

TRIBAL ELECTRIC SUPPLY COMPANY

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Office of
Chief Executive Officer
TESCO

No. /MIRAD/CEO/TESCO/ 2456-61

Dated: 26/04/2023

The Registrar,

National Electric Power Regulatory Authority (NEPRA),
NEPRA Tower, Ataturk Avenue (East), G5/1, Islamabad.

Subject:- APPLICATION FOR GRANT OF AN ELECTRIC POWER SUPPLY LICENCE TO TRIBAL ELECTRIC SUPPLY COMPANY (TESCO) LIMITED AS SUPPLIER OF LAST RESORT

It is to inform that the TESCO is Deemed Licensee for Supply of Electric Power as per provision to Sub-Section (1) of Section 23E of Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997, amended up to date for period of five (05) years which will expire on May 01, 2023.

Under the clause (1) of Section 23E of the Act "No person shall, unless licensed by the Authority under this Act, engage in the supply of electric power to a consumer". As per Regulation 3(2)(b) of NEPRA Licensing (Electric Power Supplier) Regulations, 2022 notified as per SRO No. 466(1)/2022 dated March 28th, 2022, a Deemed Licensee (TESCO) has to make an application before expiry of the license to the Authority for grant of Electric Power Supply License.

Accordingly, in pursuance of Regulation 3(1) of NEPRA Licensing (Electric Power Supplier) Regulations, 2022 and in accordance with Regulation 3 of the NEPRA Licensing (Application, Modification, Extension, and Cancellation) Procedure Regulations, 2021, find attached herewith the application for kind consideration of the Authority for grant of Electric Power Supply License to TESCO.

The BoD TESCO has authorized the undersigned in its 45th BoD meeting held on 18-04-2023 vide item No. 06 to sign the application and take all the necessary actions regarding thereto.

Consequently, I Engr. Qazi Muhammad Tahir, Chief Executive Officer TESCO do hereby request the honorable Authority for grant of an Electric Power Supply License to Tribal Electric Supply Company (TESCO) limited as Supplier of Last Resort for 20 years or more, as deemed appropriate.

For any clarification of additional information or any other matter relating to this application Engr. Hammad Amer Hashmi (Director General MIRAD) TESCO (0330-5059090, email: dgmiradtesco@gmail.com) is designated as focal person.

Documents Attached: As per checklist.


Chief Executive Officer
TESCO

Copy to: -

1. DG MIRAD, TESCO Peshawar.
2. Chief Engineer (PMU/Dev) TESCO.
3. Director C/A TESCO Peshawar.
4. Dy. Director Legal TESCO.
5. Master File.

1.1 Introduction

Tribal Electric Supply Company, TESCO, is a Public Limited Utility Company, responsible for the distribution of electric power to the population of all 7 Merged Districts formerly known as FATA and all corresponding FR-Regions of Pakistan as set out in TESCO's Distribution License no. 22/DL/2013, granted by NEPRA under the NEPRA Act on August 12, 2013. TESCO was incorporated in Pakistan under the Companies Ordinance Act 1984, on 2nd July 2004, in line with Government policy of unbundling and corporatizing Pakistan's power sector, because of restructuring of WAPDA's Power Wing after the enforcement of NEPRA Regulation of Generation, Transmission and Distribution of Electric Power Act (XL of 1997). TESCO's Distribution License No. 22/DL/2013 was issued by NEPRA on August 12, 2013, for the sale of power for the Period of Twenty Years.

The major objectives of the company include ensuring uninterrupted and stable power supply to all its customers along with state-of-the art customer care as well as establishing and operating reliable electricity distribution networks.

Currently, TESCO has 1,063 active employees responsible for distributing electricity to approximately 0.443 million consumers. The consumer mix comprises approximately 90.56 % domestic consumers (0.402 million) including residential consumers in both urban and rural areas, 6.67% commercial consumers (0.028 million) including business consumers such as markets, plazas, and offices in both urban and rural areas, 0.97% industrial consumers (0.004 million) and others 1.8% (0.009 million).

1.2 Vision, Mission of the Company

Company Vision: -

TESCO strives to achieve and maintain the highest degree of efficiency, reliability and responsiveness with focus on stakeholder satisfaction and generating economic activities in its area service through providing utility services to businesses.

Company Mission: -

Our mission is to provide a full-line electrical distribution that grows with our customers. We are dedicated to the safety and satisfaction of our employees and committed to our communities. We are committed to quality, values, and ethics.

