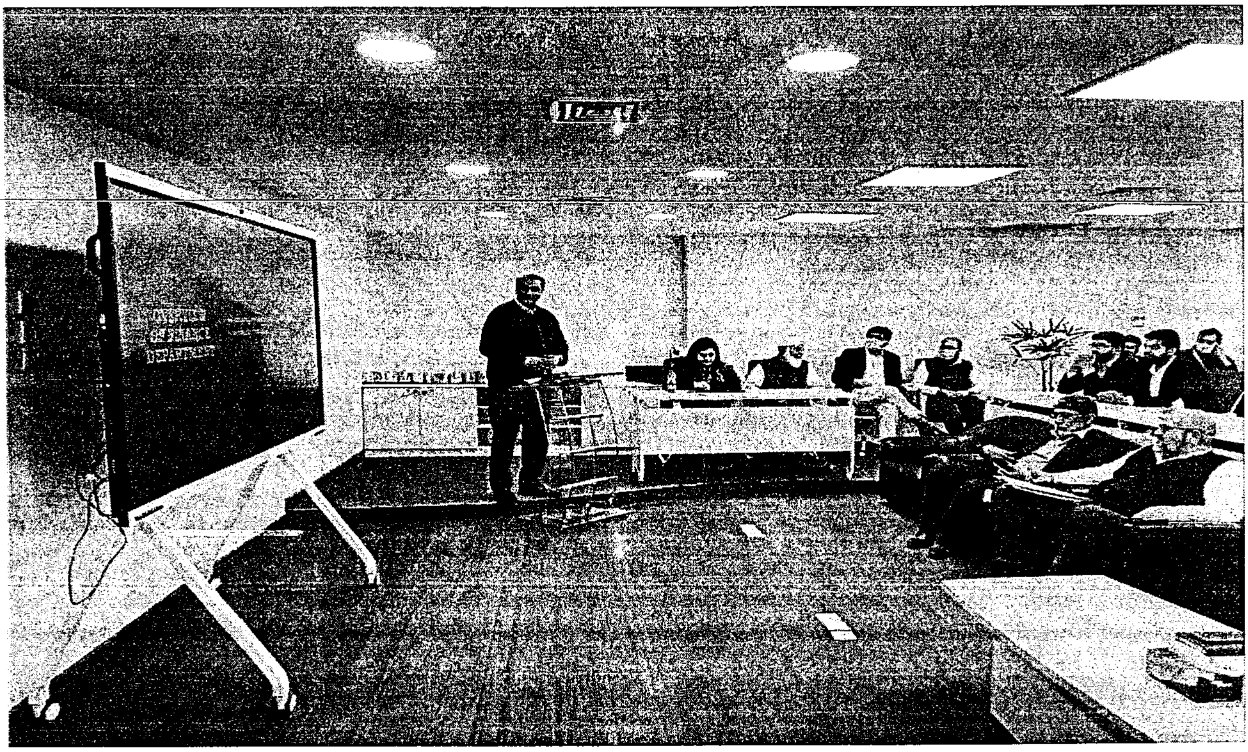
CPPA

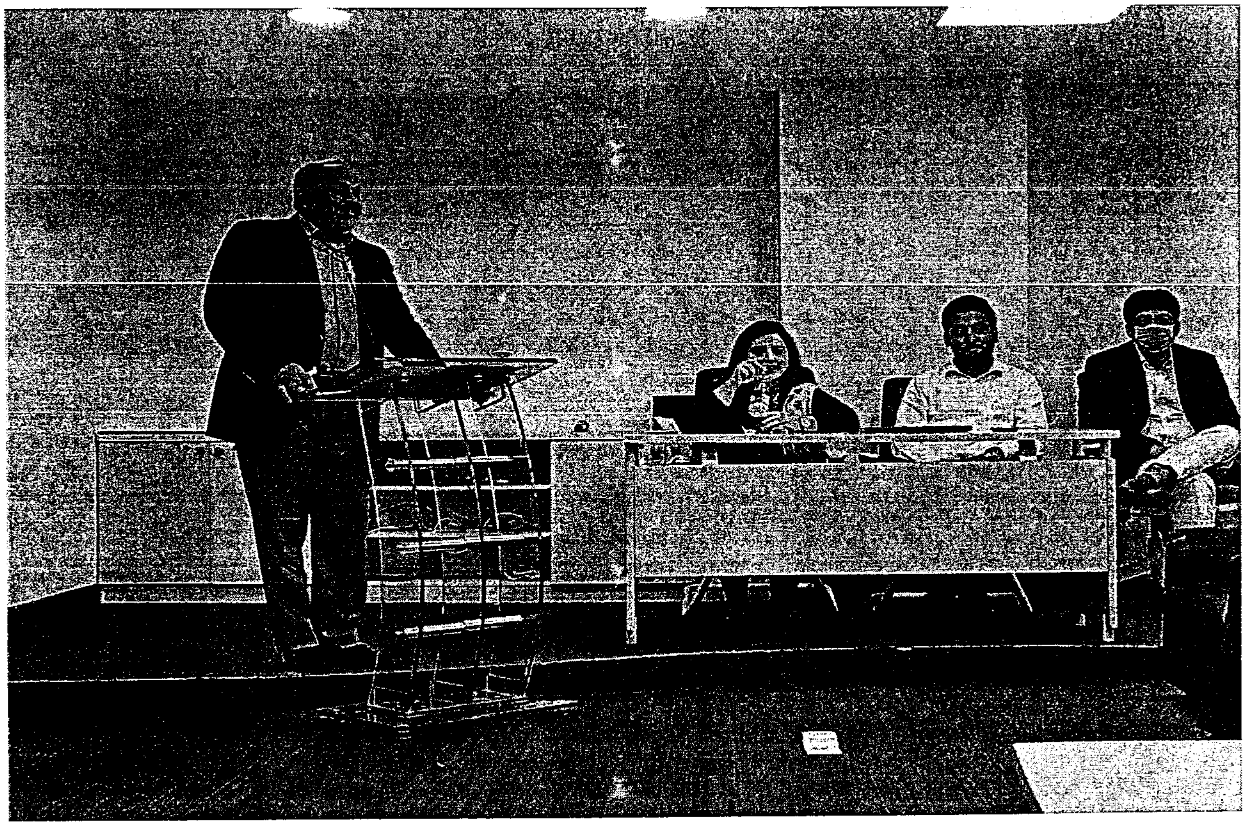
Central Power Purchasing Agency (CPPA-G)
Leadership Challenges & it's Resolution in Public Sector Organizations
16th - 17th DEC 2021 PC BHURBAN

Workshop at PC Bhurban



Orientation of new hires 2021


Orientation of new hires 2021


Orientation of new hires 2021

Annex-C

Mr. Waseem Mukhtar

Mr. Waseem Mukhtar has been working as Additional Secretary-II, Power Division since February 2018 and he is the Chairman of CPPA-G Board. He also severed different Government departments i.e. MD Utility Stores Corporation, MD National Fertilizer Marketing Ltd., Secretary Housing, Urban Development & Public Health Engineering Dept., Secretary Transport Dept. Govt. of Punjab, Member Colonies, Board of Revenue, Govt of Punjab, Special Secretary, Health Department, Govt. of Punjab, Special Secretary / Secretary, Communication & Works Dept. Govt. of Punjab.

Mr. Muhammad Anwer Sheikh

Mr. Muhammad Anwer Sheikh is Government Officer and currently has been working as Additional Secretary in Ministry of Finance, Mr. Sheikh did master's in Commerce/Finance (with distinction) and LLB. He also poses the Leadership Program training on campus Executive Education in Public Financial Management from JFK School of Government, Harvard, National Management Course from National School of Public Policy, Pakistan.

Over 26 years' experience in public administration, corporate sector management, local and international financing, investment dispute settlement, taxation laws, international aid architecture etc. Served in Revenue Division, PM Secretariat, Economic Affairs Division and currently in Finance Division and also serving different Boards of DISCOs and other Public Sector Entities.

Engr. Dr. Muhammad Amjad Khan

Dr. Muhammad Amjad Khan is an engineer by profession and has a vast experience of working in Power Sector of Pakistan. Dr. Amjad holds Masters Degree in Engineering and then PhD in management with the experience of Planning, Distribution of Power, currently he has been working as Chief Executive Officer of Islamabad Electric Supply Company (IESCO) and is a Board member of CPPA-G in his ex. Officio capacity.

Mr. Muhammad Imran Mian

Mr. Muhammad Imran Mian is a qualified professional Accountant and his experience covers over two decades. Currently he is serving as Chief Executive Officer of GENCO Holding Company and is a Board member of CPPA-G in his ex. Officio capacity.

Mr. Mahfooz Ahmad Bhatti

Mr. Mahfooz Ahmad Bhatti is a Public Sector Financial Management Specialist with more than 17 years of experience of working with the Pakistan Public Sector. Public sector Audit, Public Sector Accounts, Project Management, Policy Development and Analysis and Project Oversight, Monitoring and Evaluation are key expertise. Currently working as Joint Secretary (Power Finance) at Ministry of Energy (Power Division) and is a Board member of CPPA-G in his ex. Officio capacity.

MD NTDC

The Position is vacant since 16-05-2022.

Mr. Rihan Akhtar

Mr. Rihan Akhtar is a Fellow Member of ICMAP, and currently having portfolio of Chief Financial Office of CPPA-G and Federal Government also assigned him additional charge of Chief Executive Officer CPPA-G.

LIST OF BOARD OF DIRECTORS AS ON 27-05-2022

Name of Company: ***Central Power Purchasing Agency (Guarantee) Limited (CPPA-G***

Registered Address: ***73-West, Shaheen Plaza, Fazal-e-Haq Road, Blue Area Islamabad***

S. No	Full Name of Director	Date of Birth D/M/Y	Nationality	Representation
1	Mr. Waseem Mukhtar	22-04-1968	Pakistan	Ministry of Energy / Addl. Secretary – II Ministry of Energy (Power Division)
2	Mr. M. Anwer Sheikh	20-01-1963	Pakistan	Ministry of Finance / Addl. Secretary
3	Mr. Amjad Khan	02-07-1961	Pakistan	DISCOs CEO IESCO
4	Mr. Muhammad Imran Mian	17-08-1972	Pakistan	GENCOs CEO GHCL
5	Mr. Mahfooz Ahmad Bhatti	29-07-1970	Pakistan	Ministry of Energy/ Joint Secretary
6	Vacant		Pakistan	NTDC / MD NTDC
7	Mr. Rihan Akhtar	22-04-1968	Pakistan	CFO CPPA-G / CEO Addl. Charge
8	Independent Director			Vacant
9	Independent Director			Vacant
10	Independent Director			Vacant

Annex - D

Payable By Market Participants Representing Demand To The Market Participants Representing Offer

As at April 30, 2022

Sr.No	Discos Name	Amount (PKR)
1	FAISALABAD ELECTRIC SUPPLY COMPANY	103,293,487,615
2	GUJRANWALA ELECTRIC POWER COMPANY	35,270,569,173
3	HYDERABAD ELECTRIC SUPPLY COMPANY	359,901,288,536
4	ISLAMABAD ELECTRIC SUPPLY COMPANY	138,723,597,541
5	KARACHI ELECTRIC SUPPLY COMPANY	409,009,318,250
6	LAHORE ELECTRIC SUPPLY COMPANY	281,269,263,359
7	MULTAN ELECTRIC POWER COMPANY	174,674,305,081
8	PESHAWAR ELECTRIC SUPPLY COMPANY	505,155,945,322
9	QUETTA ELECTRIC SUPPLY COMPANY	510,545,776,222
10	SUKKUR ELECTRIC POWER COMPANY	325,332,187,833
11	TRIBAL AREAS ELECTRIC SUPPLY COMPANY	51,852,477,499
	Grand Total:	**2,895,028,216,431**
	Tariff Differential Subsidy - unallocated	- 196,005,054,000
	TOTAL :-	**2,699,023,162,431**

Annex - D.

:ECEIVABLE BY MARKET PARTICIPANTS REPRESENTING OFFER INCLUDING NTDCL, PHL ETC.
.S AT APRIL 30, 2022

		(Rs.in million)
Sr. #	Entity Name	Balance on 30.04.2022
1	GENCOs (OIL/GAS/RLNG/O&M)	
	G-I Jamshoro	567
	G-II Guddu	65.634
	G-III Muzaffargarh	17.426
	G-IV Lakhra	-
	Total: (GENCOs)	83,627
2	(IPPs)	
	HUBCO (RFO)	46.336
	KAPCO (GAS & RFO/RLNG)	39.134
	AES (Pakgen) (RFO)	6.123
	AES (Lalpir) (RFO)	1.933
	KEL (RFO)	1.366
	SABA (RFO)	555
	LIBERTY (GAS)	11.042
	UCH (GAS)	75.302
	ROUSCH (GAS/RLNG)	8.885
	FAUJI (GAS/RLNG)	4.925
	HABIBULLAH (GAS)	5.950
	ALTERN (GAS/RLNG)	208
	DAVIS ENERGEN (GAS/RLNG)	61
	AGL POWER (RFO)	8.336
	THE HUBCO NAROWAL (RFO)	14.323
	ATLAS POWER (RFO)	14.599
	NISHAT POWER (RFO)	11.599
	NISHAT CHUNIAN (RFO)	12.484
	LIBERTY TECH. (RFO)	12.544
	ORIENT POWER (GAS/RLNG/HSD)	8.740
	SAIF POWER (GAS/RLNG/HSD)	7.685
	SAPPHIRE ELECTRIC (GAS/RLNG/HSD)	7.111
	HALMORE POWER (GAS/RLNG/HSD)	8.966
	ENGRO POWER (GAS)	9.492
	FOUNDATION POWER (GAS)	13.782
	UCH -II (GAS)	62.154
	PEDO/SHYDO POWER (HYDEL)	1.021
	LARAIB ENERGY (HYDEL)	4.794
	FFC ENERGY (WIND)	1.392
	ZORLU ENERJI (WIND)	1.649
	JDW SUGAR MILLS-Unit-II (BAGASSE)	731
	JDW SUGAR MILLS-Unit-III (BAGASSE)	625
	THREE GORGES FIRST (WIND)	4.541
	FOUNDATION ENERGY-I (WIND)	4,293
	FOUNDATION ENERGY-II (WIND)	4,329
	RYK MILLS (BAGASSE)	595
	QUAID-E-AZAM (SOLAR)	3,324
	SAPPHIRE POWER (WIND)	1,749
	CHINIOT POWER (BAGASSE)	1,468
	APOLLO (SOLAR)	2,520
	BEST GREEN ENERGY (SOLAR)	1,849
	CREST ENERGY (SOLAR)	2,993
	YUNUS ENERGY (WIND)	3,693
	METRO POWER (WIND)	2,731
	TENAGA EGERGY (WIND)	3,051
	MASTER ENERGY (WIND)	1,920
	ACT (WIND)	1,006
	GUL AHMED (WIND)	3,453
	HAMZA SUGAR MILLS (BAGASSE)	282
	HYDRO CHINA (WIND)	3,143
	SACHAL ENERGY (WIND)	2,662
	QUAID-E-AZAM THERMAL POWER (RLNG)	45,320
	UEP POWER (WIND)	4,555
	HUANENY SHANDONG RUYI (COAL)	75,242
	NPPMCL HAVELI BAHADUR SHAH (RLNG)	88,385
	RESHMA POWER GENERATION (RFO)	-
	NPPMCL BALLOKI POWER (RLNG)	67,818
	HARAPPA (SOLAR)	132
	STAR HYDRO POWER (HYDEL)	3,476
	THAL INDUSTRIES CORPORATION (BAGASSE)	310
	AJ POWER (SOLAR)	38
	PORT QASIM ELECTRIC POWER (COAL)	71,897
	ARTISTIC ENERGY (WIND)	1,567
	HAWA ENERGY (WIND)	1,951
	JHIMPIR POWER (WIND)	1,851
	THREE GORGES SECOND (WIND)	2,329
	THREE GORGES THIRD (WIND)	2,442
	TRICON BOSTON CONSULTING (WIND) (A)	2,053
	TRICON BOSTON CONSULTING (WIND) (B)	1,864
	TRICON BOSTON CONSULTING (WIND) (C)	1,962
	ALMOIZ INDUSTRIES LIMITED (BAGASSE)	17
	CHANAR ENERGY LIMITED (BAGASSE)	110
	ZEPHYR POWER (WIND)	2,083
	ENGRO POWERGEN THAR (COAL)	33,391
	CHINA POWER HUB GENERATION (COAL)	51,655
	AZAD JAMMU & KASHMIR (JAGRAN)(HYDEL)	-
	PEHUR HPS-PEDO (HYDEL)	-
	NEELUM JHELUM HYDROPOWER COMPANY	74,855
	MIRA POWER (HYDROPOWER)	3,905
	MASTER GREEN ENERGY LIMITED (WIND)	14
	LUCKY RENEWABLES (PRIVATE) (WIND)	27
	ARTISTIC WIND POWER (PVT) LTD.	8
	CHASHMA (Nuclear) Plant-1	15,648
	CHASHMA (Nuclear) Plant-2	30,384
	CHASHMA (Nuclear) Plant-3	46.512
	CHASHMA (Nuclear) Plant-4	43.554
	Karachi Nuclear Power Plants-K2	28.626
	NTDC	31,497
	NTDC (PMLTC)	9,209
	TAVANIR IRAN	7,437
	WAPDA Hydel	233,766
	Allied Offices	-
	PHPL (Debt. Service)(Markup)	-
Total:		1,523,463
Payable to Fuel Suppliers by GENCOs		88,088
Total: (Circular Debt.)		1,611,552
Loan - Power Holding Limited		838,063
G/Total: (Circular Debt.)		2,449,615

Terms and Conditions of MO Authorization –

CPPA-G Compliance

V. General Obligations 5.1 During the term of this registration, the CPPA-G shall:	
(i) Perform the market operator functions reliably, transparently, objectively and independently and in a non-discriminatory and unbiased manner;	MO authorization warrants CPPA to carry out market operator functions reliably, transparently, objectively and in a non-discriminatory manner. In this regard, it is pertinent to highlight that under the current regime of single-buyer market, CPPA is efficiently performing its functions both as an agency as well as the operator of the single-buyer market as mandated by the regulator in the MO authorization.
(ii) Carry out all works related to the market operator functions, including but not limited to:	
(a) Preparation of a model for competitive market operations that encompasses both sale of power at wholesale and sale of power at retail and submit the same for the approval of the Authority;	Followed by the approval of the Hi-Level Conceptual Design of CTBCM by NEPRA in December 2019, CPPA prepared the Detailed Design and Implementation Roadmap of CTBCM as per the given mandate. The Detailed Design also includes the aspect of Market Evolution which entails the gradual transition to retail market. The Detailed Design and Plan of CTBCM was approved by NEPRA in November 2020 and the implementation of the same is in progress.
(b) Developing, administering and enforcing the Commercial Code;	The CTBCM regime will have two Commercial Codes. One for the Market Operator and other for the Special Purpose Trader. The new Market Commercial Code has been submitted to NEPRA after the approval of CPPA-G Board in October 2021 along with MO Licensing Application as part of CTBCM approved plan and the regulatory review and regulatory approval process on the same is in progress by NEPRA. The SPT Code will be submitted for regulatory approval after the completion of internal review process and obtaining of the approval from CPPA-G Board.

	(c) In the case of bilateral contracts between multiple buyers and sellers, settlement of imbalances;	The approved CTBCM model is essentially a bilateral market with balancing mechanisms, therefore all the principles based on which the market operations including settlement of imbalances will be carried out are fully consistent with this obligation.
	(d) Development of commercial standard operating procedures;	Comprehensive process manuals entailing the standard operating procedures of the business functions of the Market Operator has been developed. The processes and procedures depicted in the process manuals has also been automated under the Market Management System for seamless execution of the MO functions in a digitized manner.
	(e) Procurement of power on behalf of DISCOs during the Single Buyer Phase and Single Buyer Plus Phase; and	CPPA-G in the single-buyer model has been procuring the power on behalf of the DISCOs under its agency function. Given the fact that after the commencement of the CTBCM, the DISCOs will directly enter into bilateral contracts with the generators for procurement of power, therefore the agency function of CPPA-G will transform into the Special Purpose Trader wherein the legacy contracts will be administered by CPPA-G. Though, special attention has been given to the implementation process to ensure that not only there will not be interference with the pre-CTBCM business, and the transition take place smoothly.
	(f) Cash flow management, treasury management and other relevant functions for the purposes of collection and disbursement as per the Commercial Code;	CPPA-G Finance Department may confirm compliance against this point.
(iii)	Not discriminate between market participants, whether prospective or incumbent and whether sponsored privately or by the Federation or Provincial Governments of Pakistan;	Governance, SOPs, systems, reporting, etc are aimed to guarantee that the new power market in Pakistan is fully compliant with this obligation.
(iv)	Employ a sufficient number of qualified personnel to ensure that its activities are conducted effectively, efficiently, reliably and prudently;	For the last 5 years, CPPA G has been actively working in developing its human capital, consistently with the objectives for the pre-CTBCM and post-CTBCM regimes. HR development is one of the important aspect of the overall restructuring activity. Capacity building is another pillar for the new market development. This is the reason, the CPPA-G for the last few years is not investing heavily on its own organizational capacity building but also focusing on the

		training, strengthening and capacity building of the implementing power sector entities.
(v)	Ensure that it possesses the technical and financial capability, material and human resources, and organizational structure, to perform its activities effectively, efficiently, reliably and prudently;	Same comments as the previous one.
(vi)	Pay applicable fees;	CPPA-G has and will pay the applicable fee as and when required.
(vii)	Not engage in any activity that may disrupt or interfere with the promotion of competition in the market;	The governance structure proposed for the CPPA G successor entities once the CTBCM starts, guarantee the full compliance of this obligation.
(viii)	While performing its activities relating to competitive market operations, not engage in any activity that can impair its functioning as an independent and impartial market operator;	The market operator function will be a fully regulated one and will be governed through codes and regulations issued by NEPRA. Besides the governance structure of MO guarantees that due to confrontation of conflictive interests a natural balance should lead all the process related to transparency, independency, impartiality, etc.
(ix)	Furnish to the Authority such information, documentation or data, and in such manner and time, as the Authority may require from time to time;	Is and will be complied with as and when require.
(x)	Submit progress reports to the Authority on the status of activities being undertaken and, where required by the Authority and applicable law, publish the required reports in the appropriate manner;	As mandated by the Authority in its CTBCM approval determination, CPPA-G has been submitting the Progress Reports on CTBCM on quarterly basis.
(xi)	Comply at all times with the directions and determinations made by the Authority;	Is and will be complied with as and when require.
(xii)	Comply with the Act, rules and regulations made in pursuance of the Act, applicable documents, the Commercial Code and the terms and conditions of this registration; and	Is and will be complied with as and when require.
(xiii)	Submit compliance reports in accordance with Article 12.2;	This document is a form of Compliance Report in line with Article 12.2.

VI. Technical Obligations 6.1 During the term of this registration, the CPPA-G shall:		
(i)	Facilitate the National Grid Company/System Operator in performance of its functions in accordance with law;	For the last few years, there has been an intense cooperation ambience between NTDC/NPCC and the CPPA G. This is indispensable for a sound performance of the market. This cooperation has taken place in several disciplines, including of personnel secondment, capacity building, provision of tools, systems deployment, software development, technical assistance, provision of international consultants etc.
(ii)	Ensure that it organizes and develops the model for competitive market operations in consultation with the relevant stakeholders;	The CTBCM Detailed Design and Plan prepared by CPPA-G in light of Authority's direction was prepared after extensive consultation with the relevant stakeholders. Details of the stakeholder consultation sessions along with the discussion/notes of the same were annexed with the Detailed Design and Implementation Roadmap reports submitted to the Authority for approval.
(iii)	Establish an efficient system of collecting, organizing and processing data sent by the National Grid Company/System Operator;	The CPPA G has implemented a web-based IT system titled SO Data Exchange Portal (SDXP). One of its modules entails precisely the automated exchange and processing of information with the NPCC, through web based data portal. The system is live and well-functioning.
(i)	Implement the Market Rules; and	The CTBCM model and implementation plan approved by the Authority are fully compliant with the Market Rules.
(ii)	Keep records of contracts and contractual obligations with the Market Rules, the Commercial Code, the terms and conditions of this registration and the directions of the Authority issued from time to time;	This is part of the SOP that will be part of the functioning of the MO, in a transparent manner and clear accountability. The MO also will perform the role of Contract Registrar, what will be an essential part of the CTBCM to ensure the formalities necessary for running the commercial aspects of the market.
VII. Commercial Obligations 7.1 During the term of this registration, the CPPA-G shall:		

(i)	Establish processes ensuring adherence of market participants to the Market Rules and to the Commercial Code;	The participation in the CTBCM for both, market participants and service providers, will require registrations with the Market Operator. The Service Providers will sign a Service Provider Participation Agreement (SPA) and the Market Participants will sign a Market Participation Agreement (MPA) with the MO. The SOPs for the same have been developed during the market implementation phase. This is being followed by automation of the same under the MMS for carrying our market operations in adherence to the governance and regulatory structure.
(ii)	Manage the processes of financial settlement of energy sale transactions in accordance with the Commercial Code;	The new Market Commercial Code has been adjusted to respond to the new trading mechanisms under implementation, for both bilateral contracts and balancing mechanisms (not only for sale but also for buying energy).
(iii)	Keep or cause to be kept separate accounts for the distinct market operator functions;	This will be done after the separation of MO and SPT functions.
(iv)	Provide data to the Authority, as and when directed, relating to the generated and/or sold quantities of electricity as well as the amounts paid under power purchase contracts;	Will be complied with as and when directed by the Authority.
(v)	Provide information to the Authority, as and when directed, relating to executed power purchase contracts; and	Will be complied with as and when directed by the Authority.
(vi)	Submit to the Authority, as and when directed, correct and reliable information regarding prices, number of market participants, percentages of market share, forecasted prices and statistics;	A comprehensive report on Integrated Electricity Market Simulation Model (IEMSM) has been submitted to the Authority in Feb 2020 along with the submission of CTBCM Detailed Design and Roadmap. This report presents a detailed overview of the market projections and statistics including pricing.
VIII. Procurement of Power on Behalf of Distribution Companies		
8.1	Within a time period not exceeding one (01) month from the Date of Registration, the CPPA-G shall submit a comprehensive plan to the Authority for novation of power purchase contracts executed between the NTDC and an IPP or assigned/novated under the	Comprehensive novation plan was formulated, strategized and updated with novation's undertaken thereunder with power projects.

transmission license of NTDC dated 2002;	
8.2 Before the commencement of competitive market operations as prescribed in the Market Rules, the CPPA-G shall execute power purchase contracts in an objective, non-discriminatory and unbiased manner and at the price and rates, and on the terms and conditions, determined by the Authority;	Execution of PPAs/EPAs by CPPA-G in its Agency function is in accordance with the policy, legal and regulatory framework.
8.3 The CPPA-G shall undertake procurement of power on behalf of DISCOs in accordance with this registration, the Act, the rules and regulations made there under, and the determinations, directions and orders of the Authority;	Procurement of power done by CPPA-G in its Agency function is in accordance with the policy, legal and regulatory framework.
8.4 The terms and conditions of any power purchase contract to be executed by the CPPA-G shall be in conformity with the Commercial Code;	Execution of PPAs/EPAs by CPPA-G in its Agency function is in accordance with the policy, legal and regulatory framework.
8.5 The foregoing terms and conditions shall be applicable to all power purchase contracts to be executed after the Date of Registration;	Noted.
IX. Procurement of Power by Distribution Companies 9.1 Within a time period not exceeding three (03) months from the Date of Registration, the CPPA-G shall submit a comprehensive plan to the Authority, for its approval, for the implementation of the Single Buyer Plus Phase, along with to the Commercial Code to cater for the Single Buyer Plus Phase including but not limited to provisions relating to the following:	The plan on the implementation of Single Buyer Plus Phase has been submitted to NEPRA along with the Commercial Code in May 2019 in compliance to this direction.