Core Values of the Company: -

Our core values are integrity, honesty, synergy through team work, employee and public safety, innovation and continuous improvement in all spheres of the organization. We take ownership, initiative & responsibility for all our actions. The pursuit of these values creates opportunities for success and the potential to provide achieve the stakeholders' satisfaction. We are inspired to empower our people to utilize the best of their potential.

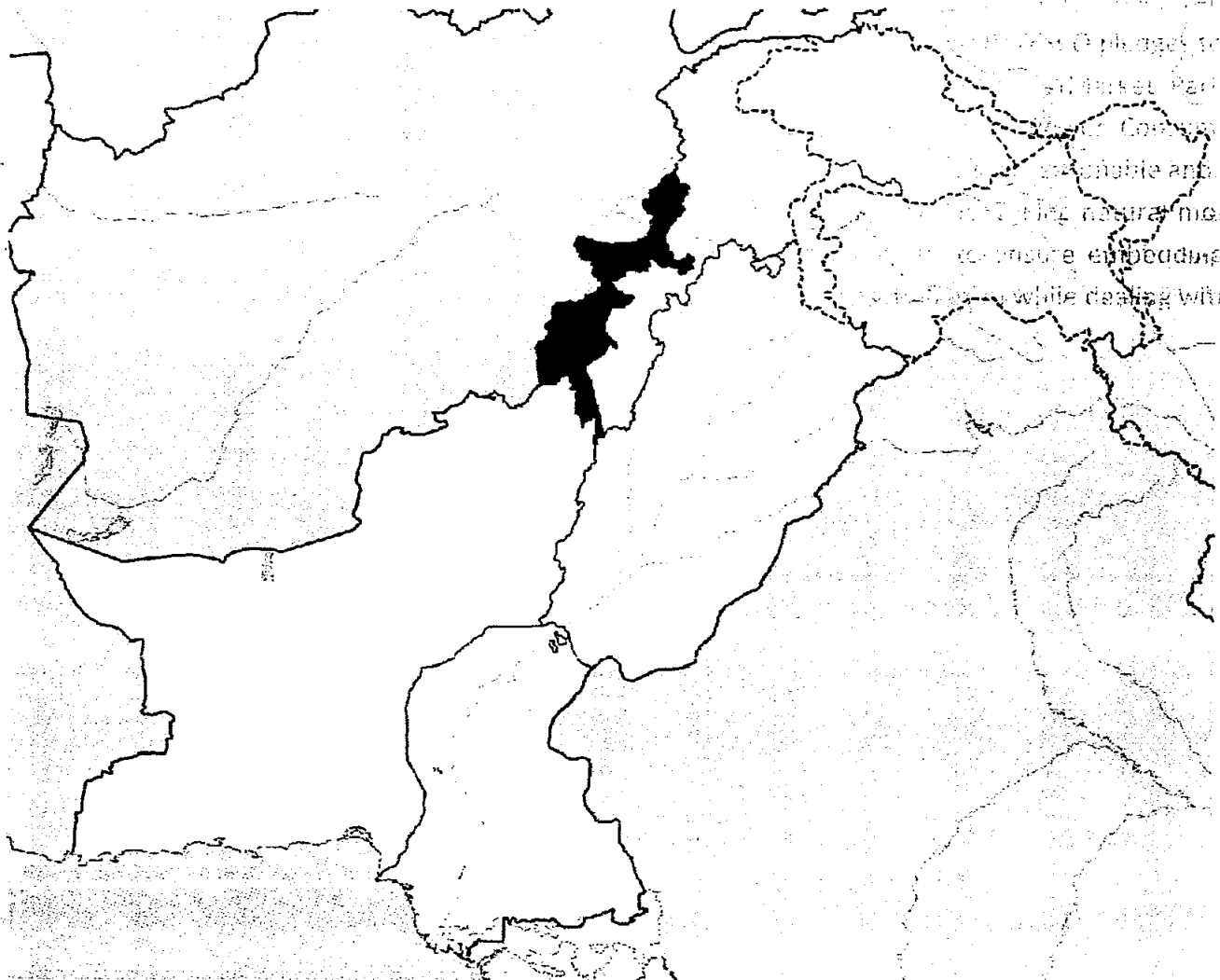
Strategic Positioning:

As the Power Sector of Pakistan is passing through another major reforms, by moving from Single Buyer market to a more open and more competitive Wholesale market. TESCO is all set to add value to the evolving wholesale competitive electricity market in line with Competitive Trade & Bilateral Contracting Market (CTBCM) regime. Towards this end, moving ahead of the single territorial electric power service provider within service territory; TESCO, as envisaged per CTBCM, has initiated transformation as multirole service provider as “Electric Power Supplier” and “Electric Power Distributer”. As per regulation, TESCO shall, however, continue to be “Supplier of Last Resort” to ensure continued, uninterrupted, reliable and adequate power supply to any and all the customers at all times, within the Service Territory. As Electric Power Distributor, i.e., the Distribution Network Operator (DNO), TESCO pledges to provide interconnection facility and open access to its system for all intending Users (Market Participants) including, but not limited to, the eligible Generation Companies, Bulk Power Consumers, Traders, Competitive Electric Power Suppliers, Distributed Generation etc. at reasonable and affordable prices, without any favour or, otherwise, discrimination or restrictions. Taking natural monopoly wire-business role, the DNO, we understand the position requires us to ensure embedding principles of impartiality, non-discrimination and arm’s length transaction even while dealing with Power Supplier arms of our own company.

Jurisdiction of Licensee on map of Pakistan.

TESCO is providing electricity services at a Jurisdiction of about 27,000 sq. km. It is providing the Electric Power Supply to the whole region of Newly merged Districts (Former FATA) & corresponding FR Regions.

The Former FATA & Corresponding FR regions are represented here in red on map of Pakistan.



Jurisdiction of TESCO.

TESCO is providing electricity to Seven Merged Districts, District Bajaur, Mohmand, Khyber, Orakzai, Kurram, North Waziristan and South Waziristan and Six corresponding FR Regions are, FR Peshawar, FR Kohat, FR Bannu, FR Lakki, FR Tank and FR D.I.Khan.

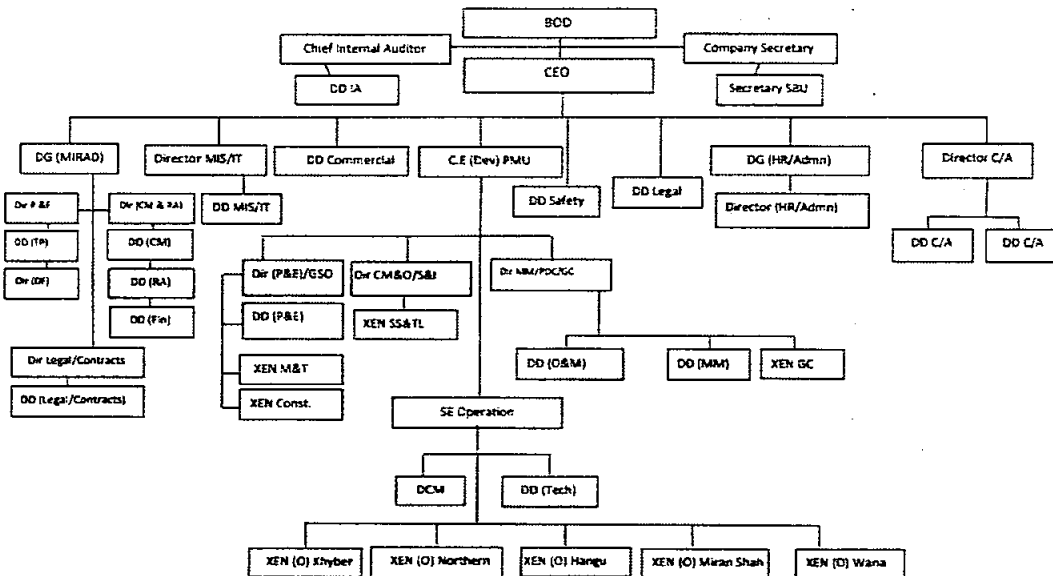


The Company's Profile.

Tribal Areas Electricity Supply Company Limited (TESCO) has been setup over the area of jurisdiction and electrical network of former FATA newly merged districts and corresponding FR regions. TESCO was incorporated on August 12, 2013. The Management and the Administration is entrusted to its Board of Directors (BOD) nominated by Ministry of Energy (Power Division), Islamabad after approval of Federal Cabinet headed by the Prime Minister of Islamic Republic of Pakistan under the umbrella of regulator i.e., National Electric Power Regulatory Authority (NEPRA).