(i)	Settlement of imbalances in the case of bilateral contracts;	
(ii)	Development of commercial standard operating procedures;	
(iii)	Establishment of escrow accounts by DISCOs; and	
(iv)	Reporting standards and requirements;	
x. Development of Competitive Energy Market Frameworks		
10.1	Before the commencement of competitive market operation as prescribed in the Market Rules, the CPPA-G shall remove any conflicts of interest that may impact its functioning as an independent and impartial Market Operator, including but not limited to segregation, bifurcation or removal of its power procurement and agency functions from other market operator functions;	In light of this direction from the Authority, the approved CTBCM Design envisages bifurcation of CPPA in to sperate and independent MO and agency functions to remove the conflict of interest. The approved CTBCM Plan also enlist a dedicated action for the CPPA-G under which the company is undergoing an organizational restructuring which will conclude with the functional and legal separation of the MO and SPT before the commencement of CTBCM.
10.2	Before the commencement of competitive market operation as prescribed in the Market Rules, the CPPA-G shall cease participation in any activity or function that may, directly or indirectly, compromise its objectivity, effectiveness, independence or impartiality as the Market Operator;	The restructuring measures, the governance scheme and the regulated activities will ensure that this obligation is met. These are also fully embedded in the design of the CTBCM.
10.3	Within a time period not exceeding three (03) months from the Date of Registration, the CPPA-G shall submit a comprehensive plan to the Authority, for its approval, for the implementation of competitive market operations which shall include the following:	The CTBCM Hi-Level Design submitted to NEPRA in March 2018 followed by the Detailed Design submission in Feb 2020 comprised all the requirements listed under point i – ii with exception of the plan for retail market. Therefore, in compliance to this direction of the Authority to submit a plan regarding sale of power at retail level, CPPA-G submitted to NEPRA the concept paper on the retail market in April 2019.
(i)	A proposal for rationalization of power purchase contract tenures and a cut-off date after which the CPPA-G shall cease	

	execution of long-term power purchase contracts, other than those executed for maintenance of required load/demand; and	
(ii)	Preparation of the model for competitive market operations by the CPPA-G to encompass the following: (a) Sale of power at wholesale and sale of power at retail, including but not limited to the development of a trading platform;	
	(b) Product development and evolution of market, including but not limited to development of frameworks for execution and trading of day-ahead spot contracts, base load contracts, peak load contracts, intraday spot contracts, physical forward contracts, futures and options;	
	(c) Restructuring of the CPPA-G to ensure objective, effective, independent and impartial execution of its market operator functions; and	
	(d) Conformity with the scheme, framework, terminology, nomenclature and principles prescribed by the Act, as amended from time to time;	
10.4	Within a time period not exceeding three (03) months from the approval of the plan to be submitted under Article-10.3, the CPPA-G shall submit to the Authority for its approval adequate amendments to the Commercial Code for administering competitive market operations and shall include provisions catering for the features of the competitive market operations model outlined in Article-10.3(ii) above;	The new Market Commercial Code administrating the competitive wholesale market has been submitted to NEPRA after the approval of CPPA-G Board in October 2021 along with MO Licensing Application as part of CTBCM approved plan and the regulatory review and approval process on the same is in progress by NEPRA.

10.5 The CPPA-G shall ensure that the Commercial Code, or any amendment thereto, does not conflict or is inconsistent with the provisions of the Act, the rules and regulations made there under, or the Market Rules (as may be amended from time to time);	The new Market Commercial Codes ensures conformity to this obligation.
10.6 The CPPA-G shall ensure that it maintains adequate facilities and sufficient financial capacity, and complies with the capital adequacy requirements, as may be directed by the Authority from time to time to ensure efficient performance of the market operator functions and provision of services under the competitive market operations model as approved, and amended, by the Authority from time to time;	During the CTBCM implementation phase, CPPA-G is working on its readiness to act in the capacity of independent Market Operator of the competitive wholesale market of future. During this period, CPPA-G is investing heavily on its adequacy requirement in terms of human resources, technical and IT infrastructure so as to enable it offer seamless services as an MO to the market participants.
10.7 Within a time period not exceeding three (03) months from the Date of Registration, the CPPA-G shall comply with applicable corporate governance laws;	CPPA-G is fully compliant with the corporate governance laws.
XI. Codes and Standards 11.1 In performing the market operator functions, the CPPA-G shall comply with all applicable codes, guidelines, directions and standards issued by the Authority from time to time;	Is and will be complied with as and when require.
XII. Compliance 12.1 This registration is granted subject to compliance and fulfillment of the terms and conditions contained herein;	Noted.
12.2 The CPPA-G shall provide to the Authority, for its review, yearly	Noted.

reports relating to compliance with the terms and conditions of this registration;	
XIII. Fines and Penalties 13.1 Without prejudice and in addition to the powers of the Authority under the Act, and rules and regulations made there under, where the Authority determines that the CPPA-G is in violation of any applicable law or the terms and conditions of this registration, the Authority may: (i) Investigate the violation as per Section-27A of the Act; (ii) Order the CPPA-G to: (a) Cease a specific activity; or (b) Direct its external auditor to report directly to the Authority; (iii) Appoint and engage an external auditor to review the operations and compliance of CPPA-G with applicable law and this registration; (iv) Appoint an administrator to take over the operation of the market operator for such time or until such event as the Authority may approve; or (v) Increase the reporting requirements of CPPA-G on any matter related to its technical and financial performance or related to service quality; 13.2 Any contravention or non-compliance on part of the CPPA-G or any of its officers with respect to this registration, or the conditions and time limits prescribed herein, shall constitute grounds for penal	Noted.

action by the Authority; 13.3 Any instrument, document, contract or agreement, or any part thereof, may be declared void if executed in contravention or non compliance of this registration, the provisions of the Act, the rules and regulations made there under, or the Commercial Code (as amended and approved by the Authority from time to time);	
XIV. Settlement of Disputes 14.1 Any dispute arising out of or in relation to this registration or the activities performed by the CPPA-G in pursuance of this registration or the Market Rules shall be referred to the Authority for decision; 14.2 In case of a dispute relating to Article 8.2ofthisregistration,including but not limited to a dispute relating to contractual terms, rates and prices, non-price terms or undue delay or refusal on part of the CPPA-G in execution of contract, the matter shall be referred to the Authority for decision and shall mutatis mutandis be dealt with in accordance with the National Electric Power Regulatory Authority Complaint Handling and Dispute Resolution (Procedure) Rules, 2015;	Noted.

S.No	Case No. with Party name	Case Initiation Date	Forum/Court	Nature of Case	Quantum of Amount	Legal Fee
1.	C.A 1461/2021 in CPLA 1938/2016 Title: Nishat Chunian vs FOP	09.11.2021	Supreme Court	Leave to appeal in CPLA Nos. 1938,1939 and 1940 of 2016 is granted. NEPRA ordered Nishat Chunian IPP to pay PKR. 2,34,702/- million. Likewise, Nishat Power is ordered to pay PKR 290,423/- Million and Liberty Power to pay PKR 1,57,454/- million. The IPPs challenged the decision before the Supreme Court.	PKR 2,34,702/- Million	Rs. 300,000/-
2.	C.A 1462/2021 in CPLA 1939/2016 Title: Nishat Power vs FOP	09.11.2021		.	PKR 290,423/- Million	Rs.300,000/-
3.	C.A 1463/2021 in CPLA 1940/2016 Title: Liberty Power vs FOP	09.11.2021			PKR 1,57,454/- Million	Rs.300,000/-
4.	Suit. 2127/2018 Title: Transatlantic vs Province of Sindh	13.11.2018	Sindh High Court	The primary respondent is the Province of Sindh. The Petitioners allege that due to a claimed delay on the part of CPPA to issue a certificate of power purchase, the site lease issued by the GoS was cancelled. The Petitioners have sought a stay order preventing the cancellation of the site lease and a court order directing CPPA and AEDB to issue the said certificate.	n/a	Rs.300,000/-
5.	Const. P.(D) 3871/2018 Title: Foundation Power Co. Daharki Ltd. vs. FOP & Others	16.05.2018	Sindh High Court	Principal dispute pertains to Workers Welfare Fund (WWF). Constitutional petitions touching upon the uncertainty after the 18th amendment and the clarity sought after Supreme Court decision in the matter of WWF.	n/a	

6.	W.P. 3983/2017 Title: FPCDL vs FOP and others	22.11.2017	Islamabad High Court	Principal dispute pertains to release of Workers Welfare Fund (WWF) as per 18th amendment. Constitutional petitions touching upon the uncertainty after the 18th amendment is pending before the Supreme Court, therefore the case is sine die adjourned.	n/a	Rs.500,000/-
				Bagasse/Biomass		
7.	W.P. 704/2018 Title: Sadiqabad Power Pvt. Ltd. & Others vs FOP & Others	03.03.2018	Islamabad High Court	Seeking direction for forthwith notifying the tarrif . The petition is filed on behalf of 23 petitioners 12 bagasse/biomass projects along with their directors as co-petitioners. The petitioners are aggrieved with the inaction of CPPA with respect to NEPRA Upfront Tariff Decision for Petitioner Projects, the letter dated 25 May 2017 sent by CPPA based on the CCE decision which result in rendering the Petitioner's Projects, as it is contended, financially unviable. The above referenced CCE decision states that the only projects with which the IA or PPA have been signed already and that all future projects will come through the process of competitive bidding. The petitioner asserts that an exception has been created for Trimmu RLNG and Zorlu Solar and thus the decision and actions of the Respondents are discriminatory and unlawful.	n/a	Rs.1,000,000/-
8.	W.P. 2862/2018 Title :Kashmir Power PVT. Ltd vs FOP etc.	18.07.2018	Islamabad High Court	Seeking direction for implementation of agreement dated 19.07.2017 Letter of Support Policy for development of renewable energy of power generation	n/a	Rs.500,000/-

9.	W.P. 2868/2018 Title: Ittefaq Power Ltd vs FOP etc	18.07.2018	Islamabad High Court	ibid	n/a	Rs.500,000/-
10.	W.P. 3603/2018 Indus Energy Ltd. vs FOP etc.	29.09.2018	Islamabad High Court	ibid	n/a	Rs.500,000/-
11.	W.P. 558/2018 Title: Bahawalpur Energy Ltd Vs. FOP. Etc.	13.02.2018	Islamabad High Court	Petitioner seeking direction for implementation of letter of intent regarding the 2006 Policy for Development of Renewable Energy Generation	n/a	Rs. 7,50,000/-
12.	W.P. 267/2018 Title: Hunza Power Ltd Vs. FOP etc	24.01.2018	Islambad High Court	Petitioner Seeks direction for Implementation of electricity Purchase agreement.	n/a	1,500,000/-
				NEPRA Cases		

13.	W.P. 1571/2018 Title : CPPA Vs. NEPRA & Others	24.04.2018	Islamabad High Court	Principal dispute of extending defunct upfront tariff of 2013. CPPA has Challenged NEPRA for allowing 12 bagasse projects to avail and opt for superseded tariff by the 2017 Upfront Tariff. The applicable levelized tariff under 2013 tariff is Rs.10.4078/kWh, whereas the levelized tariff applicable under 2017 Tariff Rs. 7.9741/kWh. As a consequence, Rs.2.4337/kWh shall be paid by the Petitioner to the Respondents, in excess of the rate notified by the Federal Government vide the Upfront tariff of 2017 dated 22.01.2018 and would result in total loss of a minimum of Rs.190 billion over the term.'	Rs. 190 Billion	Rs. 3,600,000/-
14.	W.P. 3681/2018 Title: CPPA vs NEPRA & others	03.10.2018	Islamabad High Court	NEPRA has issued a SCN to CPPA dated August 17, 2018 alleging non-fulfillment of obligations as Market Operator in which different observations were raised against CPPA which included inter-alia denial by CPPA to procure power by qualified power producers without legal justification. Several IPPs in Khyber-Pakhtoonkhwa have been issued tariff which is notified in Gazette by the Federal Government yet CPPA did not execute PPA with them. CPPA submits that negotiations are taking place between the PEDO Projects, and that there is no policy in field on the basis of which an EPA can be executed with the future renewable projects.	n/a	Rs.7,00,000/-
15.	W.P. 2809/2018 Title : CPPA vs NEPRA etc.	16.06.2018	Islamabad High Court	CPPA impugns the SCN dated 11.01.2018 issued by NEPRA calling the Market Operator as to why its registration should not be cancelled and why a fine of PKR 100 million should not be imposed on CPPA. The CPPA submits that the impugned SCN was issued in transgression of procedure prescribed in Rule 4 of NEPRA (Fines) Rules, 2002 as the petitioner was not given the	Rs. 100 Million	Rs.7,50,000/-

				opportunity to admit or deny the occurrence of violation of provisions of the Rule 4(2).		
16.	W.P. 3046/2018 HNDS Energy Pvt.Ltd etc. vs FOP etc.	02.08.2018	Islamabad High Court	Petitioners seek direction to set aside the CCE decision dated 12.12.2017 (wherein the CCE decided *inter alia* that: 'Only those projects shall be implemented out of the current list where either IA or EPA has been signed already'; 'All projects based on wind, solar, small hydel and bagasse energy will be awarded through competitive bidding.'; 'All contracts arising out of competitive bidding should be for a term of 15 years) and Cabinet committee memorandum dated 03.01.2018]	n/a	Rs.5,00,000/-
17.	W.P. 2450/2018 Title: CPPA vs NEPRA (4 bagasse)	26.06.2018	Islamabad High Court	The CPPA is aggrieved by the NEPRA's decision dated 06.06.2018 bearing no. NEPRA/SAT-I/TRF-UTB-2013/8918 (the "Impugned Order") is in violation of express, binding and mandatory provision of MO Rules, NEPRA Act, and settled principles of law, as enunciated by the Superior Courts of Pakistan. The aforementioned decision of NEPRA would have a substantial impact on the rights and liabilities of the Petitioner, and particularly, a loss of Rs. 3.3 Billion approximately to the national power sector and ultimately the end consumer. The Petitioner, despite the lapse of 4 months, was not provided any notice of hearing nor provided any opportunity to make oral submissions before NEPRA in this respect. [Petitioner Challenged the order dated 06.06.2018 passed by NEPRA whereby petitioner's electricity procurement reference is decided against the Petitioner.]	Rs. 3.3 Billion	Rs.5,00,000/-

18.	W.P. 655/2018 Title: CPPA Vs. NEPRA (small hydel)	20.02.2018	Islamabad High Court	The CPPA is aggrieved by the NEPRA's decision to issue the Extended Upfront Tariff and to reject the Rehearing Request in terms of the Rehearing Rejection, without giving the CPPA an opportunity to be heard as required by NEPRA under Regulation 3(2) of 2011 Regulations as well as Regulation 3 of 2009 Regulations. It is contended that NEPRA unilaterally Extended Upfront Tariff and re-determined the Reviewed Tariff Expiry Date, without seeking input of CPPA and without holding a public hearing.	n/a	Rs.1,500,000/-
19.	W.P. 2929/2018 Title: CPPA vs NEPRA & another	23.07.2018	Islamabad High Court	CPPA has Challenged the NEPRA determination dated 12.07.2018 in the Islamabad High Court.	n/a	Rs.5,00,000/-
20.	W.P. 1365/2017 Title: CPPA vs NEPRA etc.	11.04.2017	Islamabad High Court	NEPRA has ordered to reimburse the LDs imposed on FFC amounting US$0.447 million, therefore the petition is filed to set aside the said order.	US$0.447 million	Rs.700,000/-
21.	W.P. 1804/2016 Title: CTGI-WK Cholistan Solar Power Project vs NEPRA etc.	12.05.2016	Islamabad High Court	Principal dispute arising out of non-issuance of Power Acquisition Request (PAR) or non-execution of the PPA/EPA by CPPA owing to the CCE decision which mandates application of reverse bidding. CPPA is of the considered opinion that mere LOI or LOS, in the absence of a validly executed contract, does not accrue any vested rights in favor of the IPPs. Unjustified enrichment contrary to the public interest and processing in contravention to CCE decision lacking codal formalities such as absence of notified tariff provide for impasse in processing. It must be noted that, *vide* its letter no.IPPs-6(10)/2017-C dated 05.01.2018 the Ministry of Energy intimated the decision of the Cabinet Committee on Energy ("CCE") in case no.CCE-41/10/2017 dated 12.12.2017 ("CCE Decision") wherein the CCE	n/a	

				decided *inter alia* that: 'Only those projects shall be implemented out of the current list where either IA or EPA has been signed already'; 'All projects based on wind, solar, small hydel and bagasse energy will be awarded through competitive bidding.'; 'All contracts arising out of competitive bidding should be for a term of 15 years'. [Petitioner challenged the letters of NEPRA]		
22.	ICA 352/2017 Title: CPPA vs Access Pvt. Ltd. etc.	17.11.2017	Islamabad High Court	Intra Court Appels were filed by CPPA against order passed in writ petition filed by Access Electric, wherein IHC remanded the matter to NEPRA for re-determination on tariff.	n/a	Rs.1.5 Million each ICA
23.	ICA 353/2017 Title: CPPA vs Access Solar Pvt. Ltd etc	17.11.2017				
24.	I.C.A 521/2018 Title: Trident GB vs M/o Energy	10.12.2018	Islamabad High Court	Intra Court Appeal in Writ Petition 21 of 2018 seeking directions for LOS from PPDB & PPIB.	n/a	Rs.1,000,000/-
25.	W.P. 1298/2019 Title : JDW Sugar Mills Ltd. vs FOP etc	04.04.2019	Islamabad High Court	The Company has challenged/impugned the notices of CPPA regarding deductions made pursuant to the Tariff Determination of NEPRA.	n/a	Rs.2,000,000/-

26.	W.P No. 2008/2019 titled: Norinco International Thatta Power Limited vs.FOP etc.	22.05.2019	Islamabad High Court	The Company/Norinco has challenged the impugned decision dated 27.2.19 and 12.12.17 regarding extension in validity period of letter of intent by submitting extended bank guarantee.	n/a	
27.	W.P 3257/2021 Title NPGCL vs. NEPRA	15.09.2021	Islamabad High Court	Petitioner Challenged the decision of NEPRA regarding the change of regime from take or pay to take or pay.	n/a	Nill
28.	W.P 3414/2021 Title Jamshoro vs. NEPRA	24.09.2021		Clubbed with ICA 3257/2021		
29.	W.P 3830/21 PESCO vs. NEPRA etc	27.10.2021	Islamabad High Court		n/a	Nill
				Wheeling Cases		
30.	W.P 25814/2020 Title: NTDC vs. NEPRA	18.09.2020	Lahore High Court	Relates to wheeling of electric Power	n/a	Nill
31.	W.P No. 25925/2020	18.09.2020				

	Title: LESCO Vs. NEPRA					
32.	W.P.No.26544/ 2020 FESCO vs. NEPRA	18.09.2020			n/a	
33.	W.P No.28404/2020 GEPCO vs. NEPRA	18.09.2020			n/a	
34.	W.P No.568/2021 IESCO vs. NEPRA	11.02.2021	Islamabad High Court	Petitioners impugned determination of NEPRA regarding cost of Wheeling and Challenge vires of NEPRA (wheeling of electric power) regulations 2016.	n/a	Rs. 100,000/-.
35.	W.P No.569/2021 SEPCO vs. NEPRA	11.02.2021				Rs. 100,000/-.
36.	W.P No.570/2021 MEPCO vs. NEPRA	11.02.2021				Rs. 100,000/-.
37.	W.P No.571/2021 HESCO vs. NEPRA	11.02.2021				Rs. 100,000/-.
38.	W.P No.572/2021	11.02.2021				Rs. 100,000/-.

	GEPCO vs. NEPRA					
39.	W.P No.623/2021 FESCO vs. NEPRA	15.02.2021				Rs. 100,000/-
40.	W.P No.624/2021 LESCO vs. NEPRA	15.02.2021				Rs. 100,000/-.
41.	W.P No.625/2021 PESCO vs. NEPRA	15.02.2021				Rs. 100,000/-.
42.	W.P No.626/2021 QESCO vs. NEPRA	15.02.2021				Rs. 100,000/-.
Cases related to 9IPPs Award						
43.	C.A No.722/2012 Title: Taisei Corporation vs. A.M. Construction	08.08.2012	Supreme Court of Pakistan	Relates to the issue of "Whether Arbitration Act, 1940 is applicable to the 9 IPPs Award".	n/a	Rs. 2 Million

44.	Civil Original Suit No. 42813-2017 Title : Atlas Power Ltd vs NTDC	17.06.2017	Lahore High Court	An award has been passed in LCIA Arbitration No. 142730 against CPPA to pay the specified amounts to the 9 IPPs. Atlas Power has filed the enforcement Petitions of the said award while objections are filed by CPPA.		Rs.600,000/-
45.	Civil Original Suit No. 42812/2017 Title: Atlas Power Ltd vs NTDC	17.06.2017	Lahore High Court	Ibid		Rs. 600,000/-
46.	Civil Original Suit No. 19263/2017 Title: NTDC vs. Islamic Republic of Pakistan	19.04.2017	Lahore High Court	Ibid		
47.	Civil Original Suit 169041/2018 Title :Atlas Power vs NTDC	29.11.2017	Lahore High Court	Ibid		Rs. 2,500,000-
48.	NTDC vs. Liberty Power Tech.	24.05.2018	Civil Court Lahore	These cases are filed by CPPA to set aside the Interim Award issued in LCIA Arbitrations No. 173405 & 173706.		

49.	NTDC vs. Nishat Chunian Limited.	24.05.2018				
50.	CPLA No.1820/2017 Title: Atlas Power vs Islamic Republic of Pakistan etc.,	31.05.2017	Supreme Court of Pakistan	Relates to the Enforcement Petitions for LCIA award in arbitration No. 142730 filed against CPPA mentioned at Serial No.41- 43		Rs. 500,000/-
51.	Crl. No. 57594-17 Title: Islamic Republic of Pakistan vs Liberty Power	03.08.2017	Lahore High Court			Rs. 600,000-
52.	I.C.A 31697/17 Title: Orient Power Company Pvt. Ltd. etc.vs Islamic Republic of Pakistan etc.	27.05.2017				1.3 million
53.	Crl. Org. No. 29093/2017 Title: Islamic Republic of Pakistan vs	22.05.2017		Clubbed with I.C.A. No.31697/2017		

	Atlas Power Ltd.etc					
54.	Civil Revision No 10249/2017 Title: Atlas Power vs NTDC	11.08.2017	District Court Lahore	Relates to the Enforcement Petitions for LCIA award in arbitration No. 142730 filed against CPPA, mentioned at Serial No. 41-43		Rs.700,000/-
55.	Islamic Republic of Pakistan vs. Atlas Power ltd.		Civil Court Lahore			
56.	Civil Revision No. 57600/2017 Title: Islamic Republic of Pakistan vs Liberty Power Tech	03.08.2017	Lahore High Court			Rs. 600,000/-
57.	W.P. 66100-2017 Title : Atlas Power Ltd etc vs Islamic Republic of Pakistan	06.09.2017				Rs. 800,000/-
58.	W.P. 66145-2017 Atlas	06.09.2017				Rs. 800,000/-

	Power Ltd etc vs NTDC					
59.	NTDC vs Prof Douglas Jones	05.07.2017	Civil Court, Lahore	Application under section 30 of the Arbitration Act has been filed against the Arbitrator for proceeding in 9 IPPs case/Arbitration despite the injunction from Pakistani Court. Relates to enforcement Petitions in 9IPPs award.		Rs.3 Million
			L/C related cases			
60.	W.P. 6793/2015 Title: Orient Power Company Ltd. vs. NTDC etc.	10.03.2015	Lahore High Court	CPPA has encashed the Letter of Credit of IPP to the tune of US $ 2,658,750/- as LDs, and has also deducted PKR. 283.5 million as Interest on LDs. The encashment of LCs and the deduction of interest thereupon is subject to the outcome of the case.	$ 2,658,750/- and PKR. 283.5 million	N/A
			Environment related case			
61.	W.P. 8960/2019 Title: Maria Khan etc. Vs. FOP etc.	2019	Lahore High Court.	Writ Petition filed by Ms Maria Khan etc. for the promotion of renewable energy in power sector.	n/a	Rs. 500,000/-

	Enforcement related to LCIA Arbitration					
62.	NTDC vs Edwin Glasgow (Liberty Power Tech Ltd)	24.05.2018	Civil Court, Lahore	The case is filed by CPPA to set aside the Final Partial Award issued in LCIA Arbitration No. 173705 & 173706 respectively.		Rs. 500,000/-
63.	NTDC vs Edwin Glasgow (Nishat Chunian Power Ltd.)	24.05.2018				Rs. 500,000/-
64.	NTDC vs. Nishat Power		Civil Court Lahore	Suit is filed to challenge the Final Award issued on 06.07.2020 in the LCIA arbitration No.173712 titled Nishat Power Ltd vs. NTDC.		Rs.750,000/-
65.	C.O.S No.227789/2018 tiled: Nishat Power Ltd. vs.NTDC & another		Lahore High Court	It is an application u/s 6 of the Recognition & Enforcement (Arbitration Agreements and Foreign Arbitral Award) Act, 2011 regarding the Partial Final Award dated 13-07-2018 as passed in LCIA Arbitration No.173712.		Rs. 700,000/-
66.	C.O.S No. 1440/2021 title: Nishat Power ltd. vs. NTDC etc.		Lahore High Court	It is an application u/s 6 of the Recognition & Enforcement (Arbitration Agreements and Foreign Arbitral Award) Act, 2011 regarding the final award dated 06-07-2020 as passed in LCIA Arbitration No.173712.		Rs.1 Million
67.	NTDC vs Orient Power		Civil Court Lahore	Objections under section 15 & 16 of Arbitration Act are filed to Arbitration Award dated 02.05.2017 in LCIA arbitration award 153156.		Rs.500,000/-

	Company Limited					
68.	Exe.Petition No.2/2020 Title: Nishat Chunian Power Ltd.Vs. NTDC & another	9.12.2020	Islamabad High Court	Application Under 6 of the recognition & enforcement (Arbitration Agreements & Foreign Arbitral Awards) Act, 2011 read with other applicable provisions of the Law. For the enforcement of final Award 28.10.2019		Rs. 1 Million
69.	Exe.Petition No.3/2020 Title:Liberty Power Ltd.Vs. NTDC & another	09.12.2020				Rs. 1 Million
Cases related to Recovery/Liquidation						
70.	NTDC vs JPGL	02.09.2013	Civil Court, Lahore	Suit for Recovery pursuant to winding up of Japan Power by Lahore High Court, Lahore in C.O. No. 88286 of 2017.		
71.	Execution Petition No. 725/1-2015,	2015	Civil Court, Lahore	Execution Petition for the enforcement of arbitration award dated 09.07.2013.		

	Title: NTDC vs SEPCOL					
K-Electric & related Cases						
72.	CP No. D-4485/2012 Title: M/s SITE Association of Indusrty vs FOP & others	20.12.2012	Sindh High Court	Restrained from interfering with the functioning of the PPA & supply of electricity.		
73.	Suit No. 205/2014 Title: K-electric Limited & other vs. FOP & others	06.02.2014				
74.	Suit no. 1728-2012 Title: Abdul Karim Khan vs Federation of Pakistan & Others	19.12.2012				
75.	Const.P. 6254/2018 Title: K-Electric Ltd.vs	10.08.2018	Sindh High Court	NEPRA vide its decision ref. no. NEPRA/SAT-I/LAD-01/1206 imposed a fine of PKR 10 million on CPPA. CPPA submits that the impugned decision illegal, arbitrary, mala fide and without justification. K-Electric receives 650 MW electricity on a PPA	Rs. 10 million	Rs. 150,000/-

	NEPRA & another			signed in 2010 for five years, and the petitioner requested K-electric to extend the PPA but formal extension has not been made till date.		
76.	NTDC vs. K-electric		Civil Court Islamabad	Principal dispute pertains to recovery of amounts due and payable by K-Electric for electricity supplied by Power Purchaser. Suit for Recovery before Civil Court Islamabad of Rs. 83,990 Million along with interest from the date of default, pendent lite and till realization of the Decretal Amount and Expenses.		Rs.7,50,000/-
Cases related to Lalpir & Pakgen						
77.	I.C.A. no. 575/2016 Title: GM WAPDA vs Lalpir Power Ltd	2016	Lahore High Court	The W.P was agitated for unlawful set-off of LDs which was decided in favor of IPP(Lalpir/Pakgen). The same was assailed in I.C.A & till date the order of single bench stands suspended.		Engagement made by NTDC
78.	I.C.A. no. 577/2016 Title: GM WAPDA vs Pakgen Power Ltd.	2016				
79.	I.C.A. 113/2020	27.04.2020	Islamabad High Court			Rs. 1 Million

	Title: PSO vs Lalpir Power Ltd.			The Appellant being aggrieved of Disposal of W.P No.3320/2018, 3740/2018,3319/2019 & 424/2019 filed these I.C.A.s		
80.	I.C.A. 114/2020 Title: PSO vs Saba Power Ltd.	27.04.2020				
81.	I.C.A. 115/2020 Title: PSO vs Pakgen Power Ltd.	27.04.2020				
82.	I.C.A. 116/2020 Title: PSO Vs. Kohinoor	27.04.2020				
83.	W.P No 1367/2020 Title: PSO Ltd. Vs. FOP etc	13.05.2020	Islamabad High Court	Petitioner questions validity of order dated 10-10-2019 passed by NEPRA tribunal.		Rs.400,000/-
84.	C.P No. 3720/20 Savy Link vs. Phydo,etc	14.01.2021	Supreme Court of Pakistan	Savy Link has assailed the decision of Peshawar High Court whereby the W.P filed by Savy Link is dismissed being meritless.		

85.	C.O. No. 1448/21 Lalpir Power vs. WAPDA	12.01.2021	Lahore High Court	An Award has been passed in ICC case No.23792/HTG against CPPA to pay specified amounts to both companies i.e.Lalpir Power Ltd. & Pakgen Power Ltd, whereby CPPA has filed objections		Rs. 400,000/-
86.	C.O. No.1453/21 Title Pakgen Power Vs, WAPDA	12.01.2021				Rs. 400,000/-
				Other Cases		
87.	W.P 173/2022 Laraib Energy Limited vs. FOP	18.01.2022	Islamabad High Court	Petitioner raised that its request for quarterly indexation has not been allowed and instead indexation for O&M Component for a certain period was requested. The petitioner challenged the decision of NEPRA and CPPA to renegotiate the operation and maintenance component of tariff.		Rs. 1,000,000/-
88.	W.P 56243/2021 Ali enterprises vs. FOP etc	2021	Lahore High Court	Relates to electricity bill issued by LESCO against the SRO 12 of 2019 which is US9 cents /Kwh	n/a	Nill
89.	W.P 48959/2021	04.08.2021	Lahore High Court	Relates to special relief package of zero rated sector	n/a	Rs. 100,000/-

	Emaan Weaving Factory vs. Fop					
90.	I.C.A No. 1037/2013 Muhammad Tariq Javed vs. FOP	28.11.2013	Lahore High Court	Challenge/ relates to variation in fuel surcharge.	n/a	N/a
91.	W.P No 15298/2020 NEPRA vs. NAB	06.05.2020	Lahore High Court	NEPRA has challenged the inquiry under the provisions of NAB Ordinance 1999.	n/a	N/a
92.	Lucky Electric Power Company LTD. vs. CPPA & another	12.04.2022	ADD. District Judge Zafar Iqbal	Impugned the letter of CPPA to encash LC of Lucky Electric Power Company		Rs.500,000/-
				TAX CASES		
93.	CPPA vs. FOP etc	2022	Lahore high court			Rs.500,000/-
94.	W.P. 39189-2016 Title:CPPA vs FBR etc.	2016	Lahore High Court	The tax authorities have created a demand of Rs 1.915 billion as Advance Tax under section 147 for 1 & 2 Qytr (2016-17) read with section 13 of Income Tax Ordinance, 2001 against which a writ petition has been filed in the Lahore High Court. However, the Company has already discharged tax liability for the year 2017		

				in compliance with original assessment amended by the CIR under section 122(5A) of the Income Tax Ordinance, 2001		

Decided cases

Sr. No.	Case No.	Forum	Legal Fee
95.	W.P. 1592/2020 IESCO vs. NEPRA	Islamabad High Court.	Representation made by DAG office
96.	W.P 1605/2020 HESCO vs. NEPRA	Islamabad High Court	Representation made by DAG office.
97.	W.P No.3473/2017 Sajjad Haider Vs CEO, CPPA	Islamabad High Court	Rs.1,00,000/-
98.	W.P 1957-P/2016 Sarhad Textile Mill and others VS FOP.	Peshawar High Court	PKR1,00,000/-
99.	W.P No.3320/2018 Lalpir Power Limited &other	Islamabad High Court	Rs.1 Million

	vs Pakistan Water & Power Development Authority &others		
100.	W.P No.3319/2018 Pakgen Power Limited VS Pakistan Power& Development Authority	Islamabad High Court	Rs. 1 million
101.	R.A No.15 /2019 Lalpir Power Ltd Vs Pakistan Water and Power Development Authority .	Islamabad High Court	Rs. 250,000/-
102.	R.A No.16 /2019 Pakgen Power Ltd-VS-Pakistan Water & Power Ltd	Islamabad High Court	Rs. 250,000/-

103.	R.A No.17 /2019 Saba Power Company Pvt Ltd-VS-FOP Etc	Islamabad High Court	Rs. 250,000/-
104.	R.A No.18 /2019 Kohinoor Energy Ltd-VS-FOP Etc	Islamabad High Court	Rs. 250,000/-
105.	Suit No.1411/2018 Title: HUBCO vs CPPA	Sindh High Court	Rs.2,000,000/-
106.	W.P No.2994/2018 Shahtaj Sugar Mill vs. FOP	Islamabad High Court	Rs.6,00,000/-
107.	W.P 231/2019 Zorlu Solar vs. FOP	Islamabad High Court	Rs. 500,000/-
108.	STA 1544 /LB/2019 CPPA VS CTO LHR	Appellant Tribunal Inland Revenue	

109.	W.P 8146/2019 CPPA Vs FBR	Lahore High Court	
110.	W.P No.257691/2018 CPPA Vs FBR	Lahore High Court	
111.	STR No. 249724/2018 CPPA Vs FBR	Lahore High Court	
112.	W.P. No. 7457/2018 CPPA Vs FBR	Lahore High Court	
113.	CPPA VS Commissioner (Appeals)/FBR	Appellate Tribunal Inland Revenue	
114.	CPPA VS Commissioner (Appeals)/FBR	Appellate Tribunal Inland Revenue	

LDS DATA for the Fiscal Year 2021-22

IPP Name	LD	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22
AttockGen Ltd	FO/PFO consumed (kWh)	1,971,792	992,997	6,172,420	1,732,373	84,876	11,965,752	8,485,428	6,912,241	12,381,764
	Capacity Deduction (kWh) - if any	309,663	271,980	176,831	273,084	59,229	92,145	181,967	43,757	627,915
Atlas Power Ltd	FO/PFO consumed (kWh)	1,675,138	329,363	14,246	15,930,426	21,662,307	5,313,554	28,800	1,516,411	13,022,599
	Capacity Deduction (kWh) - if any	798,929	302,516	219,318	241,084	16,668	52,341	127,050	35,770	133,635
Engro Powergen Qadirpur Ltd.	FO/PFO consumed (kWh)	30,634,417	1,665,571	724,000	1,969,531	-	4,310,690	32,255,746	18,400	-
	Capacity Deduction (kWh) - if any	572,114	1,557,195	2,323,149	2,293,102	2,259,827	1,802,734	1,321,243	1,035,606	-
Saif Power Ltd	FO/PFO consumed (kWh)	673,355	698,216	141,671	4,652,723	7,076,990	82,538,189	-	-	1,209,821
	Capacity Deduction (kWh) - if any	-	-	-	-	-	-	-	-	-
Orient Power Company Ltd	FO/PFO consumed (kWh)	8,991,056	7,872,759	4,185,054	8,009,821	-	3,172,278	1,592,320	3,243,459	978,367
	Capacity Deduction (kWh) - if any	4,957	4,957	5,130	1,539	-	-	2,130	-	2,409
Nishat Power Ltd	FO/PFO consumed (kWh)	12,030,531	10,110,202	6,722,574	1,455,230	4,490	11,057,638	12,522,452	11,910,355	7,597,092
	Capacity Deduction (kWh) - if any	116,786	232,408	557,769	652,438	28,988	90,035	131,329	17,655	225,249
Nishat Chunian Power Ltd	FO/PFO consumed (kWh)	53,224,044	4,422,854	-	557,581	400	446,068	152,903	1,878	907,271
	Capacity Deduction (kWh) - if any	672,136	21,239,847	412,592	771,225	18,561	70,341	73,517	46,528	161,710
Sapphire Electric Company Ltd	FO/PFO consumed (kWh)	1,184,146	1,852,223	7,366,745	4,519,408	2,961,601	5,435,705	-	-	1,911,329
	Capacity Deduction (kWh) - if any	19,823	-	-	-	-	-	-	-	-
Liberty Power Tech Ltd	FO/PFO consumed (kWh)	27,165,891	2,572,275	2,179,292	3,436,114	-	7,223,974	9,934,709	1,696,935	2,733,103
	Capacity Deduction (kWh) - if any	921,526	274,906	437,697	615,923	32	83,023	263,888	110,413	364,833
Narowal Energy Ltd.	FO/PFO consumed (kWh)	3,210,129	6,951,116	1,853,167	2,726,130	167,242	989,556	415,259	62,541	32,592,274
	Capacity Deduction (kWh) - if any	-	-	-	-	-	-	-	-	-
Foundation Daharki Power Company	FO/PFO consumed (kWh)	34,004	2,990,666	16,558	3,980,750	29,151	561,337	15,750	58,008	190,605
	Capacity Deduction (kWh) - if any	-	-	-	-	-	-	-	-	-
Halmore Power Generation Company	FO/PFO consumed (kWh)	-	-	-	-	-	-	-	-	2,025,984
	Capacity Deduction (kWh) - if any	415	1,193,741	433,106	695,171	1,243,285	-	-	-	-
Uch-II Power Pvt Ltd	FO/PFO consumed (kWh)	3,224,529	92,467	255,630	103,162	40,853	4,496,686	130,721	265,296	2,598,377
	Capacity Deduction (kWh) - if any	-	-	-	-	-	-	-	-	-

Annex - H

CENTRAL POWER PURCHASING AGENCY (GUARANTEE) LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

JUNE 30, 2021

pwc

A.F.FERGUSON&CO.

INDEPENDENT AUDITOR'S REPORT

To the members of Central Power Purchasing Agency (Guarantee) Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Central Power Purchasing Agency (Guarantee) Limited (the Company), which comprise the statement of financial position as at June 30, 2021, and the income and expenditure statement, the statement of comprehensive income, the statement of changes in general fund, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the income and expenditure statement, the statement of comprehensive income, the statement of changes in general fund 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, 2021 and of the deficit, and other comprehensive loss, the changes in general fund and its cash flows for the year then ended.

Basis for Opinion

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

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

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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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.

- 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 income and expenditure statement, the statement of comprehensive income, the statement of changes in general fund and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

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

d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Other Matter

Prior Year Financial Statements Audited by Predecessor Auditor

The financial statements of the Company for the year ended June 30, 2020 were audited by another auditor, M/s Riaz Ahmad & Company Chartered Accountants, whose report dated 04 November 2020 expressed a qualified opinion relating to agency accounting for K-Electric and recognition of Delayed Payment Interest (DPI) due from Principals and K-Electric. Further, their aforementioned report included emphasis of matter paragraph relating to advance to Lakhra Power Generation Company Limited, markup receivable not acknowledged by DISCOs, payable to Water and Power Development Authority (WAPDA) and contingencies.

The engagement partner on the audit resulting in this independent auditor's report is Asim Masood Iqbal.

Chartered Accountants
Islamabad
Date: December 13, 2021

CENTRAL POWER PURCHASING AGENCY (GUARANTEE) LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2021

	NOTE	30 June 2021	30 June 2020 Restated	1 July 2019 Restated
		(Rupees in thousand)		
ASSETS				
Non-current assets				
Property and equipment	6	89,292	109,491	94,785
Intangible assets	7	60,584	36,291	40,213
Right-of-use asset	8	154,887	223,726	292,565
Deferred income tax asset	9	-	-	-
Long term security deposits	10	21,264	21,264	21,264
		326,027	390,772	448,827
Current assets				
Taxation recoverable - net	11	59,500	45,328	-
Advances, prepayments and other receivables	12	142,120	131,599	265,777
Bank balances - deposit accounts	13	22,070,478	13,969,805	24,520,543
		22,272,098	14,146,732	24,786,320
Total assets		22,598,125	14,537,504	25,235,147
FUND AND LIABILITIES				
FUND				
General fund		(56,063)	188,155	105,200
LIABILITIES				
Non-current liability				
Lease liability	14	110,472	183,019	243,178
Current liabilities				
Accrued and other liabilities	15	22,471,169	14,106,171	24,791,652
Current portion of lease liability	14	72,547	60,159	49,387
Provision for taxation		-	-	45,730
		22,543,716	14,166,330	24,886,769
Total liabilities		22,654,188	14,349,349	25,129,947
Contingencies and commitments	16	-	-	-
Total fund and liabilities		22,598,125	14,537,504	25,235,147

The annexed notes 1 to 30 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

CENTRAL POWER PURCHASING AGENCY (GUARANTEE) LIMITED

INCOME AND EXPENDITURE STATEMENT

FOR THE YEAR ENDED 30 JUNE 2021

	NOTE	2021	2020
		(Rupees in thousand)	
INCOME			
Market operation fee	17	447,413	414,455
Profit on bank accounts		296,283	458,653
		743,696	873,108
EXPENDITURE			
Operating expenses	18	(927,237)	(775,237)
Finance cost	19	(25,120)	(32,420)
		(952,357)	(807,657)
(DEFICIT) / SURPLUS BEFORE TAXATION		(208,661)	65,451
TAXATION (CHARGE)/CREDIT	20	(32,434)	18,572
(DEFICIT) / SURPLUS AFTER TAXATION		(241,095)	84,023

The annexed notes 1 to 30 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER | **DIRECTOR** | **CHIEF FINANCIAL OFFICER**

CENTRAL POWER PURCHASING AGENCY (GUARANTEE) LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
	(Rupees in thousand)	
(DEFICIT) / SURPLUS AFTER TAXATION	(241,095)	84,023
OTHER COMPREHENSIVE LOSS		
Items that will not be reclassified to income and expenditure statement:		
Remeasurement loss on defined benefit obligation	(3,123)	(1,068)
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE YEAR	(244,218)	82,955

The annexed notes 1 to 30 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER **DIRECTOR** **CHIEF FINANCIAL OFFICER**

CENTRAL POWER PURCHASING AGENCY (GUARANTEE) LIMITED

STATEMENT OF CHANGES IN GENERAL FUND

FOR THE YEAR ENDED 30 JUNE 2021

	GENERAL FUND (Rupees in thousand)
Balance as at 30 June 2019	105,200
Surplus for the year	84,023
Other comprehensive (loss) for the year	(1,068)
Total comprehensive income for the year	82,955
Balance as at 30 June 2020	188,155
(Deficit) for the year	(241,095)
Other comprehensive (loss) for the year	(3,123)
Total comprehensive (loss) for the year	(244,218)
Balance as at 30 June 30 2021	(56,063)

The annexed notes 1 to 30 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER **DIRECTOR** **CHIEF FINANCIAL OFFICER**

CENTRAL POWER PURCHASING AGENCY (GUARANTEE) LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020 Restated
	(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES		
(Deficit) / Surplus before taxation	(208,661)	65,451
Adjustments for non-cash charges and other items:		
Depreciation	45,084	44,039
Amortization	12,033	8,419
Depreciation on right-to-use asset	68,839	68,839
Provision for gratuity	51,544	17,732
Profit on bank deposits	(296,283)	(458,653)
Finance cost	24,809	31,535
Cash flows from operating activities before working capital changes	(302,635)	(222,638)
Working capital changes:		
(Increase) / decrease in current assets		
Advances, prepayments and other receivables	(9,978)	54,566
Increase / (decrease) in current liabilities		
Accrued and other liabilities	8,331,760	(10,689,410)
	8,321,782	(10,634,844)
Cash generated from / (used in) operations	8,019,147	(10,857,482)
Income tax paid	(46,606)	(72,486)
Gratuity contribution paid	(21,429)	(14,871)
Profit on bank deposit received	295,740	538,265
	227,705	450,908
	8,246,852	(10,406,574)
Increase in long term security deposits	-	-
Net cash generated from / (used in) operating activities	8,246,852	(10,406,574)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure on operating fixed assets	(24,885)	(58,745)
Intangible asset purchased	(36,326)	(4,497)
Net cash used in investing activities	(61,211)	(63,242)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of lease liability	(84,968)	(80,922)
Net cash used in financing activities	(84,968)	(80,922)
Net increase / (decrease) in cash and cash equivalents	8,100,673	(10,550,738)
Cash and cash equivalents at the beginning of the year	13,969,805	24,520,543
Cash and cash equivalents at the end of the year (Note 13)	22,070,478	13,969,805

The annexed notes 1 to 30 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

CENTRAL POWER PURCHASING AGENCY (GUARANTEE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

1. THE COMPANY AND ITS OPERATIONS

1.1 Central Power Purchasing Agency (Guarantee) Limited ("the Company") is a Company limited by guarantee and not having share capital incorporated in Pakistan on 28 January 2009 under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). Its registered office is situated at 73-West, Shaheen Plaza, Fazal-E-Haq Road, Blue Area, Islamabad, Pakistan. The Company is incorporated to function as a not-for-profit organization, and the objects, for which the Company is established, are to implement and administer market mechanisms for electric power procurement and sale, by undertaking and performing functions and discharging responsibilities as are or may be laid down from time to time for the Company to undertake or perform in or pursuant to and in the manner prescribed under or pursuant to the provisions of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997, and in the secondary legislation pursuant thereto, as amended from time to time, and to do all such other things as are incidental or conducive to the attainment of or in furtherance of the aforesaid objects and in furtherance of the policies, objectives and provisions of or contemplated under the aforesaid Act and secondary legislation made thereunder.

Pursuant to the commencement of National Electric Power Regulatory Authority (Market Operator Registration, Standards and Procedure) Rules, 2015 (Market Rules) notified vide SRO 541(I)/2015 dated 28 May 2015, the Company was deemed to be authorized and registered as the market operator under the aforesaid rules to commence and conduct the market operations. To enable its function as market operator, the Company signed a Business Transfer Agreement (BTA) dated 03 June 2015 with National Transmission and Despatch Company Limited (NTDCL), a separate government owned Company. NTDCL transferred its functions, operations, assets and liabilities related to the Central Power Purchasing Agency, a department of NTDCL and Contract Registrar and Power Exchange Administrator (CRPEA) to the Company (collectively referred to as Market Operations Undertaking).

On 16 November 2018, National Electric Power Regulatory Authority (NEPRA) approved the registration of the Company as market operator under Rule 3 of the Market Rules. The Commercial Code of the Company, required to be prepared under the Market Rules was also approved by NEPRA under Rule 5 of the Market Rules vide SRO 542(I)/2015 dated 02 June 2015 amended vide SRO 912 (I)/2015 and SRO 538 (I)/2016 dated 07 September 2015, 08 June 2016 and 17 February 2020 respectively.

The main operations and responsibilities of the Company as defined in the Market Rules are as follows;

a) To acquire, take over or assume the functions and business of settlement and development of competitive power market from NTDCL and to carry on these functions and business;

b) Procurement of electric power on behalf of the DISCOs, including import of power from other countries;

c) Generation invoice verification on the basis of meter reading or dispatch scheduling report and term of the respective Power Purchase Agreements;

d) Billing to the DISCOs based on the meter readings at Common Delivery Points as per the procedure defined in the Commercial Code;

e) Collection from the DISCOs and settlement to the market participants as per the Commercial Code; and

f) Management of cash flow, treasury management and other relevant banking functions for the purposes of collection and disbursement as per the Commercial Code.

1.2 As per the Market Rules, the Market Operator (i.e. the Company) shall not, except to the extent specified in the terms and condition of registration or in an authorisation, stand surety, give guarantees or in any other manner offer or provide security for the indebtedness or obligations of any other person. Further, the payment responsibilities of the Company in the role of Market Operator as per the Commercial Code are as follows;

> "The Company in this process (settlement and billing), shall act as an agent of DISCOs without assuming payment responsibilities. Payment and debts remain with DISCOs. The Company shall not be held liable for non-payment to market participants." (Clause 8.8.2)

The Company has signed Power Procurement Agency Agreements (PPAAs) with government-owned distribution companies (DISCOs). Hence, the DISCOs have appointed the Company as their agent to perform the designated purposes (i.e. procurement of various electrical and related products contracted under Power Purchase Agreements (PPAs) and centralized collection and settlement of products cintracted under PPAs and use of system charges and payment by DISCOs to NTDCL and power generation companies, as regulated and determined by NEPRA in accordance with Commercial Code) and procure power for and on behalf of the DISCOs, as per the regulatory framework prescribed by NEPRA and / or under the Commercial Code. The liabilities arisen out of power procurement on behalf of DISCOs shall always remain with DISCOs as provided in PPAAs as follows:

Under Article 3.1.7 of the PPAAs;

"Title to the purchased electrical energy and generation capacity procured by CPPA-G for and on behalf of DISCO as well as obligation of DISCO to make payment of transmission charge or use of system charge always vest in DISCO and shall not pass to CPPA-G at any time."

And under article 5.6.1 of the PPAAs:

"The DISCOs shall honor any Power Purchase Agreements entered into by the CPPA-G on behalf of the DISCOs pursuant to this Agreement. The DISCO shall be the principal and primary obligor in respect of all payments and obligations of the purchaser towards the seller or supplier under the Power Purchase Agreements and the transmission use of system charge regulated and determined by NEPRA".