Organogram:

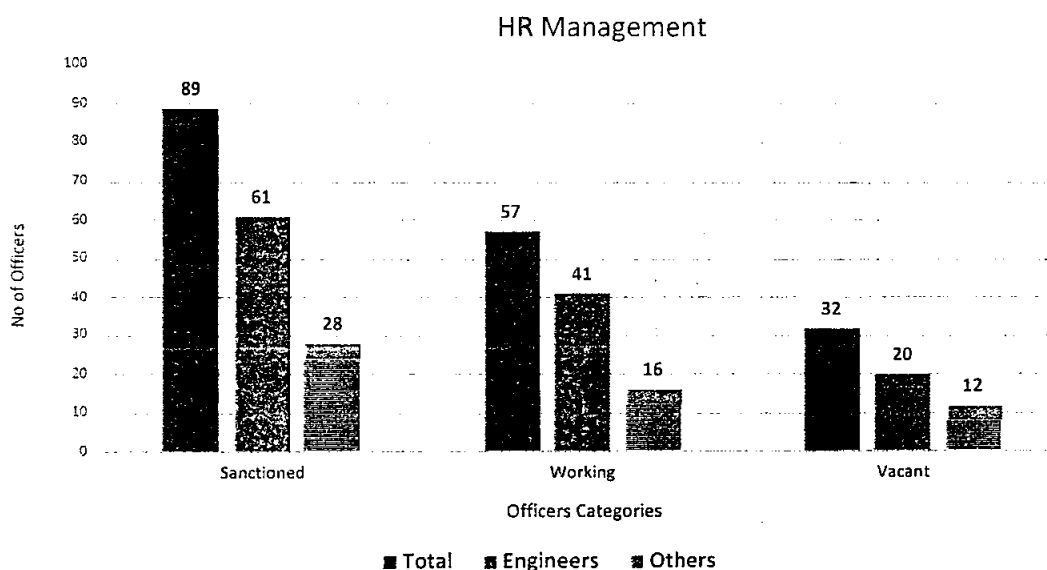
The Company is whole owned by the Government of Pakistan and the Company is headed by the Chief Executive Officer and is Governed by the Board of Directors, approved by the Federal Cabinet on the recommendation of Power Ministry. MIRAD is the newly established setup of the Company approved by the Board of Directors.



Officer's Strength (Both Technical & Non-Technical)

There are 89 total sanctioned positions of Officers Grade 17 & above, of which 61 are technical positions (Engineers) & 28 are of another category. Out of 89 sanctioned positions total 57 officers are working, of which 41 are of Engineering cadre & 16 are non-Engineers.

The Company's – Baseline



The total number of staff sanctioned is 2336, of which technical staff is 1274 and non-technical staff is 1062. Out of the sanctioned posts total working staff is 1019, of which technical staff is 632 and non-technical staff is 387.

Sr. No.	Post (Workers)	Sanctioned	Working	Vacant
1	Technical Staff	1274	632	642
2	Non-Technical Staff	1062	387	675
3	Total	2336	1019	1317

Overall TESCO Operation System.

TESCO distribution system is comprised of one circle, Five Divisions and Fourteen subdivisions, the details of other formations are here as:

Description	Circles	Divisions	Sub-divisions	R.O Office
Distribution	1	5	14	5
SS&TL	-	1	6	-
Construction	-	1	3	-
GSC	-	1	4	-
M&T	-	1	-	-
Store	-	1	-	-

Historical Category Wise Number of Consumers:

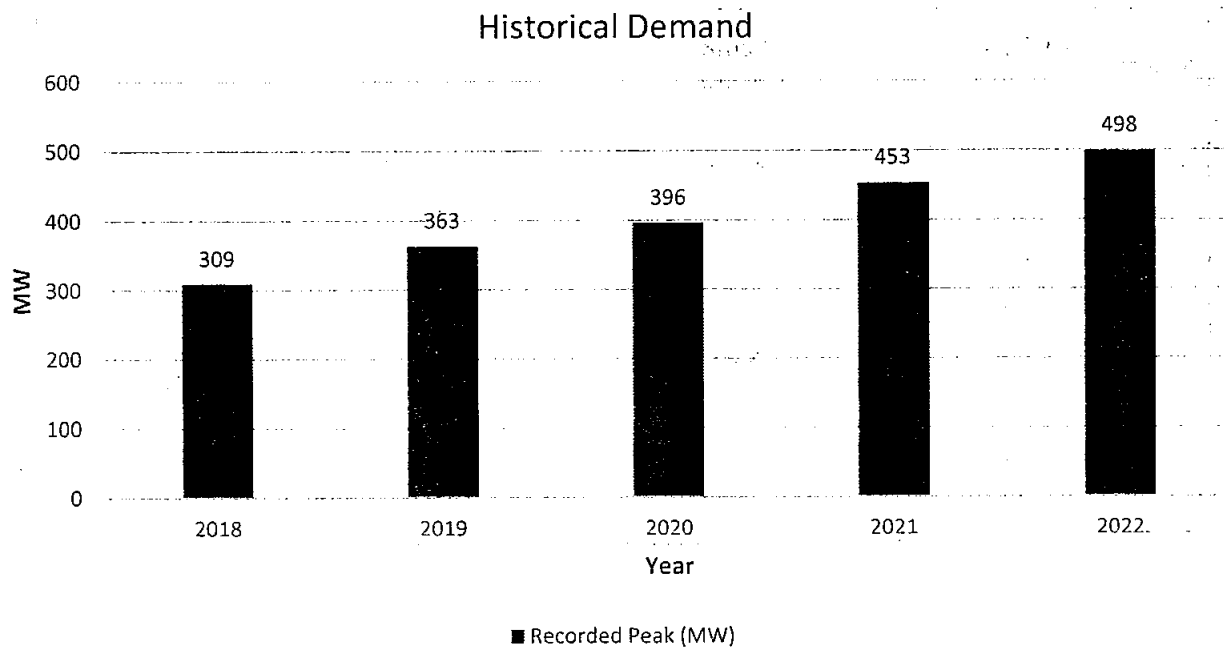
Financial Year	Domestic	Commercial	Small Industry	M&L Industry	Tube well	Bulk Supply	Public Light	Other	Total
2016-17	4,02,521	28,382	3,615	621	6,741	56	5	0	4,41,941
2017-18	4,02,209	28,625	3,575	693	6,118	57	5	1,119	4,42,401
2018-19	4,02,027	28,688	3,440	803	6,187	65	5	1,371	4,42,586
2019-20	4,02,004	28,790	3,356	915	6,194	67	5	1,434	4,42,765
2020-21	4,02,072	29,047	3,320	967	6,238	68	5	1,463	4,43,180
2021-22	4,02,084	29,763	3,291	1,071	6,252	72	5	1,608	4,44,146

Projections of Consumer Growth by Category:

Year	Domestic	Commercial	Public Light	Small Industries	M&L Industries	Tube Well	Bulk	Total
2022	4,03,692	29,763	5	3,291	1,071	6,252	72	4,44,146
2023	4,03,773	29,995	5	3,345	1,120	6,279	75	4,44,501
2024	4,03,853	30,229	5	3,400	1,171	6,306	79	4,44,857
2025	4,03,934	30,465	6	3,456	1,224	6,333	83	4,45,213
2026	4,04,015	30,703	6	3,512	1,280	6,360	87	4,45,569
2027	4,04,096	30,942	7	3,570	1,338	6,388	91	4,45,925
2028	4,04,177	31,183	7	3,628	1,399	6,415	95	4,46,282
2029	4,04,258	31,427	8	3,688	1,462	6,443	100	4,46,639
2030	4,04,338	31,672	9	3,748	1,529	6,470	105	4,46,997
2031	4,04,419	31,919	9	3,810	1,598	6,498	110	4,47,354