Accordingly, the liabilities arisen out of power procurement on behalf of DISCOs shall always remain with DISCOs as provided in the Market Rules, Commercial Code and PPAAs.

1.2.1 The Power Procurement Agency Agreement (PPAA) with K-Electric has not been signed till the date of authorization for issue of these financial statements as disclosed in note 22.1.1.1. However, the management is confident that the PPAA with K-Electric will be signed retrospectively. Further, K-Electric has also confirmed that PPAA has been duly initialled by both the parties, and expected to be executed after requisite Government / regulatory approvals, which entails the scope, powers, rights and obligations of the Company as K-Electric's agent including regularisation of pre-existing agency arrangement.

1.3 As per the Market Rules, the Company's responsibilities include development of competitive market in Pakistan. In pursuance of its responsibilities, the Company submitted detailed design for the Competitive Trading Bilateral Contract Market (CTBCM) which are approved by NEPRA. The Company is currently in discussion with all the relevant stakeholders for the implementation of the CTBCM plan as approved by NEPRA and other relevant authorities.

2. RESTATEMENT OF PRIOR YEAR FINANCIAL STATEMENTS

The Company is registered as a Market Operator and its functions include procurement of electric power on behalf of the distribution companies. Accordingly, the Company has signed power procurement agency agreements with DISCOs whereby the Company has been appointed as an agent of DISCOs for the designated purposes and the DISCOs shall be the primary obligor in respect thereof. Further, title to the purchased electrical energy and generation capacity procured by the Company for and on behalf of DISCO as well as obligation of DISCOs to make payment of transmission charge or use of system charge always vest in DISCOs and shall not pass to the Company at any time. The Company's rights, obligations and functions are also defined in the Market Rules and Commercial Code which are applicable to all the market participants (market participants include market participants representing demand, market participants representing offer and NTDCL).

In pursuance of the same the Company has entered into power purchase agreements (PPAs) with Government Owned Generation Companies (GENCOs) and other power generation companies including Independent Power Producers (IPPs) and these agreements have been entered into by the Company on behalf of the distribution companies and accordingly, the Company acts as an agent of the Distribution Companies.

Further as per the PPAs signed with GENCOs, the Commercial Code provides for the levy, settlement and recovery of all commercial matters. As per the Commercial Code approved by NEPRA the Company shall act as an agent of DISCOs without assuming payment responsibilities. Payment and debts responsibilities remain with DISCOs and the Company shall not be held liable for non-payment to market participants.

In light of the above laws, regulations and underlying agreements, during the year, the Company has obtained a legal opinion on its rights and obligations as a market operator and management has assessed that the Company being a market operator is acting as an agent on behalf of DISCOs and K-Electric to procure electricity from power generation companies and collection from the DISCOs and K-Electric for settlement to market participants as per the Commercial Code. The Company is responsible to issue settlement advices to DISCOs and K-Electric as per the charges billed by power generation companies after verification and NTDCL's Use of System Charges. The Company's obligation to pay to the market participants and Power Holding Limited (PHL) only arise at the time of receipt of cash from DISCOs and K-Electric. Further, as disclosed in note 1.1 the Company signed BTA with NTDCL and as per the legal opinion obtained by the management, the Company is acting as an agent of distribution companies in respect of the assets and liabilities transferred to the Company under BTA with NTDCL.

Accordingly, from the current year, the Company has recorded liability for payments to be made to market participants and PHL in respect of designated purposes on behalf of DISCOs and K-Electric (together 'the Principals') to the extent of amount received from the Principals but not yet paid by the Company.

Previously, the Company had recognised due from Principals, receivable from NTDCL through loan notes, markup receivable from DISCOs, advances in its role as a Market Operator, energy and other payables and energy payable swapped by Government of Pakistan - (Payable to PHL) on gross basis in the statement of financial position. From the current year as explained above, the aforementioned balances have been excluded from the statement of financial position and recorded only to the extent of amount received from DISCOs and not yet paid to market participants. The adjustments in this respect have been retrospectively accounted for in these financial statements and comparative information has been restated; which has not affected prior years' income, surplus/deficit for the year and general fund. In accordance with the requirements of IAS-1 "Presentation of Financial Statements", a third statement of financial position as of 1 July 2019 has also been presented. The effects of the restatement are summarised below:

	As presented	Impact of restatement	Restated
		(Rupees in thousand)	
Statement of financial position			
As at 30 June 2020			
Current assets			
Due from principals	2,236,377,588	(2,236,377,588)	-
Receivable from NTDCL through loan notes	41,900,008	(41,900,008)	-
Advances, prepayments and other receivables	6,733,391	(6,601,792)	131,599
Mark-up receivable	46,339,044	(46,339,044)	-
Current liabilities			
Energy payables swapped by Government of Pakistan	946,942,400	(946,942,400)	-
Energy and other payables	1,398,382,203	(1,398,382,203)	-
Accrued and other liabilities	-	14,106,171	14,106,171
As at 30 June 2019			
Current assets			
Due from principals	1,709,214,290	(1,709,214,290)	-
Receivable from NTDCL through loan notes	41,648,936	(41,648,936)	-
Advances, prepayments and other receivables	6,617,352	(6,351,575)	265,777
Mark-up receivable	45,785,131	(45,785,131)	-
Current liabilities			
Energy payables swapped by Government of Pakistan	784,462,871	(784,462,871)	-
Energy and other payables	1,043,328,713	(1,043,328,713)	-
Accrued and other liabilities	-	24,791,652	24,791,652
Statement of cash flows			
For the year ended 30 June 2020			
Cash flows from operating activities			
(Increase) / decrease in current assets			
Due from principals	(527,163,298)	527,163,298	-
Receivable from NTDCL through loan notes	(251,072)	251,072	-
Advances, prepayments and other receivables	(195,651)	250,217	54,566
Mark-up receivable from principals	(553,913)	553,913	-
Increase / (decrease) in current liabilities			
Energy payables swapped by Government of Pakistan	162,479,529	(162,479,529)	-
Energy and other payables	355,049,561	(355,049,561)	-
Accrued and other liabilities	-	(10,689,410)	(10,689,410)

3. BASIS OF PREPARATION

3.1 Statement of compliance

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

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Accounting Standard for Not for Profit Organizations (Accounting Standard for NPOs) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRSs or the Accounting Standard for NPOs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3.2 Basis of measurement

These financial statements have been prepared on the historical cost convention except for certain items as disclosed in the relevant accounting policies below.

3.3 Functional and presentation currency

These financial statements are presented in Pakistani Rupee (PKR/Rupees) which is the Company's functional currency.

3.4 Significant accounting estimates and areas of judgements

The preparation of financial statements in conformity with the approved accounting standards requires the management to make judgements, estimates and assumptions that effect the application of policies and related reported amounts of assets and liabilities, income and expenses. The estimates and associated judgements 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 judgement about carrying value of assets and liabilities that are not readily apparent from other sources. Actual amounts may differ from the estimates.

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

In the process of applying the Company's accounting policies, the management has made the following estimates, assumptions and judgements which are relevant to these financial statements.

a) Property and equipment and intangible assets

The Company reviews the method of depreciation and amortization, useful life, residual value of assets and value of assets for impairment on an annual basis. Any change in the estimates in the future might affect the carrying amount of respective item of property and equipment and intangible asset with a corresponding effect on the depreciation / amortization charge and value of assets for possible impairment.

b) Income tax

In making the estimates for income tax currently payable by the Company, the management takes into account the current income tax laws and the decisions of appellate authorities in the past. This involves judgements on future tax treatments of certain transactions.

Deferred tax assets are recognized for all unused tax losses and credits to the extent that it is probable that taxable income will be available against which such losses and credits can be utilized.

c) Defined benefit plan

Defined benefit plan requires assumption to be made for future outcomes, the principal ones being in respect of increase in salary rate, discount rate used to convert cashflows to current values. The assumptions are determined by independent actuary annually.

d) Leases

The Company assesses whether a contract is or contains a lease at inception of the contract. This assessment involves the exercise of judgment to determine if the control of an identified asset has been passed between the parties. Control exists if substantially all of the economic benefits from the use of the asset are transferred to the lessee and the lessee has the ability to direct its use for a period of time. As per IFRS 16, the Company assess the lease term as the non-cancelable lease term and uses incremental borrowing rate as the discount rate to determine the present value of lease payments for determination of lease liability and related right to use asset.

e) Provision for impairment on financial assets

For the financial assets covered under IFRS 9 "Financial Instruments", the assessment of Expected Credit Loss for financial assets require the use of assumption to determine the credit losses, if any, at each reporting date.

f) Agency arrangements

The Company assesses whether it acts as a principal or agent (i.e. the Company is acting on behalf of another entity) in its arrangements/ contracts in the role of a Market Operator. In making this assessment, management considers whether it controls the present economic resource and has a present obligation to transfer the economic resource as a result of past events or the liabilities and assets rest with Principals and other entities and the Company only acts as an agent. Management has assessed that liabilities and assets rests with Principal and other parties where the Company only acts as an agent.

4. NEW AND AMENDED STANDARDS AND INTERPRETATIONS

The following International Financial Reporting Standards (IFRS standards) as notified under the Companies Act, 2017 are effective for accounting periods beginning from the dates specified below:

		Effective date (annual reporting periods beginning on or after)
IAS 1	Presentation of Financial Statements (Amendments)	January 1, 2023
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors (Amendments)	January 1, 2023
IAS 16	Property, plant and equipment (Amendments)	January 1, 2022
IAS 12	Income Taxes (Amendments)	January 1, 2023

		Effective date (annual reporting periods beginning on or after)
IAS 37	Provisions, Contingent Liabilities and Contingent Assets (Amendments)	January 1, 2022
IFRS 3	Business Combinations (Amendments)	January 1, 2022
IFRS 4	Insurance Contracts (Amendments)	January 1, 2023
Annual improvements to IFRS standards 2018 - 2020; Amendments to IFRS 9 "Financial Instruments", IFRS 16 " Leases", IAS 41 "Agriculture"		January 1, 2022
Amendments to IFRS 9 "Financial Instruments", IAS 39 "Financial Instruments: Recognition and Measurement", IFRS 7 "Financial Instruments: Disclosures", IFRS 4 " Insurance Contracts" and IFRS 16 "Leases" for interest rate benchmark reform - Phase 2		January 1, 2021

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 in presentation / disclosures.

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

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

The following interpretation issued by the IASB has been waived off by SECP:

IFRIC 12 Service concession arrangements.

5. Summary of Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements;

5.1 Property and equipment

Property and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

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. The cost of day to day servicing are charged to the income and expenditure statement during the period in which they are incurred.

Depreciation is charged to the income and expenditure statement on straight line method at the rates specified in Note 6. Depreciation on additions to the fixed assets is charged from the month in which the asset is available for use and no depreciation is charged for the month in which the property and equipment is disposed off.

An item of operating fixed assets is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of the asset which is determined by comparing the proceeds from disposal with the carrying amount of property and equipment is included in the income and expenditure statement.

5.2 Intangible assets

An intangible asset is recognized if it is probable that future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably.

Intangible assets are stated at cost less accumulated amortization and any identified impairment loss.

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 costs are charged to income during the period in which they are incurred.

Amortization is charged to income and expenditure statement on straight line method at the rates specified in Note 7 from the month in which the asset is available for use and no amortization is charged for the month in which intangible asset is disposed off.

An item of intangible assets is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of the asset which is determined by comparing the proceeds from disposal with the carrying amount of intangible asset is included in the income and expenditure statement.

5.3 Leases

The Company assesses whether a contract is or contains a lease at the inception of a contract and whether the contract conveys the right to control the use of underlying asset for a period of time in exchange of consideration.

i) Right of use assets

A right-of-use asset is recognized at the commencement date of a lease. Right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and an estimate of costs to be incurred in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated on a straight line basis from the current date over the earlier of the end of lease term or the useful life of the right-of-use asset. Where the Company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is charged over its estimated useful life. Right-of-use assets are subsequently stated at cost less any accumulated depreciation and impairment loss (if any) and are adjusted for any remeasurement of lease liabilities.

The Company has elected not to recognize a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are charged to income as incurred.

ii) Lease liabilities

A lease liability is recognized at the commencement date of a lease. The lease liability is initially recognized at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

The lease liability is remeasured when there is a change in the future lease payments arising from a change in an index or rate, if there is a change in the amount expected to be payable under a residual value guarantee or if there is a change in the assessment of whether the Company will exercise a purchase, extension or termination option that is within the control of the Company.

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 income and expenditure statement if the carrying amount of the right-of-use asset has been reduced to zero.

Lease payments are allocated between a reduction of the liability and a finance cost. The finance cost is charged to the income and expenditure statement as finance cost over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Further, requirements of IFRS 16 "Leases" have been waived off by SECP in respect of power purchase agreements entered by companies up to 01 January 2019. As explained in note 2 to the financial statements, the Company has assessed that it acts as an agent on behalf of DISCOs and accordingly, there is no impact of the same on these financial statements.

5.4 Impairment of non-financial assets

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 the carrying value exceeds the recoverable amount, assets are written down to the recoverable amount and the difference is charged to the income and expenditure statement. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the income and expenditure statement.

5.5 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognized in statement of income and expenditure, as incurred.

(i) Current tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. The charge for current tax also includes adjustment, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

(ii) Deferred tax

Deferred tax is accounted for using the 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. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets for all deductible temporary differences 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 assets are reviewed at each statement of financial position date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

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

5.6 Provisions and contingencies

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

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

5.7 Foreign currencies

Transactions in foreign currencies are translated into Pak Rupees using exchange rate at the date of transaction. All monetary assets and liabilities denominated in foreign currencies are translated into Rupees at exchange rates ruling on the statement of financial position date. Exchange gains and losses, where applicable, is credited / charged in income and expenditure statement.

5.8 Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents comprise of cash at bank.

5.9 Income recognition

i) Revenue from contracts with customers

The Company's net income mainly arises on account of market operation fee received from DISCOs and K-Electric. The Company is acting as an agent and the title to the energy procured always vest with distribution companies (DISCOs) and K- Electric as per Power Purchase Agency Agreements. Revenue is recognised when the Company satisfies a performance obligation by transferring a promised good or service to a customer. The Company recognises income in respect of market operation fee when services are rendered as the performance obligation are generally met over time. The Company uses output method and recognise income at the amount invoiced if the Company's right to invoice is based on value of services transferred and the amount invoiced represent the value transferred to DISCOs and K-Electric. It is measured at transaction price and the method for charging of market operation fee to DISCOs and K-Electric is approved by NEPRA in the commercial code. The rate of market operation fee is determined by NEPRA and payable by DISCOs and K-Electric on receipt of invoice.

ii) Interest income on bank deposits

Profit on bank deposits is calculated using effective interest rate method and recognised in the income and expenditure statement.

5.10 Accrued and other payables and liabilities

Liabilities for accrued and other payables are carried at cost which is the fair value of the consideration to be paid in future for goods and services received, whether or not billed to the Company.

Where the Company is acting as an agent of the Principals, the liabilities are recognised to the extent of remittances received by the Company from the Principals but not yet paid to the power generation companies.

5.11 Employee benefits

Salaries, wages and benefits are accrued in the period in which associated services are rendered by employees of the Company. The accounting policy for provident and gratuity benefits are described below:

Provident fund

The Company operates a contributory provident fund scheme for all its regular employees. Monthly contributions are made both the Company and employee @ 5% of the basic salary.

Gratuity fund

The Company operates an approved funded gratuity scheme under an independent trust for its regular employees who have completed the minimum qualifying period of service as a defined benefit plan. The gratuity scheme is managed by trustees. The Company's obligation in respect of the defined benefit plan is calculated by estimating the present value of future benefit that employees have earned in return of this service in the current and prior periods; that benefit is discounted to determine its present value. The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method. The latest valuation was carried out as at 30 June 2021 details of which are disclosed in note 15.2.1 to the financial statements.

The interest is calculated by applying discount rate to the net balance of the defined benefit obligation and fair value of plan assets. The cost is included in employee benefit expense in the income and expenditure statement.

Past service costs are recognized immediately in income and expenditure statement.

Remeasurement gain/losses are recognized in other comprehensive income.

5.12 Financial Instruments

Financial assets and liabilities are recognized in the statement of financial position when the Company become a party to the contractual provisions of the instrument. All the financial are derecognized at the time when the Company loses control of the contractual rights that comprise of financial assets. All financial liabilities are derecognized at the time when they are extinguished that is, when the obligation specified in the contract is discharged, cancelled or expired. Any gain or losses on derecognition of the financial assets and financial liabilities are taken to the income and expenditure statement.

a. Classification of financial assets

The Company classifies its financial assets in the following measurement categories:

- fair value through profit or loss (FVTPL);
- fair value through other comprehensive income (FVTOCI); and
- at amortized cost.

The Company determines the classification of financial asset at initial recognition and the classification depends on the Company's business model for managing the financial assets and the contractual cashflow characteristics. The Company reclassifies its debt investment when and only when its business model for managing those instruments changes.

Financial assets that meet the following conditions are subsequently measured at amortised cost:

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

Financial assets that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at FVTPL.

Classification of financial liabilities

The Company classifies its financial liabilities in the following categories:

- at fair value through profit and loss ("FVTPL"), or
- financial liabilities at amortised cost.

Financial liabilities are measured at amortised cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

Initial recognition

The financial assets are initially recognized at fair value, plus, in case of a financial asset not at FVTPL, transaction costs. Transaction cost of financial assets carried at FVTPL are expensed in the income and expenditure statement. All financial liabilities are initially measured at fair value and in the case of loans and borrowings (if any) and payables, net of directly attributable transaction costs.

Subsequent measurement

Financial assets and liabilities

at amortized cost

Subsequent to the initial recognition, these are measured at effective interest rate method and subject to impairment. Gains and losses are recognized in income and expenditure statement when the asset/ liability is derecognized/ or modified or the assets is impaired.

at FVTPL

Subsequent to the initial recognition, these are carried in the statement of financial position at fair value with net changes in fair value recognized in income and expenditure statement.

Financial assets (other than equity instruments) at FVTOCI

Subsequent changes in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognized in income and expenditure statement.

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For other receivables, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Life time ECLs are the ECLs that results from all possible default events over the expected life of a financial instrument. 12 month's ECLs are portion of ECL that result from default events that are possible within 12 months after the reporting date.

ECLs are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between cash flows due to the entity in accordance with the contract and cash flows that the Company expects to receive).

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectation of recovering a financial asset in its entirety or a portion thereof.

Derecognition

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

i) Financial assets

The Company derecognises financial assets only when the contractual rights to cash flows from the financial assets expire or when it transfers the financial assets and substantially all the associated risks and rewards of ownership to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying value and the sum of the consideration received and receivable is recognised in the income and expenditure statement. In addition, on derecognition of an investment in a debt instrument classified as FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to income and expenditure statement. In contrast, on derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified, but is transferred to statement of changes in equity.

ii) Financial liabilities

The Company derecognizes a financial liability (or a part of financial liability) from its statement of financial position only when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the income and expenditure statement.

iii) Offsetting of financial assets and financial liabilities

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

6 PROPERTY AND EQUIPMENT

	Operating fixed assets							
	IT and networking equipment	Furniture and fixture	Leasehold improvements	Electric installations	Vehicles	Office equipment	Capital work in progress	Total
	(Rupees in thousand)							
At 30 June 2019								
Cost	90,614	14,455	-	-	19,830	9,314	35,145	169,358
Accumulated depreciation	(44,565)	(7,481)	-	-	(18,546)	(3,981)	-	(74,573)
Net book value	46,049	6,974			1,284	5,333	35,145	94,785
Year ended 30 June 2020								
Opening net book value	46,049	6,974	-	-	1,284	5,333	35,145	94,785
Additions / transfers	6,983	11,697	30,127	43,232	-	1,851	(35,145)	58,745
Depreciation (note 18)	(24,669)	(4,540)	(5,838)	(6,817)	(184)	(1,991)		(44,039)
Closing net book value	28,363	14,131	24,289	36,415	1,100	5,193	-	109,491
At 30 June 2020								
Cost	97,597	26,152	30,127	43,232	19,830	11,165	-	228,103
Accumulated depreciation	(69,234)	(12,021)	(5,838)	(6,817)	(18,730)	(5,972)	-	(118,612)
Net book value	28,363	14,131	24,289	36,415	1,100	5,193	-	109,491
Year ended 30 June 30 2021								
Opening net book value	28,363	14,131	24,289	36,415	1,100	5,193	-	109,491
Additions	16,061	3,307	3,884	1,139	-	494	-	24,885
Depreciation (note 18)	(21,972)	(5,509)	(6,238)	(8,855)	(183)	(2,327)	-	(45,084)
Closing net book value	22,452	11,929	21,935	28,699	917	3,360	-	89,292
At 30 June 2021								
Cost	113,658	29,459	34,011	44,371	19,830	11,659	-	252,988
Accumulated depreciation	(91,206)	(17,530)	(12,076)	(15,672)	(18,913)	(8,299)	-	(163,696)
Net book value	22,452	11,929	21,935	28,699	917	3,360	-	89,292
Annual rate of depreciation (%)	33%	20%	20%	20%	10%	20%		

6.1 Certain assets were transferred to the Company on 03 June 2015 by NTDCL in accordance with the terms and conditions of the Business Transfer Agreement between NTDCL and t Company. However, transfer of title of the 4 vehicles (2020: 4 vehicles) in the name of the Company is under process with the Vehicle Registration Authorities.

7 INTANGIBLE ASSETS

	Enterprise Resource Planning System	Computer Softwares and License fees	Assets under development (Note 7.1)	Total
	----------------- (Rupees in thousand)	-----------------		
At 30 June 2019				
Cost	37,543	4,191	9,569	51,303
Accumulated amortization	(10,441)	(649)	-	(11,090)
Net book value	27,102	3,542	9,569	40,213
Year ended 30 June 2020				
Opening net book value	27,102	3,542	9,569	40,213
Additions during the year	131	3,080	1,286	4,497
Amortization charge (note 18)	(7,539)	(880)	-	(8,419)
Closing net book value	19,694	5,742	10,855	36,291
At 30 June 2020				
Cost	37,674	7,271	10,855	55,800
Accumulated amortization	(17,980)	(1,529)	-	(19,509)
Net book value	19,694	5,742	10,855	36,291
Year ended 30 June 2021				
Opening net book value	19,694	5,742	10,855	36,291
Additions during the year	-	33,348	2,978	36,326
Transferred to operating intangible assets	-	4,750	(4,750)	-
Amortization charge (note 18)	(7,534)	(4,499)	-	(12,033)
Closing net book value	12,160	39,341	9,083	60,584
At 30 June 2021				
Cost	37,674	45,369	9,083	92,126
Accumulated amortization	(25,514)	(6,028)	-	(31,542)
Net book value	12,160	39,341	9,083	60,584
Annual rate of amortization (%)	20%	20%		

7.1 As at 30 June 2021,the assets under development represents payment made in respect of implementation of Enterprise Resource Planning Solution (Phase II) and Electricity Load Forecast Tool which are under development.

8 RIGHT-OF-USE ASSET

	2021	2020
	Rupees in thousand	
Opening net book value	223,726	-
Right of use asset recognized on adoption of IFRS 16 as at July 1, 2019	-	292,565
~~Depreciation charge for the year (note 18)~~	(68,839)	(68,839)
Closing net book value	154,887	223,726
Cost	292,565	292,565
Accumulated depreciation	(137,678)	(68,839)
Net book value	154,887	223,726
Annual rate of amortization (%)	20%	20%

8.1 The Company obtained building on lease for office use. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease period is from 01 October 2018 to 30 September 2023 (5 years).

9 DEFERRED INCOME TAX ASSET

Deferred tax asset as at 30 June 2021 to the extent of Rupees 79.166 million (2020: Rupees 17.751 million) has not been recognized as the Company is uncertain about the timing and extent of future taxable income against which such benefits can be utilized.

This comprises of following:

	2021	2020
	Rupees in thousand	
Deferred tax asset on deductible temporary differences in respect of:		
Unused tax losses	32,697	-
Unused tax depreciation and amortisation	10,465	-
Accelerated accounting depreciation / amortization	13,452	7,354
Leases	8,158	5,641
Provision for staff benefits	14,394	4,756
	79,166	17,751
Less: Unrecognized deferred tax asset	(79,166)	(17,751)
	-	-

Unused tax business losses of Rs 112.749 million will expire in the tax year 2027.

10 LONG TERM SECURITY DEPOSIT

These deposits are not carried at present value as the impact was considered not material.

11 TAXATION RECOVERABLE - NET

	2021	2020
	Rupees in thousand	
Balance at the beginning of the year	45,328	(45,730)
Provision (made) / reversed during the year - net	(32,434)	18,572
Income tax paid / deducted at source during the year	46,606	72,486
Balance at the end of year	59,500	45,328

12 ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES

	Note	2021	2020
		Rupees in thousand	
Advances - unsecured, considered good:			
Staff advances		1,662	1,704
Advances to suppliers		31,627	2,976
		33,289	4,680
Prepaid expenses		22,009	7,573
Other receivables from NTDCL - a related party	12.1	66,651	99,718
Accrued profit on bank accounts		20,171	19,628
		142,120	131,599

12.1 This includes amount of Rupees 44.257 million (2020: Rupees 99,718 million) on account of advance given for custom clearance for import of energy from Tavanir which is recoverable from NTDCL and Rupees 22.394 million (2020: Rupees nil) on account of receivable from NTDCL against pension contribution of NTDCL employees permanently absorbed in the Company during the year who were previously serving on deputation in the Company from NTDCL and the same shall be placed in the gratuity fund of the Company upon realisation. The aggregate maximum amount due from NTDCL at the end of any month during the year was Rupees 66.651 million (2020 : Rupees 99.718 million).

13 BANK BALANCES - DEPOSIT ACCOUNTS

	Note	2021	2020
		(Rupees in thousand)	
Balance in escrow account	13.1	10,794,357	3,910,985
Cash at bank	13.2	11,276,121	10,058,820
	13.3	22,070,478	13,969,805

13.1 This represents restricted cash amounting to Rupees 1.140 million (2020: Rupees 4.757 million) and Rupees 10,793 million (2020: Rupees 3,906 million) held in escrow account for payment to WAPDA Hydel and escrow account for profit / rental payments of Pakistan Energy Sukuk-I / Sukuk-II, respectively.

13.2 This includes cash at bank amounting to Rupees 11,275.152 million (2020: Rupees 10,058.775 million) collected from the Principals as at the reporting date pending settlement among the market participants by the Company as per the Commercial Code. Cash at bank amounting to Rupees 0.969 million (2020: Rupees .045 million) is held by the Company for running its operations.

13.3 The balances in deposit accounts carry mark up which ranges from 3.45 % to 6.10% (2020: 3.45% to 6.50%) per annum.

14 LEASE LIABILITY

	Note	2021	2020
		Rupees in thousand	
Total lease liability		183,019	243,178
Less: Current portion shown under current liabilities		(72,547)	(60,159)
		110,472	183,019

	2021	2020
	Rupees in thousand	

14.1 Reconciliation of lease liability

	2021	2020
Opening balance	243,178	-
Lease liability recognised on adoption of IFRS 16 on 01 July 2019	-	292,565
Unwinding of interest on lease liability	24,809	31,535
Payments during the year	(84,968)	(80,922)
Closing balance	183,019	243,178
Less: Current portion shown under current liabilities	(72,547)	(60,159)
Non-current portion	110,472	183,019

15 ACCRUED AND OTHER LIABILITIES

	Note	2021	2020 Restated
		Rupees in thousand	
Payable by the Company to the market participants representing offer*		11,018,622	9,908,632
Payable to Power Holdings Limited (PHL) in respect of energy payables swapped by GoP	13.1	10,793,217	3,906,228
Neelum Jhelum surcharge	15.1	61,247	44,326
Electricity duty	15.1	196,423	110,574
Accrued and other payables by the Company	15.2	401,660	136,411
		22,471,169	14,106,171

*As per Commercial code, the power generation companies licenced by the NEPRA, having PPA signed by, assigned to administer by the Company on behalf of DISCOs have been defined as market participants representing offer.

15.1 These represent Neelum Jhelum surcharge and Electricity Duty collected from IPPs on Back Feed billing (also known as Export Energy billing which means issuing electricity bills to IPPS for importing electricity from National Grid at rates determined by NEPRA) and payable to Government of Pakistan on demand.

15.2 Accrued and other payables by the Company

	Note	2021	2020
		Rupees in thousand	
Advance from DISCOs and K-Electric (related parties) against market operation fee - unsecured		250,736	34,823
Withholding tax payable		1,371	1,558
Payable to employees contributory provident fund		1,676	9
Payable to employees gratuity fund	15.2.1	72,031	16,399
General sales tax payable - net		6,488	8,975
Payable to suppliers		9,136	9,363
Accrued and other liabilities		60,222	65,284
		401,660	136,411

15.2.1 Payable to employees gratuity fund

The latest actuarial valuation was carried out at 30 June 2021, using the projected unit credit actuarial cost method. The amounts recognised in financial statements are determined as follows:

	Note	2021	2020
		(Rupees in thousand)	
~~Statement of financial position~~			
Present value of defined benefit obligation		123,612	49,819
Less: Fair value of plan assets		(51,581)	(38,112)
Benefits due but not paid		-	4,692
Balance sheet liability		72,031	16,399
Movement in present value of defined benefit obligation			
Present value of defined benefit obligation at the beginning of the year		49,819	32,913
Current service cost		20,664	17,046
Past service cost		53,190	-
Interest cost on defined benefit obligation		3,968	4,690
Benefits due but not paid		-	(4,692)
Benefits paid		(6,273)	-
Remeasurement loss recognised in other comprehensive income		2,244	(138)
Present value of defined benefit obligation at end		123,612	49,819
Movement in present value of plan assets			
Fair value of plan assets at the beginning of the year		38,112	20,443
Contributions		21,429	14,871
Interest income on plan assets		3,884	4,004
Benefits paid during the year		(10,965)	-
Remeasurement loss recognised in other comprehensive income		(879)	(1,206)
Fair value of plan assets at end		51,581	38,112
Expenses recognised in the income and expenditure statement			
Current service cost		20,664	17,046
Past service cost		53,190	-
Interest cost on defined benefit obligation		3,968	4,690
Interest income on plan assets		(3,884)	(4,004)
		73,938	17,732
Less: Past service cost to be paid by NTDCL	12.1	(22,394)	-
		51,544	17,732
Remeasurement loss recognised in other comprehensive income			
Remeasurement loss on defined benefit obligation		2,244	(138)
Remeasurement loss on planned assets		879	1,206
Remeasurement loss recognised in other comprehensive income		3,123	1,068
Movement in net liability recognised in statement of financial position			
Opening liability		16,399	12,470
Expenses for the year recognised in income and expenditure statement		51,544	17,732
Past service cost reimbursable by NTDCL		22,394	-
Remeasurement loss recognised in other comprehensive income		3,123	1,068
Contributions		(21,429)	(14,871)
Closing liability		72,031	16,399

Significant actuarial assumptions

	2021	2020
	(Rupees in thousand)	
Discount rate used for year end obligation	10.25%	8.50%
Salary increase rate used for year end obligation	9.25%	7.5%
Next salary is increased at	01 July 2021	01 July 2020
Mortality rates	SLIC 2001-2005 Setback 1 Year	SLIC 2001-2005 Setback 1 Year
Withdrawal rates	Moderate	Moderate
Duration of obligation	11	9

The Company expects to make a contribution of Rs 102.196 million to the employee gratuity fund trust during the next financial year which includes Rs 22.394 million receivable from NTDCL. Further, the expected expense for the next year amounts to Rs 30.165 million.

Plan assets comprise:

	30 June 2021	30 June 2020
Government Bonds	98.78%	-
Others	-	98.45%
Cash at bank	1.22%	1.55%
	100.00%	100.00%

Year end sensitivity analysis on defined benefit obligation

	Rupees in thousands
Discount rate +100 bps	111,603
Discount rate -100 bps	137,810
Salary increase +100 bps	137,963
Salary increase -100 bps	111,263

Expected benefit payments for next 10 years and beyond

	Rupees in thousands
Financial year 2022	5,761
Financial year 2023	9,568
Financial year 2024	10,299
Financial year 2025	22,013
Financial year 2026	10,354
Financial year 2027	10,653
Financial year 2028	51,648
Financial year 2029	29,754
Financial year 2030	7,721
Financial year 2031	30,813
Financial year 2031 onwards	3,048,888

The Company faces the following risks on account of defined benefit plan:

a) **Discount Rate risk** - The risk of changes in Discount Rate, since Discount Rate is based on corporate/government bonds, any decrease in bond yields will increase Plan liabilities.

b) **Salary Increase / Inflation risk** - The risk that the actual salary increase are higher than the expected salary increase, where benefits are linked with final salary at the time of cessation of service, is likely to have impact on liability.

c) **Mortality Risk** - The risk that the actual mortality experience is lighter than that of expected i.e. the actual life expectancy is longer than assumed.

d) **Withdrawal Risk** - The risk of actual withdrawals experience may be different from that assumed in the calculation which can impose a risk to the benefit obligation. The amount of liability can go either way.

16 CONTINGENCIES AND COMMITMENTS

CONTINGENCIES

16.1 The Company filed a tax reference on 13 June 2018 before Lahore High Court (LHC) against Appellate Tribunal Inland Revenue (ATIR) followed by Commissioner Inland Revenue (Appeals) (CIR(A)) wherein the order of Assistant Commissioner Inland Revenue (ACIR) creating demand of Rupees 1,514 million, Rupees 816 million and Rupees 934 million for tax years 2016 and 2017 vide notices dated 11 January 2017 and 10 August 2017 under section 153(1)(b) of the Income Tax Ordinance, 2001, as final settlement for withholding of tax from use of system charges was upheld. The taxation authorities have recovered tax amounting to Rupees 1,751 million against the collective demand of Rupees 3,264 million through attachment of bank accounts of the Company whereas the Company recovered/adjusted that tax from NTDCL as required under section 161 (2) of ITO, 2001 and obtained stay from LHC against remaining outstanding demand. On 07 November 2018, LHC set aside the orders of ATIR and CIR(A) and remanded back the case to the taxation officer for re-determination of tax liability. NTDCL has not yet acknowledged the recovery made by the Company in respect of this matter.

16.2 Tax authorities have issued a show cause notice on 08 May 2019 disallowing the input tax of Rupees 3,291 million (2020: Rupees 3,291 million) claimed on invoices of GENCO-III in October 2017, which has been challenged before the Honourable Lahore High Court on 30 August 2019, being illegal, unlawful and without jurisdiction and having no legal effect which matter is pending adjudication. Lahore High Court had granted interim relief to the Company till the next date of hearing. Further, subsequent to year end, Lahore Court has disposed off the petition filed by the Company on 25 October 2021 as the show cause notice was withdrawn by tax authorities.

16.3 Tax authorities issued show cause notice for tax liability of Rupees 5,567 million on 20 November 2018 on account of turnover tax and super tax under the Income Tax Ordinance, 2001, assuming that the settlement of power generators invoices to DISCOs are the sales of the Company. The Company has filed writ petition against the show cause in Lahore High Court on 20 December 2018 where the matter is pending adjudication. Lahore High Court has suspended the show cause notice till the next date of hearing.

16.4 Tax authorities have issued two show cause notices amounting to Rupees 46,790 million and Rupees 62,640 million on 23 August 2016 and 07 February 2017 respectively for the year 2015-16 in respect of sales tax on account of suppression of sales / inadmissible input, the claim against which writ petitions have been filed in Islamabad and Lahore High Courts on 14 October 2016 and 28 March 2017 respectively which are still to be decided. The Company has obtained stay till the next date of hearing for the writ petitions filed in Islamabad and Lahore High Courts. The revised monthly sales tax return supported by complete record including sales tax invoices, supply registers have been provided to FBR. The matter was resolved with FBR and a MOU was signed with FBR on 24 June 2017 and as a result commissioner IR condoned/allowed issuance of credit notes for Rupees 6,094 million to DISCOs. MOU includes a clause that FBR would only proceed further if any discrepancy of non compliance would be observed in this regard and no notice has been received from FBR subsequent to the signing of MOU. Further, subsequent to year end, Lahore High Court has disposed off the petition filed by the Company to on 25 October 2021 along with suspension of the show cause notice issued by tax authorities.

16.5 Tax authorities have issued notice dated 7 January 2019 stating that input sales tax credit for the tax period December 2015 and March 2016 amounting to Rupees 466.266 million claimed prior to registration is not allowable in term of section 59 of the Sales Tax Act 1990. The Company has filed writ petition to challenge the impugned notice in Lahore High Court on 12 February 2019 and show cause notice is suspended by the Lahore High Court till next hearing. The Company considers that the impugned notice is liable to be declared as illegal and without jurisdiction.

COMMITMENTS

		2021	2020
		(Rupees in thousand)	
16.6	Contractual commitments of the Company:		
	- in respect of intangibles	18,341	23,673
	- in respect of property and equipment	9,293	-
		27,634	23,673

17 MARKET OPERATION FEE

	2021	2020
Market operation fee	518,999	480,767
Less: sales tax	(71,586)	(66,312)
	447,413	414,455

17.1 This represents market operation fee determined by National Electric Power Regulatory Authority (NEPRA) for the administration, maintenance and implementation of the Commercial Code, NEPRA (Market Operator Registration, Standards and Procedure) Rules, supervision of compliance by market participants and billing, collection, settlement and payments procedures.

18 OPERATING EXPENSES

	Note	2021	2020
		(Rupees in thousand)	
Salaries and other benefits	18.1 & 18.2	643,116	535,249
Repair and maintenance		5,325	7,114
Legal and professional		27,474	22,524
Directors' meeting fee		18,750	17,125
Auditor's remuneration	18.3	2,830	804
Depreciation	6	45,084	44,038
Amortization	7	12,033	8,419
Depreciation on right-to-use asset	8	68,839	68,839
Rent		4,550	2,892
Utilities		9,764	6,920
Communication		9,094	7,254
Travelling		5,024	5,454
Vehicles' running		8,577	6,136
Training expenses		4,254	15,440
Office supplies		7,024	5,834
Printing and stationery		2,925	3,379
Fee and subscriptions		33,222	11,234
Advertisement		10,649	1,832
Security services expenses		2,373	2,356
Miscellaneous		6,330	2,394
		927,237	775,237

18.1 This includes salaries paid to employees of NTDCL transferred to the Company on deputation amounting to Rupees 71.16 million (2020: Rupees 77.34 million).

18.2 Salaries and other benefits include provident fund and gratuity fund charge of Rupees 9.535 million and Rupees 51.54 million (2020: Rupees 8.19 million and Rupees 17.73 million) respectively by the Company.

18.3 Auditor's remuneration

	2021	2020
	(Rupees in thousand)	
Audit fee	2,315	638
Audit fee - Employees retirement funds	290	166
Out of pocket expenses	225	-
	2,830	804

18.3.1 Audit fee includes sales tax of Rupees 359,310 (2020: Rupees 104,000).

19 FINANCE COST

	2021	2020
	(Rupees in thousand)	
Imputed interest on lease liability	24,809	31,535
Bank charges	311	885
	25,120	32,420

20 TAXATION

Current tax:		
- current year	35,793	73,267
- prior year	(3,359)	(91,839)
	32,434	(18,572)

20.1 Reconciliation of tax charge for the year

(Deficit)/income before tax	(208,661)	65,451
Tax at applicable rate of 29%	(60,512)	18,981
Tax effect of minimum tax on certain income / expenses	35,793	33,156
Tax effect of prior year	(3,359)	(91,839)
Deferred tax asset not recognized	61,417	17,725
Others	(905)	3,405
	32,434	(18,572)

21 PROVIDENT FUND RELATED DISCLOSURE

The investments of provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

22 BALANCES BETWEEN THE MARKET PARTICIPANTS THROUGH THE COMPANY IN ITS AGENCY ROLE AS A MARKET OPERATOR NOT REFLECTED IN THESE FINANCIAL STATEMENTS

The Company is acting as an agent of DISCOs and K-Electric in respect of designated purposes as explained in note 1.2 to the financial statements. Accordingly the Company performs verification of invoices submitted by power generation companies, under PPAs signed by the Company on behalf of DISCOs. The Company calculates the transfer charge on monthly basis for the settlements between the market participants in accordance with the applicable provisions of the Commercial code. Details of amount due to / from market participants and PHL (in respect of energy payables swapped by GoP) through the Company as at the reporting date and not reflected in these financial statements are as follows :

22.1 Details of payables / receivables between the market participants as on June 30, 2021 has been provided as under;

	Note	2021	2020
		(Rupees in thousand)	
Payable by market participants representing demand *	22.1.1	2,478,188,894	2,282,716,632
~~Payable by NTDCL through loan notes, a Government owned entity~~	~~22.1.2~~	~~26,769,851~~	~~41,900,008~~
Advance paid to Lakhra Power Generation on demand on behalf of market participants	22.1.3	5,490,877	5,490,877
Advance payment to Collector of Customs		-	308,915
		2,510,449,622	2,330,416,432
Receivable by market participants representing offer	22.1.4	1,678,316,064	1,398,090,892
Payable by HUBCO	22.1.5	(802,000)	(802,000)
Energy payables swapped by Government of Pakistan	22.1.6	854,747,397	946,942,400
		2,532,261,461	2,344,231,292
Less: Payable by the Company to market participants and in respect of energy payables swapped by GoP and recorded in financial statements	15	(21,811,839)	(13,814,860)
		2,510,449,622	2,330,416,432

*Market participants means the licenced ten Ex-Wapda DISCOs which shall share the power pool as per the power pool allocation currently operated by the system operator and K-Electric.

	Note	2021	2020
		(Rupees in thousand)	
22.1.1 Payable by market participants representing demand *	22.1.1.1 & 22.1.1.1.2		
Government owned distribution companies			
Lahore Electric Supply Company Limited (LESCO)		246,094,143	218,728,774
Faisalabad Electric Supply Company Limited (FESCO)		98,880,996	111,560,005
Multan Electric Power Company Limited (MEPCO)		160,617,659	170,744,651
Quetta Electric Supply Company Limited (QESCO)		467,655,664	392,142,381
Gujranwala Electric Power Company Limited (GEPCO)		23,853,376	43,564,188
Islamabad Electric Supply Company Limited (IESCO)		99,991,836	151,977,407
Peshawar Electric Supply Company Limited (PESCO)		450,035,096	413,155,675
Tribal Areas Electric Supply Company Limited (TESCO)		30,684,119	27,600,500
Hyderabad Electric Supply Company Limited (HESCO)		333,127,693	282,106,660
Sukkur Electric Power Company Limited (SEPCO)		303,720,784	255,670,600
		2,214,661,366	2,067,250,841
K-Electric Limited	22.1.1.3	292,114,721	212,526,747
Tariff Differential Subsidy - unallocated	22.1.1.4	(53,826,046)	(43,400,000)
Markup on energy payables swapped by GoP	22.1.1.5	25,238,853	46,339,044
		2,478,188,894	2,282,716,632

22.1.1.1 These represent amounts due against settlement of energy to DISCOs and K-Electric. The Company has signed Power Procurement Agency Agreements (PPAAs) with all DISCOs to perform the designated purposes on the terms and conditions set forth in the agreements subject to the stipulations prescribed by NEPRA and / or Commercial code. Power Procurement Agency Agreement with K-Electric has not been signed till the date of authorization of these financial statements. The GoP has approved the withdrawal of electricity by K-Electric from the previous limit of 650 MW to 1100 MW as temporary arrangement. The capacity limit may be enhanced to 2050 MW by the year 2023. The PPAA between CPPA-G and K-Electric has been agreed for withdrawal of electricity by K-Electric upto 2050 MW. The agreed PPAA would be signed by the parties after approval of GoP and NEPRA. There will be two effective dates for the PPAA, one for the electricity withdrawn by K-Electric from 2015 for 650 MW to 1100 MW and the second one will be prospectively from the actual enhancement.

22.1.1.2 DISCOs and K-Electric have not yet acknowledged delay payment interest (DPI) amounting to Rupees 223,920 million (2020: 196,890 million) and Rupees 84,242 million (2020: 58,103 million) respectively from the period 2009 to 2021. This includes DPI charged to DISCOs and K-Electric amounting to Rupees 110,630 million transferred from NTDCL under BTA for the period 2009 to 2015 which has not been acknowledged on the grounds that NEPRA has disallowed the respective DISCOs and K-Electric for claiming these charges in their tariff determination. Further, NEPRA has allowed the DISCOs to offset DPI after 2015 to the extent of late payment charges recovered from consumers by the DISCOs.

On 29 June 2018, the Company filed petition with NEPRA for regularization of DPI amounting to Rupees 110,630 million vide letter No. CPPA-G/2018/CEO/5924-25 followed by the reminders dated 17 October 2018, 29 May 2019, 15 January 2020, 19 June 2020, 21 July 2020 and 2 September 2020. On 3 November 2020, NEPRA vide letter number NEPRA/ADG(Tariff)/TRF-100/39259) decided that the consumer end tariff is determined in accordance with the Tariff (Standards and procedures) Rules -1998 and that the matter has already been settled which was notified in the official gazette and is now past and closed transaction and cannot be considered and allowed retrospectively. Subsequently, the Company vide letter number CFO/DGMF(CA&T)/(B&R)/Rec18586-87 dated 9 July 2021 filed reference with Ministry of Energy (Power Division) Government of Pakistan (GoP) for regularisation of DPI not acknowledged by DISCOs including Rupees 110,630 million transferred under BTA. On 25 August 2021, GoP in a meeting held with DISCOs decided to take up the matter with DISCOs for early resolution and afterwards the Company will issue necessary adjustments to DISCOs in this regard.

The matter is pending for settlement till the date of authorisation of these financial statements.

22.1.1.3 NTDCL entered into Energy Supply Agreement (ESA) with K-Electric on 26 January 2010 which expired in January 2015. According to expired ESA, the invoice for every month is to be cleared by K-electric within 15 days while the remaining amount payable along with next month invoice. Mark-up @ KIBOR plus 3% is chargeable on any delayed payment of invoices. The Company has filed a suit for recovery of Rupees 83,990 million not acknowledged by K-Electric along with interest from the date of default against K-Electric in Civil Court, Islamabad where the matter is pending adjudication and next hearing is fixed on 12 October 2021 for announcement of the orders on the said application. K-Electric is of view that this should be adjusted against its subsidy receivable from GoP.

The ECC has accorded approval in principle for agreed draft of arbitration agreement for the settlement of receivables / payables, including subsidy payable by GOP, between K-Electric and Government departments including the Company/NTDCL and has empowered the arbitrator to take final decision thereof. The Federal Government Cabinet has ratified the ECC decisions as on 08 June 2021. The proceedings of civil suit by the Company shall be subject to the resolution under the said arbitration agreement. The Privatization Commission will provide the secretarial support for coordination among the different Government Divisions or Entities.

As per the Draft Arbitration Agreement, arbitrator will determine the outstanding receivable from and payable to K-Electric by the Government department and the same shall be set off by the arbitrator to settle the past payables and receivables of the K-Electric. The ECC has constituted an inter-ministerial committee under the convenorship of Minister for Planning, Development and Special Initiatives with secretariat support by Privatization Commission of Pakistan.

As per the draft arbitration agreement as mentioned above, the parties to the agreement have agreed on the settlement of any dispute arising out of or in connection with the claims of either parties by arbitration, through the sole arbitrator appointed in accordance with the Terms of Reference (ToRs) which is yet to be finalized between both the companies. In pursuance to the above, the recovery suit filed by the Company against K-Electric in Civil Court, Islamabad would be withdrawn after the signing of Arbitration agreement.

22.1.1.4 This represents unallocated balance of economic stimulus package of Rupees 46,200 million, Prime Minister's Relief package of Rupees 3,980 Million for small and medium size enterprises (SMEs) on account of COVID-19 pandemic, subsidy received for small and medium size enterprises (SMEs) AJK & Gilgit Baltistan of Rupees 2,500 million, Zero rated industrial rebate of Rupees 1,146 million. This balance will be allocated to DISCOs in accordance with Government's directions which are still awaited.

22.1.1.5 This represents aggregate net receivable from DISCOs on account of mark-up on energy payable swapped by Government of Pakistan amounting to Rs 290,682 million as explained in Note 22.1.6. These balances are paid to Power Holding Limited (PHL) on account of markup and recovered by DISCOs through levy of Finance Cost Surcharge (FCS) from final consumer as determined by NEPRA and repaid to the Company by DISCOs. The markup was initially charged to DISCOs in prior years and certain DISCOs did not acknowledge the transfer of this mark-up amounting to Rupees 53,937 million (2020: Rupees 53,937 million). However after levy of FCS, DISCOs pay the FCS to the Company, after collection from the consumers. Accordingly, the markup receivable from DISCOs as at June 30, 2021 amounts to Rs 25,238 million (2020: Rs 46,339 million). The amount is to be paid by DISCOs through levy of FCS from consumers.

		Note	2021	2020
			(Rupees in thousand)	
22.1.2	**Payable by NTDCL through loan notes**	22.1.2.1		
	Loan note payable by NTDCL		42,412,169	42,412,169
	Net worth transferred back to NTDCL in FY 2018-19		(7,163,223)	(7,163,222)
	Overbooked revenue by NTDCL transferred back to NTDCL in FY 2018-19		251,061	251,061
	Settlement made during the FY 2020-21			
	- Through adjustment of DISCOs payables to NTDCL		(11,416,430)	-
	- Through adjustment of use of system charges payables by DISCOs		(3,713,726)	-
	Receivable from GoP in lieu of K-Electric previously allocated to GENCOs		6,400,000	6,400,000
			26,769,851	41,900,008

22.1.2.1 As detailed in note 1.1 above, the Company entered into a BTA with NTDCL in 2015. The detail of assets and liabilities transferred to the Company by NTDCL (under the BTA) in its capacity as agent of DISCOs and K-Electric as per resolution passed in meeting of Board of Directors of the Company held on 13 February 2017 and the terms of the BTA are as follows:

	Rupees in thousand
Assets transferred to the Company	
Property and equipment, net of accumulated depreciation	4,137
Trade receivables	316,074,535
Advances, deposits and prepayments	2,926,482
Advances to suppliers and contractors	2,445
Accrued interest	7,570,720
Other receivable from associated companies	802,000
Current account IOT (net receivable)	128,046,147
Government loan mark-ups receivable adjustments in DISCOs	68,551,593
K-Electric differential of marginal cost (payable by GoP)	6,400,000
Events after the statement of financial position date	11,291,401
Other receivable	65,493,054
Cash and bank balances	6,339,070
	613,501,584
Liabilities transferred to the Company	
Net worth	7,163,233
Trade payables	480,873,218
Miscellaneous accounts payable	874,327
Provision for KESC accrued markup	7,559,332
Current account IOT (net payable)	159,443,643
	655,913,753
Loan note receivable from NTDCL as at 30 June 2015	**42,412,169**

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In a meeting held on 26 January 2017, the Company and NTDCL agreed that a net liability of Rupees 42,412 million is payable by NTDCL to the Company.

The settlement of this transaction through loan notes would be treated as full and final payment of the entire consideration in lieu of transfer of Market Operations Undertaking. However, as per BTA, any assets, receivable or liability relating to Market Operations not known to NTDCL and discovered by either party after the date of closing but by 02 June 2019, shall be immediately transferred to the Company. In case any assets, receivable or liability relating to Market Operations are discovered and transferred, it is expressly agreed between the parties that the purchase price of Rupees 42,412 million shall accordingly be adjusted as per the requirements of BTA. The parties agree and acknowledge that the purchase price of Rupees 42,412 million has been calculated on the basis of the actual book value of the Market Operations Undertaking (excluding the transferred employees). If, at any time, it is determined by both parties that the purchase price of Rupees 42,412 million is required to be revised on account of change in book value, or due to prior miscalculation of the book value, of the Market Operations Undertaking (excluding the transferred employees), then the parties shall in good faith re-calculate the purchase price. The loan note amount payable as at 30 June 2021 is Rupees 26,770 million (2020: Rupees 41,900 million) of which Rupees 6,400 million is yet to be acknowledged by NTDCL.

22.1.3 This represents advance given, on behalf DISCOs, against operations and maintenance expenses and for fueling of a Power complex wholly owned by government and government related entities. The operations of plant have been discontinued under the directives of the Federal Government. The advance shall be adjusted upon the directives of the Federal Government.

	Note	2021	2020
		(Rupees in thousand)	
22.1.4 Receivable by market participants representing offer	22.1.4.1 & 22.1.4.2		
Government owned generation companies (GENCOs)		82,148,159	65,542,380
WAPDA Hydel Company		247,519,527	219,542,182
Nuclear Power Plants		117,821,563	75,760,246
Independent Power Producers (IPPs)		1,149,529,034	955,927,467
		1,597,018,283	1,316,772,275
Payable balance to WAPDA		133,970,873	133,970,873
Less: balance receivable from WAPDA		(53,500,918)	(53,500,918)
Amounts due to WAPDA	22.1.4.3	80,469,955	80,469,955
Amounts due to WAPDA for HUBCO	22.1.5	802,000	802,000
Others		25,826	46,662
		1,678,316,064	1,398,090,892

22.1.4.1 This includes an amount of Rupees 135,737 million (2020: Rupees 137,863 million) due by market participants in respect of late payment interest. As on June 30, 2021, an amount of Rupees 100,754 million (2020: Rupees 104,513 million) is disputed in respect of liquidated damages penalties, imposed on power producers due to non-fulfilment of contractual provisions of PPAs. On resolution of dispute, the recovery of this amount shall be passed to the market participants representing demand and is not reflected in these due balances.

22.1.4.2 Invoices by IPPs amounting to Rupees 61,933 million (2020: Rupees 58,766 million) were submitted to the Company however included in the transfer pricing to DISCOs subsequent to the close of the financial year. Under the respective PPAs, the invoices are payable after 25/30 days of submission of invoices by the IPPs. Therefore, the settlement to DISCOs is being done on the basis of invoice receipt and trued-up as per verification of the Company as per Commercial Code. Had the invoices been received / verified by the Company as at the reporting date, the same would have been added in the transfer pricing to DISCOs and the payable by the market participants representing demand and receivable by the market participants representing offer would have been increased by the same amount.

As per agreements signed with IPPs by the Company, the invoices for the delayed payment interest is submitted by IPPs when a payment against the original invoice is paid in full. The Company transfers the amount of delayed payment interest to the DISCOs that is verified and acknowledged as payable to the IPPs. As at 30 June 2021 if all the amount due and payable to IPPs is paid, the IPPs would have been entitled for a delayed payment interest amounting to Rupees 57,639 million (2020: Rupees 51,560 million) and the same would have been transferred to DISCOs as payable by market participants representing demand. The allocation among the DISCOs would have been in the ratio amount due from each DISCO (Principal) as appearing in this note. Further, the Company has not recognised net amount of Rupees 7,546 million (2020: 6,143 million) on account of balance reconciled with a power generation company and invoices pending final determination of tariffs from the regulatory authorities.

22.1.4.3 This mainly represents balances transferred by WAPDA to NTDCL in 2008-09 which were later transferred to the Company as a result of BTA in 2015. Further, this also includes Rupees 2,318 million (2020: Rupees 2,318 million) payable by WAPDA on behalf of Japan Power Generation Limited (JPGL) and Rupees 533.93 million (2020: Rupees 533.93 million) on behalf of SEPCOL. The amount receivable from JPGL represents advance given for fueling of power complex. This advance was given with the objective to provide continuous electricity supply to the general public during the times of heavy loadsheddings as JPGL did not have funds for fuel purchasing. Recovery suit has been filed against JPGL and SEPCOL on 19 October 2015 and 10 October 2016 respectively for the recovery of outstanding amount before competent jurisdictions. As per the latest audited financial statements of JPGL and SEPCOL, its financial position is adverse and its equity has been eroded and its total liabilities have exceeded its total assets and the honourable Islamabad High Court has ordered for winding up proceedings of SEPCOL through an order dated 11 January 2019. WAPDA has not acknowledged the aforementioned advances aggregating to Rupees 2,926 million (2020: Rupees 2,926 million). Further, amount receivable from WAPDA includes Rupees 3,396 million (2020: Rupees 3,396 million) on account of credit issued for a DISCO and adjusted against WAPDA which has also not yet been acknowledged by WAPDA.

22.1.5 This represents amount due from HUBCO on account of HUBCO first fuel fill, sanctioned by GOP through Pakistan State Oil (PSO). Ministry of Finance made the subject payment to PSO and instructed HUBCO to book a payable towards WAPDA. HUBCO has denied the payment of this amount and has disputed with WAPDA, and it was agreed between both the parties on 01 April 2009 that both parties will have the legitimate opportunity on commencement of 20th anniversary of plant to raise this matter. The Company approached HUBCO on 01 November 2017 to settle the matter but HUBCO refused to recognize the said balance. Resultantly, the Board in a meeting held on 09 May 2018 resolved to adjust the cost of first fill along with interest against overdue late payment charges invoiced by HUBCO and in case HUBCO disagrees, resolve the issue through dispute resolution mechanism. HUBCO has disputed the adjustment and filed case against the Company in Sindh High Court. Pursuant to the initiative of Government of Pakistan, through master agreement dated 11 February 2021 signed between the parties, it was agreed that HUBCO shall withdraw the suit before Sindh High Court and proceed under the dispute resolution mechanism of the PPA and accordingly HUBCO has withdrawn the suit and the Company and HUBCO are finalizing the nomination of arbitrator for settlement of the matter.

22.1.6 The tariff and regulatory structure of the power sector ensures such working capital mechanism for the power producers, that enables them to keep a secured supply of electricity, which depends on the procurement of fuel. Since the payments to the power producers have been secured by sovereign guarantee issued by the Government of Pakistan (GoP), if the power producers are not paid on due dates, they shall start calling upon the sovereign guarantees. Further, a late payment surcharge is also imposed due to which the power sector remains under circular debt.

This leads GoP to swap the energy payables with commercial loans and ijara agreement from banks. In accordance with the Economic Coordination Committee (ECC) decisions, these syndicated term finance facilities are being parked in Power Holding Limited (PHL) which transfers the funds received under these financing facilities to the Company on direction of Ministry of Energy, Power Division. The Company, acting in the capacity of agent of DISCOs and K-Electric, makes payment against these funds to power generation companies and repay these amounts to PHL on demand in accordance with the instructions received from GoP.

Servicing of loans amounting to Rupees 290,862 million (2020: Rupees 290,862 million) are being managed by way of Financing Cost Surcharge levied on end consumers under sub-section 5 of section 31 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 vide S.R.O. 908(I)/2014 dated October 03, 2014. Further, as per ECC decisions, servicing of loans amounting to Rupees 55,000 million (2020: Rupees 55,000 million) and Rupees 41,000 million (2020: Rupees 41,000 million) are the responsibility of GoP (Finance Division) and DISCOs respectively whereas servicing of loans amounting to Rupees 143,176 million (2020: Rupees 215,806 million) shall be managed by a surcharge yet to be levied by GoP.

Further Power Holding Limited (PHL) has raised Rupees 199,967 million and Rupees 200,000 million in financial year 2019-20 and 2018-19 respectively to swap the energy payable by issuance of shariah compliant Sukuk Certificates for a tenure of ten years and payment of rental markup is the responsibility of DISCOs. Sukuk rentals payable to PHL by DISCOs as at 30 June 2021 amounts to Rupees 7,380 million (2020: Rupees 9,578 million).

As at 30 June 2021, Rupees 82,633 million (2020: 65,270 million) have been paid by the Company to PHL on account of servicing of loan, as per the instructions of Ministry of Energy (Power Division) GoP, relating to loans where notification of surcharge for servicing of loan is yet to be levied by GoP and where servicing of loan is responsibility of GoP (Finance Division). The balance so paid to PHL is netted off from energy payable swapped by Government of Pakistan.

22.2 As at June 30, 2021, Use of system charges payable by DISCOs to NTDCL is Rupees 38,181 million (2020: Rupees 28,372 million).

22.3 Details of cases handled by the Company on behalf of Principals

As disclosed in note 1.1, 1.2 and 22.1.2.1, as a result of BTA, all disputed balances and litigations pertaining to the Principals on account of purchase of energy was transferred to the Company from NTDCL in 2015. The below notes summarizes the pending litigations in respect of matters where Company is acting in the capacity of agent on behalf of the Principals under the applicable laws, regulations and underlying agreements with Principals. Management expects a favorable outcome of these cases however, impact if any, in respect of these contingencies will be borne by the Principals. Litigation / arbitration expense incurred on actual basis are being charged to the Principals as pass through item as capacity transfer price.

22.3.1 On 08 June 2017 and 29 October 2017, through partial and final awards respectively, London Court of International Arbitration (LCIA) awarded an amount of Rupees 20,269 million (2020 : Rupees 20,269 million) in favor of 9 IPPs i.e. Atlas Power Limited, Nishat Chunian Power Limited, Nishat Power Limited, Liberty Power Tech Limited, Narowal Energy Limited, Saif Power Limited, Sapphire Electric Company Limited, Halmore Power Generation Company Limited and Orient Power Company (Private) Limited for their claims on account of dispute relating to withheld capacity payments. IPPs filed an application before Lahore High Court on 29 November 2017 for enforcement of Final Award that is pending adjudication. Further, the Company is contesting the enforcement proceedings initiated by the IPPs, which matter is also presently pending before the Lahore High Court.

Pursuant to the initiative of GoP to rationalize the tariff during the year, the parties have entered into a Master Agreements and Power Purchase Agreements (PPAs) Amendment dated February 11, 2021. As per the PPA Amendments the parties have agreed to resolve the outstanding LCIA Award amicably in good faith by extending the current agreement years for the disputed periods and the Company has agreed to make disputed period payments amounting to Rupees 3,273 million to the IPPs. In consideration of this, the IPPs have agreed to forego the amount awarded under LCIA. Further, IPPs and the Company have agreed that upon later of the date of disputed period payments and the first installment to be made by the Company under payment mechanism agreed in Master Agreement for the payment of outstanding receivable balances to IPPs, the parties will file a joint application before the Lahore High Court stating that on account of this agreement the enforcement proceedings between the parties are withdrawn. Payable balance to the power generation companies by the Principals includes Rupees 3,273 million as at 30 June 2021. However, the payments have not yet been made by the Company on behalf of the Principals pending compliance of codal/regulatory formalities. Further, the payment to Nishat Chunian Power Limited will be made after getting approval of GoP. Management believes that the payment will be made in due course to all IPPs except for Nishat Chunian Power Limited as per the approval of GoP and the LCIA award proceedings will be withdrawn by the IPPs in the ensuing period.

22.3.2 The London Court of International Arbitration decided the awards in favor of Atlas Power Limited (APL), Nishat Chunian Power Limited (NCPL), Liberty Powertech Limited (LPL) and Nishat Power Limited (NPL) for payment of delay payment on delay payment invoices. As per the awards, amount of Rupees 387 million, Rupees 2,319 million and Rs 1,886 million were awarded to APL, LPL and NCPL respectively with interest at KIBOR plus 4.5% per annum compounded semi-annually from the date of final award until payment of these amounts by the Company. Whereas for NPL the Arbitrator directed the Company to pay the claims of NPL in respect of interest on interest payments, the amount of which is yet to be estimated by the Company.

Atlas Power Limited and Nishat Power Limited filed enforcement petitions for the awards in Lahore High Court on 17 June 2017 and 18 December 2018 respectively and Nishat Chunian Power Limited and Liberty PowerTech Limited has filed their enforcement petitions on 10 December 2020 in Islamabad High Court. The Final Awards by LCIA for LPL, NPL and NCPL have also been challenged by the Company in Civil Court Lahore and award for APL was challenged in Lahore High Court where the matters are pending for arguments. During the year the Company has entered into Master agreements with these IPPs as per which the Company has agreed to follow the PPA mandated FIFO payment principle in relation to past and future payments and the IPPs in consideration of the same have agreed to forego all of its claims of late payment interest on late payment interest invoice and to withdraw all such claims for awards decided by LCIA. Management believes that APL, LPL and NPL will withdraw their claims in accordance with Master agreements in due course. Whereas for NCPL, approval of Government of Pakistan for release of overdue payments under Master Agreement is pending and over due payment will be made after approval of GoP subsequent to which NCPL will withdraw the claim. Management is confident that the claims under the awards will be withdrawn by the IPPs as per the signed Master Agreement.

22.3.3 The Company has adjusted USD 0.447 million (equivalent to Rupees 70.447 million) from FFC Energy Limited and USD 2.659 million (equivalent to Rupees 419.058 million) (along with interest of Rupees 283.5 million) from Orient Power Company (Private) Limited (Orient) in respect of liquidated damages on account of non-commissioning of plant operations on the Required Commercial Operation Date (RCOD). Orient has filed a petition in Lahore High Court on 10 March 2015 against the imposition of liquidated damages. The Company has filed a reference against FFC Energy Limited on 9 April 2017 against the decision of NEPRA to reimburse the liquidated damages to FFC energy Limited. Both cases are pending for arguments. Management believes that it has reasonable grounds to impose liquidated damages.

22.3.4 The Southern Electric Power Company Limited (SEPCOL) filed a suit in the International Court of Arbitration ("ICA") against the Company claiming damages amounting to Rupees 5,027 million with the Company on account of non fulfillment of provisions of the Power Purchase Agreement (PPA). However the suit has been kept in abeyance by SEPCOL in an attempt to resolve the matters amicably out of court in May 2008. Where as, the Company has also raised liquidated damages amounting to Rupees 8,343 million on SEPCOL for the period from February 2008 to June 2015 during which plant remained non-operational.

Further as disclosed in note 22.1.4.3, the Company has also filed recovery suit against SEPCOL, for recovery of outstanding fuel advance.

22.3.5 The Company has disputed mark up charged by WAPDA amounting to Rupees 4,900 million (2020: Rupees 4,900 million) on pre-BTA loan obtained by WAPDA to fulfil the working capital requirement of the Company. However, the Company has denied the payment of the said mark up with argument that in the absence of any formal PPA with WAPDA Hydro Electric, it is unable to entertain the same.

22.3.6 The Company has a long pending dispute with JPGL on various issues excavating from the application of PPA with JPGL. In view of the disputes, JPGL filed a request for arbitration in the International Court of Arbitration (ICA) on 12 January 2009.

On 07 March 2014, ICA announced its final award and declared that WAPDA is liable to pay Rupees 596 million, Rupees 50 million and Rupees 134 million for pre-award interest on additional capacity claim, NEC / indexation and interest thereon and pre-award interest under the settlement agreement claim, respectively.

Further, WAPDA is liable to pay to JPGL post-award interest at the base rate plus 2% compounded semi-annually on settlement agreement claim and additional capacity claim from 12 February 2014 onwards and on Rupees 100 million fuel advance refund from 09 July 2013 onwards all down to the date of actual payment of such mentioned claims. Furthermore, WAPDA is also liable to reimburse to JPGL Rupees 109 million on account of lawyer's fees, hearing costs and travel and accommodation costs.

On the other hand, ICA directed JPGL to pay forthwith Liquidated Damages (LDs) amounting to Rupees 778 million along with Rupees 558 million and Rupees 796 million on account of pre-award interest on LD's and fuel advance claim, respectively.

Each party was further advised to equally share cost of arbitration amounting to Rupees 108 million.

As per clause 15.3 of PPA signed and executed between the Company and JPGL, any dispute between the parties shall be finally settled through arbitration according to rules of arbitration of International Chamber of Commerce. According to PPA, the final award of ICA becomes contractual obligation of the parties. To date, JPGL has not submitted the ICA award for enforcement before any Court of competent jurisdiction in Pakistan. As per the relevant laws, JPGL was required to submit the award for enforcement within six years from the date of the award which period has been expired as of 30 June 2021. Management believes that enforcement proceedings are not expected to be filed by either party and confident that no liability will be payable by the Principals on account of this matter.

22.3.7 M/s TNB Liberty Power Limited (TNB Liberty) initiated arbitral proceedings in respect of dispute on capacity, energy and late payment interest charges on account of non supply of electricity by TNB Liberty due to gas disconnection by gas supplier, Sui Northern Gas Pipelines Limited (SNGPL) before the International Court of Arbitration of the International Chamber of Commerce ("ICC") vide its Request for Arbitration on 24 January 2017.

The Tribunal rendered an award dated 30 March 2020 as amended on 12 August 2020, in favor of TNB Liberty under which the Company was prohibited to offset liquidated damages imposed against TNB Liberty by the Company against the unpaid and undisputed capacity, energy and late payment interest payments amounting to Rupees 11,448.50 million as at 30 June 2019. Further the Company was directed to pay the costs of arbitration amounting to USD 1.559 million (equivalent Rs 245,741 thousand), pre-award and post-award interest on the undisputed late payment interest invoices at 8.25% per annum and at 5.33% per annum respectively, and the ICC's administrative expenses and the Tribunal's fee and expenses amounting to USD 435,000 (equivalent Rs 68,556 thousand).

Further, an amount of Rupees 1,683 million has been claimed by TNB Liberty as at June 30, 2021 on account of disputed capacity purchase price payments. TNB Liberty, on the request of Government of Pakistan, has agreed to withdraw the Award and the disputed capacity payments. The settlement terms have also been agreed between the parties. The parties will execute the formal Agreement on completion of codal formalities and after seeking approvals from competent authorities for giving final affect to the settlement terms. TNB Liberty will accordingly withdraw the Award amount and dispute thereafter.

22.3.8 The Company had a dispute with IPPs - JDW-II, JDW-III, RYK Mills Limited and Chiniot Power Limited on account of fixed components of NEPRA's tariff over and above of 45% of Annual Plant Capacity Factor (APCF). IPPs had filed writ petition on 04 April 2019 against the matter before Islamabad High Court where the matter is pending adjudication. During the year, in accordance with the master agreements signed by the Company with JDW-II, JDW-III and RYK Mills Limited, the Company has settled an amount of Rupees 1,743 million to the IPPs in respect of this matter as final settlement. As per the Master Agreement signed between the aforementioned parties, the parties shall jointly proceed to file applications for disposal of pending litigations before the Courts in relation to the matters in respect of the Master Agreement which are yet to be withdrawn by the parties. The Company is confident that since final settlement payment has been made, the pending litigations will be withdrawn by the IPPs in the ensuing period and there is no exposure in this regard. In respect of Chiniot Power Limited, the Company is confident that no liability will be payable by the Principals on account of this matter.

23 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

23.1 Financial instruments by category

	2021	2020 Restated
Financial assets at amortised cost	(Rupees in thousand)	
Maturity up to one year		
Other receivables	86,822	119,346
Bank balances - deposit accounts	22,070,478	13,969,805
Maturity after one year		
Long term security deposits	21,264	21,264
Financial liabilities at amortised cost		
Maturity up to one year		
Accrued and other liabilities	21,954,904	13,905,915
Current portion of lease liability	72,547	60,159
Maturity after one year		
Lease liability	110,472	183,019

23.2 Credit Quality of Financial Assets

The credit quality of the Company's financial assets has been assessed below by reference to external credit rating of counterparties determined by The Pakistan Credit Rating Agency Limited (PACRA) and VIS Credit Rating Company Limited (VIS).

Bank balances

	Rating			2021	2020
	Short term	Long term	Agency	(Rupees in thousand)	
National Bank of Pakistan	A1+	AAA	PACRA	2,221,575	1,148,734
Allied Bank Limited	A1+	AAA	PACRA	1,183,790	1,647,277
Askari Bank Limited	A1+	AA+	PACRA	849,729	1,065,039
Faysal Bank Limited	A1+	AA	PACRA	339,065	279,234
Habib Bank Limited	A-1+	AAA	VIS	1,176,983	740,348
The Bank of Punjab	A1+	AA+	PACRA	1,857,431	2,112,191
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	23,628	29,557
United Bank Limited	A-1+	AAA	JCR-VIS	840,413	68,286
MCB Bank Limited	A1+	AAA	PACRA	1,317,549	1,096,371
Bank Alfalah Limited	A1+	AA+	PACRA	73,864	460,380
Bank Al-Habib Limited	A1+	AAA	PACRA	1,191,969	1,055,330
First Women Bank Limited	A2	A-	PACRA	1,947	1,467
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	34,713	57,936
Meezan Bank Limited	A-1+	AAA	VIS	10,957,822	4,207,655
				22,070,478	13,969,805

Counterparties with external credit ratings

Other receivables from NTDCL - a related party	A1+	AA+	PACRA	66,651	99,718
Accrued profit on bank accounts					
National Bank of Pakistan	A1+	AAA	PACRA	16,811	18,301
Faysal Bank Limited	A1+	AA	PACRA	1,806	-
First Women Bank Limited	A2	A-	PACRA	254	401
Meezan Bank Limited	A-1+	AAA	VIS	1,070	642
Habib Metropolitan Bank Limited	A-1+	AAA	VIS	230	283
				20,171	19,628
				86,822	119,346

Counterparties without external credit ratings

Long term security deposits	21,264	21,264

23.3 Financial Risk Management

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

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. 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.

'Risk management is carried out by the Company under policies approved by the Board of Directors (the Board). The Board of Directors of the Company oversee how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

The main areas of financial risks faced by the Company are as follows:

(i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter-party to a financial instrument fails to meet its contractual obligations.

Bank balances and profit accrued on bank deposits represented by other receivables in note 23.1 are subject to the requirements of IFRS 9 and the identified impairment loss was immaterial as the Company limits its exposure to credit risk by maintaining accounts with banks that have reasonably high credit ratings. Credit ratings and exposure of bank balances is disclosed in note 23.2.

In addition to above, financial assets include other receivables from NTDCL and long term security deposits. Credit ratings and exposure are disclosed in note 23.2. In respect of receivable from NTDCL, the Company is government owned and given a good credit rating and the balance is neither past due nor impaired. Management has assessed that there is no impairment loss in respect of financial assets of the Company and these are recoverable in full.

(ii) Liquidity risk

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

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the date of statement of financial position to the maturity date. The amounts disclosed in the table are undiscounted cash flows:

	Carrying amount	Contractual cashflows		
		Less than one year	Between 1 to 5 years	Over 5 years
		(Rupees in thousand)		
As at June 30, 2021				
Accrued and other liabilities	21,954,904	21,954,904	-	-
Lease liabilities	183,019	89,216	117,379	-
As at June 30, 2020 (Restated)				
Accrued and other liabilities	13,905,915	13,905,915	-	-
Lease liabilities	243,178	84,968	206,595	-

(iii) Market risk

Market risk is the risk that changes in market 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 financial instruments.

(a) Currency risk

Currency risk is the risk that changes in foreign exchange rates will affect the Company's income or the value of its holdings of financial instruments. The objective of currency risk management is to manage and control currency risk exposures within acceptable parameters, while optimizing the return on financial instruments.

The Company is not exposed to currency risk since the Company, being an agent of DISCOs, passes on all exchange gains / losses on translation of foreign exchange denominated financial liability to DISCOs with no impact on these financial statements.

(b) 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 no significant interest-bearing financial assets except for bank balances in deposit accounts other than escrow accounts whose payments are restricted as disclosed in note 13.1 to the financial statements.

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

	2021	2020
	(Rupees in thousand)	
Floating rate instruments		
Financial assets		
Bank balances - deposit accounts	11,276,121	10,058,820

Cash flow sensitivity analysis for variable rate instruments

If interest rates at the year end date, fluctuate by 1% higher / lower with all other variables held constant, surplus / deficit before tax for the year would have been Rupees 112.761 million higher / lower (2020: Rupees 100.588 million), mainly as a result of higher / lower interest income on bank balances. This analysis is prepared assuming the amounts of bank balances at reporting dates were outstanding for the whole year.

(c) Price risk

Price risk represents the risk that the fair value or future cash flows of the financial instruments 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. At the period end Company is not exposed to price risk since there are no financial instruments, whose fair value or cash flows will fluctuate because of future changes in market prices.

23.4 Fair value of financial asset and financial liabilities

Carrying amount of all financial assets and liabilities, reflected in the financial statements are reasonable approximation of their fair value.

23.5 Determination of fair values

A number of the Company's accounting policies and disclosures require the determination of fair values, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and / or disclosure purposes based on the following methods.

Non-derivative financial assets

The fair value of non-derivative financial assets is determined as the present value of future cash flows, discounted at market rates of interest, at the reporting date. This fair value is determined for disclosure purposes.

Non-derivative financial liabilities

The fair value of non-derivative financial liabilities is determined as the present value of future cash flows, discounted at market rates of interest, at the reporting date or, where applicable, fair value is determined by reference to their quoted closing repurchase price, at the reporting dates. This fair value is determined for disclosure purposes.

23.6 Offsetting financial assets and liabilities

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

24 REMUNERATION OF DIRECTORS, CHIEF EXECUTIVE OFFICER AND EXECUTIVES

24.1 The aggregate amounts charged in these financial statements in respect of remuneration including certain benefits to the Chief Executive Officer and Directors of the Company are given below:

	Chief Executive Officer		Executives	
	2021	2020	2021	2020
	---------------- (Rupees in thousand) ----------------			
Managerial remuneration	-	8,899	169,551	160,399
Allowances:				
House rent	-	4,004	76,298	72,180
Utilities	-	890	16,955	16,040
Medical	-	890	16,955	16,040
Conveyance	-	1,304	35,195	27,454
Bonus	-	809	62,277	13,829
Leave encashment	-	755	14,065	12,816
	-	8,652	221,745	158,359
Contribution to provident fund	-	445	6,572	5,427
	-	17,996	397,868	324,185
Number of persons	1*	1	70	69

*Pursuant to the approval of Federal Cabinet, Government of Pakistan vide notification dated 10 June 2020, additional charge was assigned to Additional Secretary-II Power Division, Ministry of Energy for the post of Chief Executive Officer of the Company. No remuneration has been paid to CEO by the Company during the year.

24.2 The aggregate amount charged in these financial statements in respect of meeting fee paid to 12 (2020: 10) directors is Rupees 18.750 million (2020: Rupees 17.125 million).

No remuneration except meeting fee, was paid to non-executive directors of the Company.

25 TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of Government of Pakistan and related entities under control of GoP including DISCOs and K-Electric, GENCOs, WAPDA, PAEC and NTDCL, provident fund, gratuity fund, directors of the Company and key management personnel. The amount due from and due to related parties are shown under respective receivables and payables. Detail of transactions with related parties other than specifically disclosed in these financial statements are as follows:

25.1 Government related entities

25.1.1 Market operation fee:

	2021		2020	
	Invoicing	Receipts	Invoicing	Receipts
	(Rupees in thousand)			
FESCO	65,104	115,981	61,262	41,585
GEPCO	48,715	89,045	44,877	45,356
HESCO	28,367	20,524	28,677	9,977
IESCO	46,129	84,700	42,883	40,477
LESCO	105,135	197,369	92,062	90,598
MEPCO	86,072	128,683	77,761	50,218
PESCO	66,005	73,547	62,098	33,889
QESCO	27,853	7,470	27,903	3,282
SEPCO	19,507	11,408	18,919	4,577
TESCO	5,964	3,035	5,485	965
K-Electric	20,148	3,150	18,840	2,576
	518,999	734,912	480,767	323,500

25.1.2 During the year the Company has received Rupees 1,538,931 million (2020: Rupees 1,432,958 million) from or on the behalf of DISCOs in accordance with its mandate as market operator.

25.1.3 During the year the Company paid to the Government owned market participants representing offer and PHL amounts to Rupees 585,387 million (2020: Rupees 642,347 million) in accordance with its mandate as market operator.

25.2 Post employment benefit plan:

	2021	2020
	(Rupees in thousand)	
Contribution to provident fund	18,795	13,294
Contribution to gratuity fund	21,429	14,871

26 NUMBER OF EMPLOYEES

	2021	2020
Number of employees as on June 30	214	204
Average number of employees during the year	209	200

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27 CORRESPONDING FIGURES

Comparative figures have been restated as a result of restatement of prior year's financial statements as referred in note 2 to these financial statements.

28 IMPACT OF COVID-19 (CORONA VIRUS) ON THESE FINANCIAL STATEMENTS

The spread of Covid - 19 as a pandemic and consequently imposition of lock down by Federal and Provincial Governments of Pakistan (Authorities) caused an overall economic slow down and disruption to various businesses. From the very outset of Covid-19, the management has adopted various policies and practices to minimize adverse impact of Covid-19 on the operations of the Company. Based on management's assessment, there is no material impact on the carrying values of assets and liabilities as of 30 June 2021 and the results of its operations. The Company is continuously monitoring the situation in order to proactively address any challenges which may arise from Covid-19.

29 GENERAL

Figures have been rounded off to the nearest thousand of Rupees unless otherwise stated.

30 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 18 NOV 2021 by the Board of Directors of the Company.

CHIEF EXECUTIVE OFFICER	DIRECTOR	CHIEF FINANCIAL OFFICER

Annex - I

Terms of Reference: Restructuring/Business Process Re-engineering (BPR) Consultant

CPPA-G is seeking a forward-thinking Lead Restructuring/Business Process Re-engineering (BPR) Consultant. The successful candidate will play a critical role in developing, reviewing and improving ~~the Corporate Business Processes of of the Market Operator (MO) and specialized business functions~~ of the MO as per the defined standards. The candidate will also lead and manage the automation of ERP/Backoffice functions for CPPA-G and MO. The ideal candidate will have experience with business process reengineering, process improvement, business analysis, and project management. The candidate must be able to work in a fast-paced environment. The candidate should have the ability to adapt to challenging and changing situations quickly while being able to facilitate the completion of multiple tasks and assignments.

Key Role and Responsibilities:
The Restructuring/Business Process Re-engineering (BPR) Consultant shall:

- Work with stakeholders and a cross-functional team to identify and analyze business requirements, processes and risks, and implement business process improvements
- Define, implement and maintain business processes and procedures to meet business objectives
- Identify application and process functional gaps in the processes of the organization
- Evaluate current business processes and recommend solutions for improvements
- Evaluate proposed changes using analytical based decision making
- Provide technical advice on processing technology, capability, risks
- Responsible for effective transitioning of existing project teams and the facilitation of project teams in the accomplishment of project activities and objectives
- Leverage experience with business process analysis, re-engineering, change management, and other performance improvement and general management consulting activities
- Analyze client operations and business processes using Business Process Re-engineering (BPR) or Business Process Improvement (BPI) methods, best practices, and tools
- Lead the process improvement sessions with client staff using process mapping and process improvement expertise, including leading client interviews for data collection
- Supervise the documentation of as-is state of client processes, identify process gaps and develop recommendations for improvement, and document an agreed upon to-be state for revised processes
- Lead implementation activities using change management approaches and interact with client personnel and senior leadership to accomplish project objectives.
- Work in a team environment and client project settings and provide project management expertise to client engagements and project work streams
- Supervises the preparation of technical reports by collecting, analyzing, and summarizing information and trends
- Lead standardization of the organizational business processes documentation for each level
- Provide group facilitation, interviewing, training, and provides additional forms of knowledge transfer
- Liaison between the business unit teams and development/technology teams

- Work closely with key business partners and subject matter experts in the definition and documentation of the functional requirements.
- Identify requirements via industry standard analysis techniques
- Participate in technical teams' meetings to facilitate the understanding, clarification, and ~~implementation of requirements in (Agile or Waterfall) development environment.~~

Consultancy Deliverables / Outcomes

- Define and develop Templates as per the industry standards and practices for documenting the MO Business Processes
- Develop templates required for the MO Functional Models for the automation of functions
- Develop Business Process Maps and Cross-Functional Flowcharts for MO required for the automation of business processes
- Develop requirements for the MO Applications development
- Develop and implement Quality and Compliance System for review of the developed Business Process documents and Functional Specification documents (from both internal and external sources) with the defined standards
- Manage and Assist development team for the implementation and automation of ERP / Backoffice applications for CPPA-G legacy functions and MO functions
- Implement and rollout Projects Monitoring system for the Team, Tasks, Work Items, Issues and Functional Releases management.
- Compilation of the periodic Monitoring Reports / Tracking Gantt Charts on automation project activities
- Develop Gap Analysis and Performance Assessment reports on analyzing the efficiency of developed Business Processes and Models using related tools and techniques.
- Maintenance of repositories and versions of the MO Business Process maps and functions manual documents.
- Prepare periodic reports on deficiencies in the developed reports and share with the concerned stakeholder for the desired changes or revisions.

Required Skills and Competencies:

- The ideal candidate must have strong Business Process mapping and designing skills
- Excellent hands on knowledge of BPR best practices and life cycle.
- Excellent analytical and organizational skills, including a thorough understanding of how to interpret customer business needs and translate them into application and operational requirements.
- Experience in working on the specialized Business Process Modeling tools, along with strong experience in basic modeling tools like Microsoft Visio or in the similar kind of tool.
- Experience in working on Business Process Simulation tools to analyze business scenarios efficiencies and comparison with different Business Process Models.
- Ability to perform analysis using Excel or any specialized tool for making business models comparison reports and benchmarking analysis.
- Must have knowledge of standard Business Analysis life cycle, Project Management knowledge areas and Software Development life cycle

- Must have knowledge of the latest and trending software development methodologies, frameworks, architecture concepts and terminologies.
- Ability in transforming the business requirement into technical Requirement Specification document for the implementation team
- ~~Ability to work independently or as part of a team.~~

Qualification / Certifications:

- MBA, MIT, BBA, MSc or BS degree (16 years of HEC equivalent education) in Business Management, Computer Sciences, or Project Management
- MS/MPhil (18 years of HEC equivalent education) degree in any of the above-mentioned category would be given a preference
- Certifications in Business Analysis, Project Management be an added advantage

Required Experience:

- Minimum 20 years of post-qualification experience including at least 15 years of experience in Business Process Re-engineering, Business Analysis, ERP Implementation Management, and Business Process Improvement related projects
- Verifiable experience of at least three large-scale Business Process Re-Engineering projects in the public-sector (preferably in Pakistan).
- Verifiable experience of at least three projects in Managing or Leading the implementation of ERP systems in the public-sector or large-scale private organizations.
- The experience in power sector be an added advantage
- Age limit for the position is up to 50 years at the time of closure

Period of assignment/services:

- The duration of the assignment is two years.

Annex - J

Term of Reference
For Hiring a Consultant on
"System Operator Strengthening, Technical Aspects of Power Contracts, Alignment of Regulatory Codes, and Economic Dispatch Order"

A. Background

1. CPPA has been operationalized in 2015 and is functioning as the Market Operator for Power Sector of Pakistan. While complying with Market Rules and Commercial Code, main functions of CPPA include Billing and Settlement , Power Procurement, Legal and Corporate Affairs, HR, IT and Market Development. It is also important to mention here the two Stages envisaged in CPPA's internal organizational strengthening and capacity building and external market development journey. Stage-I (operationalization of CPPA) materialized in June 2015, however, a lot of effort has currently been exerted to strengthen the core functions of CPPA under this phase and to accomplish this at the earliest possible. Under Stage-II new functions that were envisaged to be added in-order to ensure CPPA's role as an effective Market Operator have also been initiated and have been largely materialized in 2017-18.

2. One of the important roles of the Market Operator is to facilitate the Power Market transition from Single Buyer to Competitive regime by 2020 as mandated by ECC in 2015. During this transition process, CPPA-G is playing the role of a mentor organization. One of the important tasks for CPPA-G to perform is to build the capacity of the power sector entities (within certain boundaries) for the main market functions which is an important prerequisite for Competitive Market Operations.

3. CPPA-G with the help of a reputable international Market Development Consultancy firm has prepared a Market Model and Roadmap for its implementation that has been submitted to the Regulator for approval after due process.

4. Besides reform process of introducing a wholesale electricity market in Pakistan, there is a surge of VREs in the Pakistani grid in line with the global trends.

5. These two developments along-with supply adequacy coming in the power sector require immediate attention towards:

    a. Updates in the Grid Code to cater the emerging scenarios
    b. Strengthening of System Operator for improved dispatch operations
    c. Operationalization of a security constrained economic dispatch tools for system operation.
    d. Separation of connection agreement from PPA for open access

6. In this regard, CPPA-G that has already been centrally facilitating the power sector entities for creating an enabling environment for seamless implementation of Wholesale Market, requires the services of an Individual Consultant (IC) from the market, who will work with the Strategy and Market Development Department of CPPA-G.

7. The consultant will assist CPPA to identify gaps and suggest amendments that are required in the Grid Code to align it with the Market Model and to cater for an increased shared of VREs.

B. Scope of Work

8. The scope of work for the consultant includes:

   i. Work with the Market Development Consultants engaged with CPPA-G for working on the details of Market Model so that it is aligned with the Regulatory Codes, Rules and Regulations of Pakistan.

   ii. Propose amendments in the current regulatory documents that may be required to enable environment for implementation of Wholesale Electricity Market.

   iii. Assist NTDC (System Operator) and CPPA-G (Market Operator) in collaboration with Market Development Consultants for institutionalization of (i) Short-term models (Day-ahead to few weeks) with expected results including hourly prices, units dispatch, flows in lines, ancillary services schedule etc., (ii) the Medium-term model (few weeks to couple of years) with expected results including hourly prices, units dispatch, flows in lines, fuel consumption of selected units etc. The information derived from these exercises is a must for providing a level playing field to all the market participants

   iv. The consultant is also required to critically evaluate the Medium-term (dispatch optimization) model and short term (Unit commitment model) developed by Market Operator and System Operator, its inputs and assumptions and also devise processes and systems to improve them overtime.

   v. Assist in coordination with NEPRA for getting approval of the proposed regulatory amendments.

   vi. The consultant shall also review the technical part of the existing power purchase agreements and if required propose measures to make Technical part of these PPAs aligned to Grid Code and International Technical Standards. The assignment will also include improving the power system operations at the system operator which is a key function of the new competitive market structure. Also, propose commercial alignment in accordance with technical changes proposed.

   vii. Perform any other relevant task assigned.

C. Period of assignment/services:

9. The duration of the assignment is two years.

D. Consultant's Qualification

10. Bachelor's Degree in Electrical Engineering (Masters will be preferred), minimum 15 years of overall experience in power sector, and minimum 10 years of experience in system operations.

11. The Consultant is expected to be well versant with the regulatory framework, regulatory codes and power purchase agreements.

12. The Consultant's previous experience in similar and/or related assignments would be an additional advantage.

Annex – K

V138557

100 Rupees

CONTRACT AGREEMENT FOR PROVISION OF HEADHUNTING SERVICES TO CPPA-G FOR RECRUITMENT IN SENIOR & MIDDLE MANAGEMENT CADRES.

This Agreement is entered into and executed here at Islamabad on **31-12-2021** by and between.

Central Power Purchasing Agency (Guarantee) Limited (CPPA-G), a company incorporated under the Companies Ordinance 1984 having its head office located at Shaheen Plaza, A.K Fazl e Haq Road, Blue Area, Islamabad; hereinafter referred to as 'CPPA-G/CPPA-G'.

AND

Professional Employers (Private) Limited, a company incorporated under Companies Ordinance 1984, having its principal office located at 2nd Floor, 1-C, Jehlum Block, Green Fort II, Canal Bank Road, Lahore; hereinafter to referred to as 'Headhunting Firm/Firm'. Jointly referred to as 'Parties'.

Now therefore, in consideration of the mutual covenants contained herein, it is hereby agreed as follows:

1. **ARTICLE 1: THE ASSIGNMENT**

1.1. The Assignment, for which Services are required to be performed and delivered under this Agreement, is Provision of Headhunting Services for Recruitment in CPPA-G against Senior & Middle management cadre or equivalent and any other relevant services ancillary thereto.

2. **ARTICLE 2: SCOPE OF SERVICES**

2.1. The scope of consultancy and other professional services (herein referred to as "Services") to be performed by the Headhunting Firm for the Assignment under this Agreement as described in TORs of the RFP # TS465020E dated 7-11-2021.

3. **ARTICLE 3: EFFECTIVE DATE OF COMMENCEMENT**

3.1. Effective Date of Commencement of Services shall be 31-12-2021.

3.2. Term of Contract: The term of the Contract shall be three years from the date of commencement of

Services, subject to extension / amendment, if any, under the Contract.

3.3. **Extension of Time:** Extension of Time for completion of Services and the terms and conditions thereof shall be mutually agreed between the CPPA-G and the Service Provider as and when required.

4. **TERMS & CONDITIONS:**

4.1. The work relates to recruitment process encompassing advertisement design for the vacancies, receiving applications in response thereof, reaching out to potential candidates, handling, processing, and preparing database of the applicants.

4.2. It includes short listing of the applications on the prescribes minimum eligibility criteria advertised and segregating them into eligible & ineligible candidates by clearly mentioning the reasons of ineligibility and send reporting lists to CPPA-G within 7 days from the closing date of advertisement in prescribed format.

4.3. Conduct initial interviews/evaluation as per the job description and the advertised criteria.

4.4. The Headhunting firm will conduct initial interview of provisionally eligible candidates who have met the minimum criteria (age, qualification, experience) according to the job description and towards the end of this step, shall share the detailed report of final shortlisted candidates while clearly mentioning the reason of their shortlisting, suitability with the role or any other related information with CPPA-G. The Headhunting firm will send SMS/Email/WhatsApp & Letters (via registered post/Courier) for interview to the initially shortlisted candidates.

4.5. The Headhunting firm shall provide all the record of initial interview including attendance sheet and interview assessment sheet.

4.6. After conducting initial interview of shortlisted candidates, the Head Hunting Firm will share 10 shortlisted candidates against each post with CPPA-G for further interviews along with their complete attested documents (as per advertised criteria) i.e. education, experience certificates, equivalence certificates (if required), initial interview scoring by maintaining secrecy and accuracy. However, the CPPA-G reserves the right to increase or decrease the number of candidates to be appeared for interviews against any post in final interview round with selection committee based on the detailed report submitted by The Headhunting firm and organizational requirement.

4.7. CPPA-G reserves the right to examine the initial interview process by nominating any official, if required.

4.8. Final interviews will be conducted by CPPA-G. No TA/DA shall be given to candidates for interview by CPPA-G.

4.9. Prior to making any written job offer by CPPA-G, the Headhunting firm shall arrange attested copies of following documents from selected candidate:

(i) CNIC
(ii) 2 Fresh Photographs
(iii) One Personal reference letters from govt or semi govt officer
(iv) Undertaking that he has never been terminated/ dismissed/ removed from service on account of fraud, forgery, disciplinary action, or any other charge.
(v) All the educational documents (degrees with transcripts)
(vi) All the experience and training certificates
(vii) Last pay Drawn certificate including all other benefits certificate.
(viii) Any other document as per CPPA-G's requirement.

4.10. The Headhunting firm shall arrange verification from the referees and the former employers with respect to the information mentioned in the application including job title, responsibilities, salary, and benefits. The CPPA-G may arrange re-verification of the above information on its own or through any other source.

4.11. The Headhunting Firm shall carryout background check of the selected candidate.

4.12. The Headhunting Firm shall inform through SMS/Email/Letter to all the unsuccessful applicants about the outcome of their applications and satisfy query of any applicant at any forum.

4.13. On completion of recruitment cycle for each position, the Headhunting Firm shall provide below documents to CPPA-G along with invoice for payment by CPPA-G.

4.13.1. Longlist of all applicants with reason of their shortlisting or rejection and finally successful/unsuccessful

4.13.2. Declaration on informing about all the unsuccessful applicants about their status along with list containing name, date and mode of communication.

4.13.3. Declaration of not referring selected candidate to other employers for 1year from the date of joining date.

4.14. The whole process from the publication of advertisement should take not take more than 45 days.

4.15. It shall be sole responsibility that any damage suffered by the procuring agency or loss arising due to any irregularity or non- compliance to CPPA-G polices/SOP/Instructions etc. on part of the Headhunting Firm shall be recoverable from the Headhunting Firm.

4.16. The Headhunting Firm will have to perform the following jobs in accordance with the guidelines and directions of the CPPA-G Management to be issued from time to time.

4.17. CPPA-G requires the services of a specialized headhunting firm for executive searching for recruitment in the following management cadres as and when required:

Senior Management Cadre	Chiefs (CFO, CTO. CIO, etc.), Dy. General Managers, Functional Heads, and other titles of this cadre including Consultants/Advisors
Middle Management Cadre	(Sr. Manager, Manager, Dy. Manager, any other title of this cadre)

4.18. The payment will be made to Head Hunting Firm at the quoted rates in financial proposal i.e. Rs.116,000/- for Middle Management Cadre positions & Rs.232,000/- for Senior Management Cadre positions (irrespective of number of vacancies) inclusive of all applicable taxes.

5. **PAYMENT MODE & TERMS:**

5.1. The payment for each position will be made to the Headhunting Firm after issuance of Offer Letter to Selected candidate by CPPA-G upon completion of associated tasks e.g., Reference & Documents Verification of selected candidate.

5.2. The Headhunting Firm shall submit an error free Invoice, in terms of the above said payment schedule, to CPPA-G with all supporting data / documents.

5.3. Subject to deductions of applicable taxes, levies, and penalties, if any, the Company undertakes to pay all valid Invoice in full within Thirty (30) days from receiving of invoice.

5.4. If a hiring process gets ended without selection of candidate (s) due to any CPPA-G management decision , the fee will be paid as follows:

Last Step of Recruitment	Amount Payable to The Headhunting firm
Position cancelled by CPPA-G after advertisement but prior to applications submission deadline.	CPPA-G will pay 5% of total fee per advertised position.
Applications screening & initial applications Shortlisting Performed	CPPA-G will pay 10% of total fee per advertised position.
Initial interviews and assessments conducted by Firm	CPPA-G will pay 30% of total fee per advertised position.
Interviews conducted by CPPA-G selection committee, and no suitable candidate found.	CPPA-G will pay 40% of total fee per advertised.

In Case of re-screening from the same pool	CPPA-G will not pay any additional charges. Payment will be made upon selection of candidate from the re-screened same pool.
In Case of re-advertisement of the said post	It will be treated as a new assignment and payments will be made according to the payment terms upon completion of project on quoted rate.

6. **RECRUITMENT PROCESS:**

6.1. Advertisement:

a) Review advertisements for all the positions as may be declared vacant by the CPPA-G from time to time for various job groups, ranging from Deputy Manager and above.
b) Hold at least one consultation meeting with CPPA-G's focal person to design the draft advertisement that captures the job requirements.
c) The Calling of applications (Applications may be received through on-line or through conventional method or both) at the closing date of advertisement.
d) The official advertisement for the vacancies will be issued by the CPPA-G in the newspaper, however, the headhunting firm can post/use the same advertisement for sourcing purposes on their official sites or job boards. In case of any discrepancy in the posts by headhunting firm from the actual post advertised by CPPA-G is found, headhunting will be solely responsible.
e) CPPA-G will process publishing of job advertisement in the newspaper and in the job ad, email/ postal address (as mutually agreed between CPPA-G and Headhunting Firm) details of the head firm will be mentioned for the submission of job applications.

6.2. Applications Handling:

a. Candidates will directly apply through Headhunting Firm.
b. The Headhunting Firm will receive applications against the advertisement as well as reach out to potential candidates and provide information regarding position by using multiple mediums. The Headhunting firm shall use all efforts to attract qualified, experienced, and competent candidates to apply for the job.
c. The Headhunting Firm will receive the applications against the advertised positions by assigning an "Application No." and with record of "Date of receipt of application". This "Application No." and "Date of receipt of application" should be duly traceable, if required and will be provided to the applicants as acknowledgment of receipt of application.
d. The Headhunting firm will ensure a mechanism that no application should be considered after the expiry of last date of submission of Applications.
e. The Headhunting firm will develop a valid and reliable database for maintaining the record of all applicants against advertised posts and will ensure the minimum fields of the data base are available as determined by CPPA-G. This database will be a classified information and will not be used for any purpose other than for CPPA-G.
f. The Headhunting firm must have the ability to process and evaluate above 1000 or more applications for recruitment of different categories.
g. The Headhunting firm will be responsible for answering any query raised by the applicants and will resolve/guide the candidates in case of any difficulty/ambiguity faced by them during the application process by maintaining a valid telephone number and a responsive e-mail facility.
h. The Headhunting firm will ensure a mechanism that only eligible candidates are able to submit applications against a particular position however information provided by the applicant will be crossed check with documentary evidence.

6.3. Screening Process:

1. The screening of the applications will be made by The Headhunting firm as per criteria mentioned in advertisement and segregate the applicants into 'Eligible' & 'Ineligible' within 7 days from the closing date.
2. Firm shall receive all the applications, screen in line with the job requirements i.e. age, qualification, and experience and generate list of eligible and ineligible candidates.

3. Firm shall conduct initial interviews, of all the candidates fulfilling the minimum requirement, to evaluate the technical and behavioural aspects of eligible candidates and share a detailed report containing advice and record of the interview proceedings to CPPA-G for final interviews by the selection committee of CPPA-G.
4. Along with detailed report, initially, Headhunting Firm shall share top 10 shortlisted candidates and their complete attested documents (as per advertised criteria) i.e., education, experience certificates, equivalence certificates (if required), initial interview assessment sheet, scoring, suitability with the role for final interviews in mutually agreed format.
5. The CPPA-G reserves the right to increase or decrease the number of candidates to be appeared for interviews against any post in final interview round with selection committee based on the detailed report submitted by the Headhunting firm and organizational requirements.
6. Headhunting Firm will Liaise with candidates throughout the recruitment process to ensure that candidates have a positive experience.

6.4. Reporting:

i. Provide weekly updates to CPPA-G on the recruitment process in form of mutually agreed format.
ii. Handover complete data of project pertaining to each recruitment with CPPA-G HR upon closure of the position.
iii. The Headhunting Firm shall ensure that there is no conflict of interest of any of its shortlisting team with candidates.
iv. The Headhunting Firm shall provide access to the process as and when required by CPPA-G for monitoring purpose.
v. The Headhunting Firm shall ensure that the entire evaluation process shall be carried out in highly transparent, professional, and objective manner using most modern techniques and best HR practices prevalent in the corporate world.
vi. The Headhunting Firm shall be exclusively responsible to address complaints, demands and claims if any from the prospective candidates or any third party about shortlisting of candidates by the Headhunting Firm or any other act done during performance of its duties accruing from the contract. The Headhunting Firm also undertakes to indemnify CPPA-G against any such complaints, demands and claims.
vii. The Headhunting Firm shall ensure that all applicable laws are strictly adhered to in the course of evaluation/screening/shortlisting process.
viii. CPPA-G reserves the right to withdraw one or more positions at any time (before and during the execution of contract), especially, if the referred candidates do not meet the desired quality and experience.

6.4.1. <u>**Deliverables / Services with timelines:**</u> Timelines for provision of deliverables / services are as under from the awarding of Contract to successful Headhunting Firm:

i. The Headhunting Firm will provide list of shortlisted candidates for required positions within 7 Days to CPPA-G from the last date of receipt of applications as mentioned in job advertisement.
ii. The Headhunting Firm will provide list of shortlisted candidates for final interviews along with required documents within 15 Days to CPPA-G from the date of submission of initial eligibility/ineligibility list to CPPA-G.
iii. Any other ancillary deliverable, if so required.

7. **ARTICLE 7: MODE OF OPERATIONS**

7.1. Obligations of the Headhunting Firm

i. The Headhunting Firm shall be obligated to perform the obligation and services as described under the TORs mentioned in RFP which shall be read as integral part hereto.

ii. The Headhunting Firm shall perform Services as an independent Headhunting Firm in accordance with recognized standards, applicable laws and regulations.

iii. The Headhunting Firm shall appoint 02 Senior Consultants who shall represent the Headhunting Firm for purposes of this Contract and shall be responsible for the administration of the Contract including performance of Services thereunder. They shall remain in contact with the 2 nominated representatives of the CPPA-G to keep it fully informed on all matters relating to the provision of Services by the Headhunting Firm.

iv. In case the CPPA-G does not appoint any of the shortlisted candidate for a position and decides to re-advertise the position, if so require by the CPPA-G, the Headhunting Firm shall undertake re-doing of screening / shortlisting of fresh applications on same terms ("Re-doing of screening / shortlisting for a position") .

v. The Headhunting Firm shall carry out the Services with due diligence and efficiency and in conformity with sound industrial practices.

vi. The Headhunting Firm shall act at all times so as to protect the interests of the CPPA-G and shall take all reasonable steps to keep all expenses to a minimum consistent with sound economic, administrative and managerial practices.

vii. The Headhunting Firm shall furnish the CPPA-G such information relating to the Services as the CPPA-G may from time-to-time reasonably request.

viii. Except with the prior written approval of the CPPA-G, the Headhunting Firm shall not assign or transfer the Agreement for Services or any part thereof nor engage any other independent Headhunting Firm or sub-Headhunting Firm to perform any part of the Services.

ix. The Headhunting Firm agrees that no proprietary and confidential information received by the Headhunting Firm from the CPPA-G shall be disclosed to a third party unless the Headhunting Firm receives a written permission from the CPPA-G to do so.

7.2. Obligations of the CPPA-G: The CPPA-G shall provide to the Headhunting Firm:

i. The CPPA-G shall designate a person to act as its representative on all matters pertaining to this Agreement and to fully cooperate with the Senior Consultants of the Headhunting Firm.

ii. The CPPA-G shall take all necessary measures to make timely payments to the Headhunting Firm as stipulated herein.

8. ARTICLE 8: REMUNERATION FOR SERVICES.

The remuneration for Services rendered by the Headhunting Firm will be according to the quoted price as below:

Senior Management Cadre Positions	PKR.232,000/- Inclusive of all applicable Taxes (Irrespective of Number of vacancies against any post)
Middle Management Cadre Positions	PKR.116,000/- Inclusive of all applicable Taxes (Irrespective of Number of vacancies against any post)

9. ARTICLE 9: ADDITIONAL SERVICES

The CPPA-G may ask the Headhunting Firm to perform Additional Services during the currency of this Agreement. Such Additional Services shall be performed with the prior concurrence of both the Parties. The Headhunting Firm shall submit an estimate of the additional time (if any) and the additional remunerations for such Additional Services which shall be approved in writing by the CPPA-G before the commencement of the Additional Services.

10. ARTICLE 10: TERMINATION

10.1. End of Services

The Agreement shall terminate when, pursuant to the provisions hereof, the Services have been completed and the payment of remunerations have been made.

10.2. Termination by the Either Party:

The CPPA-G may, by a written notice of thirty (30) days to the Headhunting Firm, terminate this Agreement. All accounts between the CPPA-G and the Headhunting Firm shall be settled not later than Thirty (30) days of the date of such termination.

The Headhunting Firm may terminate this Agreement by giving thirty (30) days advance notice of termination of this agreement. However, the Headhunting firm is bound to handover complete data of all recruitment projects to CPPA-G and complete all pending assignments.

11. ARTICLE 11: FORCE MAJEURE

The term "Force Majeure" as employed herein shall mean acts of God, strikes, lock-out or any other events, not within the control of either Party and which by the exercise of due diligence neither Party is able to overcome.

i. If either Party is temporarily unable by reason of Force Majeure or the laws or regulations of Pakistan to meet any of its obligations under the Agreement, and if such Party gives to the other Party written notice, of the event within fifteen (15) days after its occurrence, such obligations of the Party, as it is unable to perform by reason of the event, shall be suspended for as long as the inability continues. Neither Party shall be liable to the other Party for loss or damage sustained by such other Party arising from any event referred to as Force Majeure or delays arising from such event. Force Majeure shall not include insufficiency of funds or failure to make any payment required under the Agreement.

12. ARTICLE 12: BLACKLISTING

If the Headhunting Firm/Bidder delays in performance of any of the obligations, under the Contract, violates any of the provisions of the Contract, commits breach of any of the terms and conditions of the Contract CPPA may, at any time, without prejudice to any other right of action / remedy it may have blacklist the bidder, either indefinitely or for a stated period, for future Tenders in public sector. If the bidder is found to have engaged in corrupt or fraudulent practices in competing for the award of contract, during procurement process or during the execution of the contract, CPPA may, at any time, without prejudice to any other right of action / remedy it may have, blacklist the bidder, either indefinitely or for a stated period, for future Tenders in public sector

13. ARTICLE 13: RESOLUTION OF DISPUTES

In case of any dispute or conflict arising out of this Contract, the Parties agree first to try in good faith to settle the dispute by referring the matter to mediation. In case, the Parties failed to resolve the matter through mediation within 15-days from the reference of the matter, either party may refer the matter to Arbitrator within 07-days of failure of mediation. The place of arbitration shall be Islamabad. The arbitration proceedings shall be governed by the Arbitration Act, 1940, as amended, and the rules made thereunder. The award of the Arbitrator shall be final.

14. ARTICLE 14: APPLICABLE LAWS

This Agreement shall, in all respects, be read and construed and shall operate in conformity with the laws of Pakistan and the courts at Islamabad shall have exclusive jurisdiction for adjudicating and interpreting the Agreement.

15. ARTICLE 15: CONTRACT AMENDMENT

No variation in or modifications to the terms of the Agreement shall be made, except by a written amendment signed by the Parties hereto.

16. ARTICLE 16: NOTICES

Any notice given by any of the Parties hereto shall be sufficient only if in writing and delivered in person or through registered mail as follows:

To: The CPPA-G

To: The Headhunting Firm

Central Power Purchasing Agency (Guarantee) Limited, (CPPA-G) ,
Shaheen Plaza, A.K Fazl e Haq Road, Blue Area, Islamabad.

Professional Employers (Private) Limited, 2nd Floor, 1-C, Jehlum Block, Green Fort II, Canal Bank Road, Lahore

or to such other address as either of these Parties shall designate by notice given as required herein. Notices shall be effective when delivered.

IN WITNESS WHEREOF, the Parties have executed this Agreement, in two (2) identical counterparts, each of which shall be deemed as original, as of the day, month and year first above written.

FOR AND ON BEHALF OF CPPA-G

Signed by: Rehan Hameed

Designation: Chief (HR&A) Officer

Chief (HR&A) Officer
CPPAG, Islamabad

(Seal)

FOR AND ON BEHALF OF PROFESSIONAL EMPLOYERS PVT LTD

Signed by: Abrahim Butt

Designation: Head of Operations

(Seal)

FOCAL PERSON CPPA-G

Rida Javaid - Deputy Manager HR

Ali Raza - Assistant Manager TA

FOCAL PERSON PROFESSIONAL EMPLOYERS (Project Leads)

Mr. Khurram Saeed – Regional Head Sales

Mr. Awais Salahuddin – Unit Head Sales

Witness:

Signatures: 17/1/22
Name: Tauseef Chughtai
Designation: AM HR

Witness:

Signatures:
Name: Zahid
Designation:

A961037

100 Rupees

۱۰۰ روپیہ

AGREEMENT FOR HIRING THIRDPARTY RECRUITMENT FIRM (TESTING AGENCY) FOR RECRUITMENT IN CENTRAL POWER PURCHASING AGENCY

This Agreement is entered into and executed here at Islamabad on 10-01-2022 ---------by and between:

M/s Central Power Purchasing Agency Guarantee Limited (CPPA-G), a company incorporated under the Companies Act, 2017 having its head office at Shaheen Plaza, A.K Fazl e Haq Road, Blue Area, Islamabad, hereinafter referred to as "CPPA-G".

AND

M/s Open Testing Service, a company incorporated under the Companies Act, 2017 having its principal office at Office # 1, Central Avenue, Bahria Town, Phase 6, Islamabad, hereinafter referred to as "OTS".

Now therefore, in consideration of the mutual covenants contained herein, it is hereby agreed as follows:

1. **ARTICLE 1: THE ASSIGNMENT**

   1.1. The Assignment, for which Services are required to be performed and delivered under this Agreement, is Provision of Testing Services for Recruitment in CPPA-G and any other relevant services ancillary thereto.

2. **ARTICLE 2: SCOPE OF SERVICES**

   2.1. The scope of testing services (herein referred to as "Services") to be performed by OTS for the Assignment under this Agreement as described Article 4.1 of the agreement.

3. **ARTICLE 3: EFFECTIVE DATE OF COMMENCEMENT**

   3.1. Effective Date of Commencement of Services shall be 10-01-2022 ---.

   3.2. **Term of Contract:**
   The term of the Contract shall be 3 years from the date of commencement of Services, subject to extension / amendment, if any, under the Contract.

ATTESTED

3.3. **Extension of Time:**

Extension of Time for completion of Services and the terms and conditions thereof shall be mutually agreed between the CPPA-G and OTS as and when required.

4. **TERMS & CONDITIONS:**

4.1. **Scope of the Assignment:**

a. The work relates to recruitment process encompassing advertisement of the vacancies, receiving applications in response thereof, handling, processing, and preparing database of the applicants. It includes, short listing of the applications on the prescribed criteria advertised and segregating them into eligible and ineligible candidates by clearly mentioning the reasons of ineligibility and reporting lists to CPPA-G, managing test centres throughout Pakistan wherever required, generation, printing and issuance of Roll No slips(admission cards) to eligible candidates, preparation of question papers, conduct of examination, result processing and announcement by maintaining secrecy and accuracy, through OMR arrangements. The result / merit list will be communicated to CPPA-G as per prescribed format (within defined timeline) both in hard and soft forms. The whole process from advertisement to preparation of merit list and its communication thereof to CPPA-G should take not more than 6 weeks.

b. CPPAG requires the services of OTS for managing end to end recruitment for the following positions or any other position as per the business exigencies.

i. Assistant Manager
ii. Senior & Junior Executive
iii. Management Trainee Officer
iv. Assistants
v. Any other entry level position including support staff posts.
vi. Any other position as per the requirement of the company.

4.2. **Recruitment Process:**

a. **Advertisement:**

I. Review advertisements for all the positions as may be declared vacant by the CPPA-G from time to time for various job groups.
ii. Hold at least one consultation meeting with CPPA-G's focal person to design the draft advertisement that captures the job requirements.
iii. Applications may be received through on-line or through conventional method or both at the closing date of advertisement.
iv. The official advertisement for the vacancies will be issued by the CPPA-G in the newspaper, however, OTS can post/use the same advertisement for sourcing purposes on their official sites or job boards. In case of any discrepancy in the posts by OTS from the actual post advertised by CPPA-G is found, OTS will be solely responsible.
v. CPPA-G will process publishing of job advertisement in the newspaper and in the job ad, email/ postal address details of OTS will be mentioned for the submission of job applications.

vi. OTS will intimate the same to initially eligible candidates for the written exam prior to test date.

b. Applications Handling:

i. OTS will receive the applications against the advertised positions by assigning an "Application No." and with record of "Date of receipt of application". This "Application No." and "Date of receipt of application" should be duly traceable, if required and will be provided to the applicants as acknowledgment of receipt of application. OTS will ensure a mechanism that no application should be considered after the expiry of last date of submission of Applications.

ii. OTS will develop a valid and reliable database for maintaining the record of all applicants against advertised posts and will ensure the minimum fields of the data base as determined by CPPA-G. This database will be a classified information and will not be used for any purpose other than for CPPA-G.

iii. OTS must have the ability to process and evaluate 1000 or more applications for recruitment of different categories.

iv. OTS will be responsible for answering any query raised by the applicants and will resolve/guide the candidates in case of any difficulty/ambiguity faced by them during the application process by maintaining a valid telephone number and a responsive e-mail facility.

v. OTS will ensure a mechanism that only eligible candidates are able to submit applications against a particular position however information provided by the applicant will be cross checked with documentary evidence.

vi. The screening of the applications will be made by OTS as per CPPA-G's provided guidelines and generate the candidates list with 'Eligible', 'Ineligible'. OTS will prepare the lists of Eligible and Ineligible candidates immediately after closing dates by clearly mentioning the grounds of being not eligible.

viii. The form at which candidates will apply should be customized as per the job criteria mentioned in the advertisement.

ix. OTS will ensure a mechanism that applicants may track their applications and may know the updated status.

c. Screening Process:

i. Receive all the applications, screen in line with the job requirements i.e, age, qualification, and experience as advertised at closing date.

ii. Clearly mention a reason of ineligibility against any disqualified application and same will be communicated to applicant through website/mail/SMS.

iii. Liaise with candidates during the recruitment process to ensure that candidates have a positive job application experience.

d. Reporting:

i Provide weekly updates to CPPAG on the recruitment process in form of mutually agreed format.

ii Must handover complete data pertaining to each recruitment to CPPAG upon closure of the position.

e. Pre-Test Tasks:

iii Content of written test will be shared by CPPAG and based on this, OTS will share the sample paper.

iv OTS will issue Roll No. / ID No to the eligible candidates to hold their test.

v The authorized representatives of OTS will ensure that only authorized candidates enter examination halls.

vi The authorized security personnel of OTS will ensure that no mob gathers near the examination halls / centers.

vii OTS will seek assistance of local police authorities in case of emergency condition (also in sub clause iii above).

viii OTS will arrange test centers / examination halls through its own resources and will ensure all types of arrangements for the smooth holding of tests viz security, arrangement of invigilators, drinking water and other facilities.

ix OTS must have a pool of experts from diverse disciplines and must have expertise for setting of question papers observing strict confidentiality.

x The written test will be based on the content provided by CPPAG.

xi OTS will set and print of multiple series objective Type Test Booklet. Four different sets of Question Papers (i.e. A, B, C & D) should be prepared. Each set of Question Paper should consist same questions but with different serial numbers.

xii OTS will also design OMR answer sheets for each set of question paper and print OMR answer sheets with provision for carbonless copy.

xiii OTS will make the delivery as well as collection of Question papers and OMR Answer Sheets at and from the examination centres under fool proof security. The arrangement of such security shall be responsibility of OTS.

xiv The responsibility of secured printing and its confidentiality lies with the OTS.

f. Conduct of Examination (Across Pakistan):

i OTS will arrange Test Centers so that all eligible candidates are adjusted comfortably

ii OTS shall print Center-wise, Roll No. wise, Name wise list of eligible applicants.

iii OTS will also take attendance sheets from each center.

iv OTS shall deploy center superintendent, invigilators and other staff at each Centre.

v OTS shall make Pre-defined center seating arrangement.

vi OTS shall print and display instructions for candidates at each test centers at prominent places.

vii Collection of test materials e.g. Question papers, answer sheets etc. on completion of examination and sealing of answer sheets under supervision of examination observer, center superintendent and authorized officers shall be responsibility of OTS. The answer sheets should be in duplicate.

viii Prior to test date, CPPA-G will inform OTS regarding details of nominated team of CPPA-G for test centres visit during examination to check the arrangements.

g. Post Test Requirements:

i OTS will share the question paper with CPPA-G after written exam.

ii The authorized representatives of OTS will collect answer sheets from the candidates at each centre and ensure that attendance sheet and number of answer sheets match.

iii. The bundles of answer sheets will be sealed as per criteria laid down by OTS and OTS shall deliver answer sheet bundles to authorized representatives of OTS.
iv The authorized representatives of OTS will open sealed answer sheets and cross check with attendance sheets to ascertain absentee data.

v A report along with the centre wise attendance sheet to be prepared.
vi Pre-validate all the answer sheets before scanning
vii Double scanning of answer sheets
viii Identification of double marking and other errors, highlighted by OMR machine.
ix Answer Database to be compared with correct answers to give the score for each applicant.
x Perform manual counter checking of results randomly.
xi Generate checklist of error records and absentees.

h. **Key Outputs/Deliverables**

Deliverable 1: OTS will nominate one Project Director (holding senior position in OTS) as a focal person who will be responsible for all communication related to projects and timely submission of all the deliverables to CPPA-G.
Deliverable 2: Development of Tests as per job description/content provided by CPPAG related to vacant positions.
Deliverable 3: Shortlisting of received applications according to advertised criteria and a clear reason of eligibility/non-eligibility must be mentioned in the status report.

Deliverable 4: Tests to be conducted at all major cities of the country.
Deliverable 5: Provide merit list along with required documents in a mutually agreed format according to advertisement criteria plus 60% passing marks in written test.
Deliverable 6: Resolution of all queries and complaints received from the candidates regarding test and shortlisting process at any forum/court/FIA/NAB/Federal ombudsman/Pakistan Citizen Portal etc will be responsibility of OTS.
Deliverable 7: All the data pertaining to any recruitment project will be sole property of CPPA-G and OTS is bound to provide all the information to CPPA-G as and when required.
Deliverable 8: Responsive helpline/official contact/Email to ensure timely reach and response to all candidates to give best candidate experience at every stage.
Deliverable 9: The OTS shall undertake a comprehensive evaluation / screening mechanism in conformity with the approved shortlisting criteria while initially shortlisting profiles for the written exam.

4.3. **Services Timelines:**
i. Last date of submission of applications will be 15 days from the date of publication.
ii OTS will share the Summary of all applicants within 2 days from the closing date.

iii. CPPA-G will share the content of written test within 5 days from the submission of summary of applicants. The test paper will be constituted on 80% Job relevant and 20% General Discipline (English, General Knowledge, Islamiat / ethics)

iv The written test will be conducted within 10 days after submission of the content.

v ~~OTS will intimate candidates and CPPA-G at least one week prior to~~ conducting the written test

vi OTS will share the result of written exam and a merit list (with clear reason of eligibility/ineligibility) with CPPAG within 14 days after conduct of written test along with (CV, Educational Degrees & Transcripts, Experience Certificates, CNIC, Personal Information Form, NOC (If required) of the candidates who have passed the exam.

vii Timeline can be extended upon mutual consent of both parties.

viii Any other ancillary deliverable, if so required.

5. ARTICLE 5: MODE OF OPERATION

5.1. OTS shall ensure that there is no conflict of interest of any of its shortlisting team with candidates.

5.2. OTS shall provide access to the process as and when required by CPPA for monitoring purpose.

5.3. OTS shall ensure that the entire evaluation process shall be carried out in highly transparent, professional, and objective manner.

5.4. OTS shall be exclusively responsible to address complaints, demands and claims if any from the prospective candidates or any third party about shortlisting of candidates by the Testing Service Agency or any other act done during performance of its duties accruing from the contract.

5.5. OTS also undertakes to indemnify CPPA-G against any such complaints, demands and claims.

5.6. OTS shall ensure that all applicable laws are strictly adhered to in the course of evaluation/screening/shortlisting process.

5.7. CPPA reserves the right to withdraw one or more positions at any time (before and during the execution of contract), especially, if the referred candidates do not meet the desired quality and experience.

5.8. **Obligations of OTS**

i OTS shall be obligated to perform the services as described in this Agreement..

ii OTS shall perform Services as an independent organization in accordance with recognized standards, applicable laws and regulations.

iii OTS shall appoint 02 Senior Consultants who shall represent the company for purposes of this Contract and shall be responsible for the administration of the Contract including performance of Services thereunder. They shall remain in contact with the 2 nominated representatives of the CPPA-G to keep it fully informed on all matters relating to the provision of Services by OTS.

iv In case the CPPA-G does not appoint any of the shortlisted candidate for a position and decides to re-advertise the position, if so, required by the CPPA-G, the cost will be paid by CPPA-G.

v OTS shall carry out the Services with due diligence and efficiency and in conformity with sound industry practices.

vi OTS shall always act so as to protect the interests of the CPPA-G and shall take all reasonable steps to keep all expenses to a minimum consistent with sound economic, administrative and managerial practices.

vii OTS shall furnish the CPPA-G such information relating to the Services as the CPPA-G may from time-to-time reasonably request.

viii Except with the prior written approval of the CPPA-G, OTS shall not assign or transfer the Agreement for Services or any part thereof nor engage any other independent OTS or sub-OTS to perform any part of the Services.

ix OTS agrees that no proprietary and confidential information received by OTS from the CPPA-G shall be disclosed to a third party unless OTS receives a written permission from the CPPA-G to do so.

5.9. **Obligations of the CPPA-G**

CPPA-G shall provide to OTS:

a. CPPA-G shall designate a person to act as its representative on all matters pertaining to this Agreement and to fully cooperate with the Senior Consultants of OTS.

b. CPPA-G shall take all necessary measures to make timely payments to OTS as stipulated herein.

6. ARTICLE 6: REMUNERATION FOR SERVICES AND SCHEDULE OF PAYMENT

The remuneration for Services rendered by OTS and the mode of payment shall be as under:

i OTS will charge Rs.229/- per application processing (inclusive of all applicable taxes) out of which 50% will be paid by CPPAG and 50% by applicant. (Rs. 114.5/- per application from candidate and Rs. 114.5/- per application from CPPA-G)

ii Payment will be made to OTS on production of following documents in accordance with the payment plan as finalized in the Agreement:

iii Original error free invoice with Invoice number, NTN and Bank account details

iv Provision of completion certificate of the said recruitment project

v CPPA-G will pay total amount as per agreement that is Rs.229/- per application rate(inclusive of all taxes), in case of re-conduct of test of same project.

vi Subject to deductions of applicable taxes, levies and penalties, if any, the CPPA-G shall pay the relevant Invoice in full within Thirty (30) days from receipt of invoice.

vii All payments shall be made to OTS through Cross Cheque in PKR.

7. ARTICLE 7: ADDITIONAL SERVICES

CPPA-G may ask OTS to perform Additional Services during the currency of this Agreement. Such Additional Services shall be performed with the prior concurrence of both the Parties. OTS shall submit an estimate of the additional time (if any) and the additional remunerations for such Additional Services which shall be approved in writing by the CPPA-G before the commencement of the Additional Services.

8. **ARTICLE 8: TERMINATION**

8.1. **End of Services**

The Agreement shall terminate when, pursuant to the provisions hereof, the contract duration have been completed and the payment of remunerations have been made with formal notification and can be extendable, if required and mutually agreed by both parties.

8.2. **Termination by the Either Party:**

CPPA-G may, by a written notice of thirty (30) days to OTS, terminate this Agreement. All accounts between the CPPA-G and the OTS shall be settled not later than Thirty (30) days of the date of such termination. OTS may terminate this Agreement by giving thirty (30) days advance notice of termination of this agreement. However, OTS is bound to handover complete data of all recruitment projects to CPPA-G and complete all pending assignments.

9. **ARTICLE 9: FORCE MAJEURE**

The term "Force Majeure" as employed herein shall mean acts of God, strikes, lock-out or any other events, not within the control of either Party and which by the exercise of due diligence neither Party is able to overcome. If either Party is temporarily unable by reason of Force Majeure or the laws or regulations of Pakistan to meet any of its obligations under the Agreement, and if such Party gives to the other Party written notice, of the event within fifteen (15) days after its occurrence, such obligations of the Party, as it is unable to perform by reason of the event, shall be suspended for as long as the inability continues. Neither Party shall be liable to the other Party for loss or damage sustained by such other Party arising from any event referred to as Force Majeure or delays arising from such event. Force Majeure shall not include insufficiency of funds or failure to make any payment required under the Agreement.

10. **ARTICLE 10: BLACKLISTING**

If OTS delays in performance of any of the obligations, under this Agreement, violates any of the provisions of the Agreement, commits breach of any of the terms and conditions of the Agreement, the CPPA-G may, at any time, without prejudice to any other right of action / remedy it may have, blacklist the OTS, either indefinitely or for a stated period, for future Tenders in public sector. If the OTS is found to have engaged in corrupt or fraudulent practices in competing for the award of contract, during procurement process or during the execution of this Agreement, CPPA may, at any time, without prejudice to any other right of action / remedy it may have, blacklist the OTS, either indefinitely or for a stated period, for future Tenders in public sector.

11. **ARTICLE 11: RESOLUTION OF DISPUTES**

In case of any dispute or conflict arising out of this Agreement, the Parties agree first to try in good faith to settle the dispute by referring the matter to mediation. In case, the Parties fail to resolve the matter through mediation within 15-days from the reference of the matter, either party may refer the matter to Arbitrator within 07-days of failure of mediation. The place of arbitration shall be Islamabad. The arbitration proceedings shall be governed by the Arbitration Act, 1940, as amended, and the rules made thereunder. The award of the Arbitrator shall be final.

12. **ARTICLE 12: APPLICABLE LAWS**

This Agreement shall, in all respects, be read and construed and shall operate in conformity with the laws of Pakistan and the courts at Islamabad shall have exclusive jurisdiction for adjudicating and interpreting the Agreement.

13. **ARTICLE 13: CONTRACT AMENDMENT**

No variation in or modifications to the terms of the Agreement shall be made, except by a written amendment signed by the Parties hereto.

14. **ARTICLE 14: NOTICES**

Any notice given by any of the Parties hereto shall be sufficient only if in writing and delivered in person or through registered mail as follows:

To: The CPPA-G

Central Power Purchasing Agency (Guarantee) Limited, (CPPA-G) , Shaheen Plaza, A.K Fazl e Haq Road, Blue Area, Islamabad.

To: The Recruitment Firm (Testing Agency)

Open Testing Service (Private) Limited, Office # 1, Central Avenue, Bahria Town, Phase 6, Islamabad.

or to such other address as either of these Parties shall designate by notice given as required herein. Notices shall be effective when delivered.

IN WITNESS WHEREOF, the Parties have executed this Agreement, in two (2) identical counterparts, each of which shall be deemed as original, as of the day, month and year first above written.

FOR AND ON BEHALF OF CPPA-G

Signed by:
Mr. Rehan Hameed

Designation: Chief (HR&A) Officer

(Seal) Chief (HR&A) Officer CPPAG, Islamabad

FOCAL PERSON CPPA-G

Rida Javaid - Deputy Manager HR

Ali Raza - Assistant Manager TA

FOR AND ON BEHALF OF OTS

M Fahim

Signed by:
Mr. Muhammad Fahim Khan

Designation: Director Projects

(Seal) ots OPEN TESTING SERVICE

FOCAL PERSON M/s OTS

Mr. Muhammad Mateen Ahmed – Manager Projects

Fayyaz Ahmed - Assistant Manager Projects

Witness:
Signatures:
Name: Tauseef Chughtai
Designation: AM HR

Witness:
Signatures: Hamid
Name: HAMID NAZIR
Designation: ASSISTANT MANAGER RESULTS