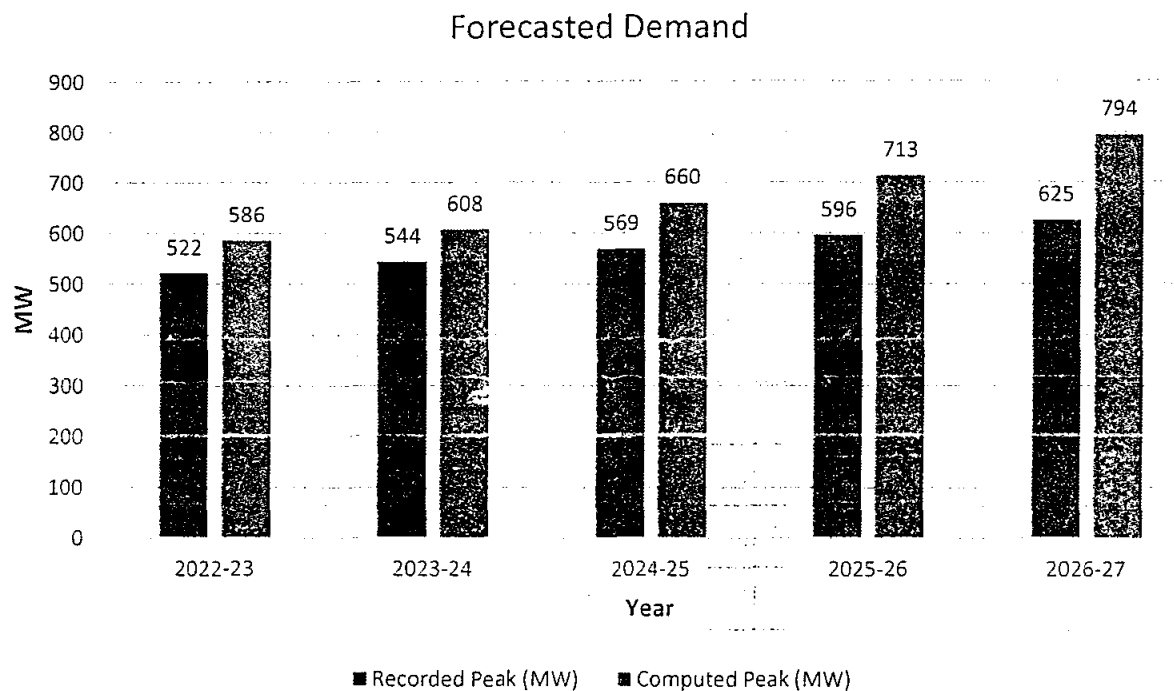
Historical Demand of TESCO:

TESCO historical demand over the course of last Five Years are:

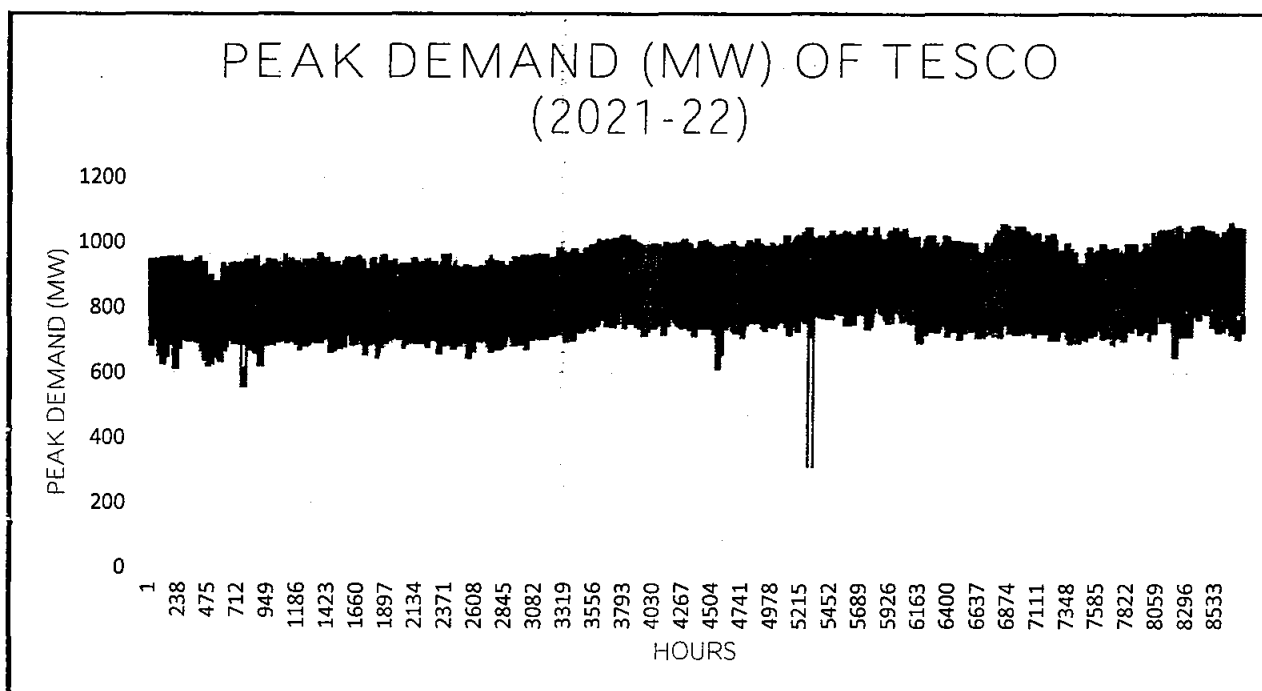


Projections of Demand (MW) of TESCO:

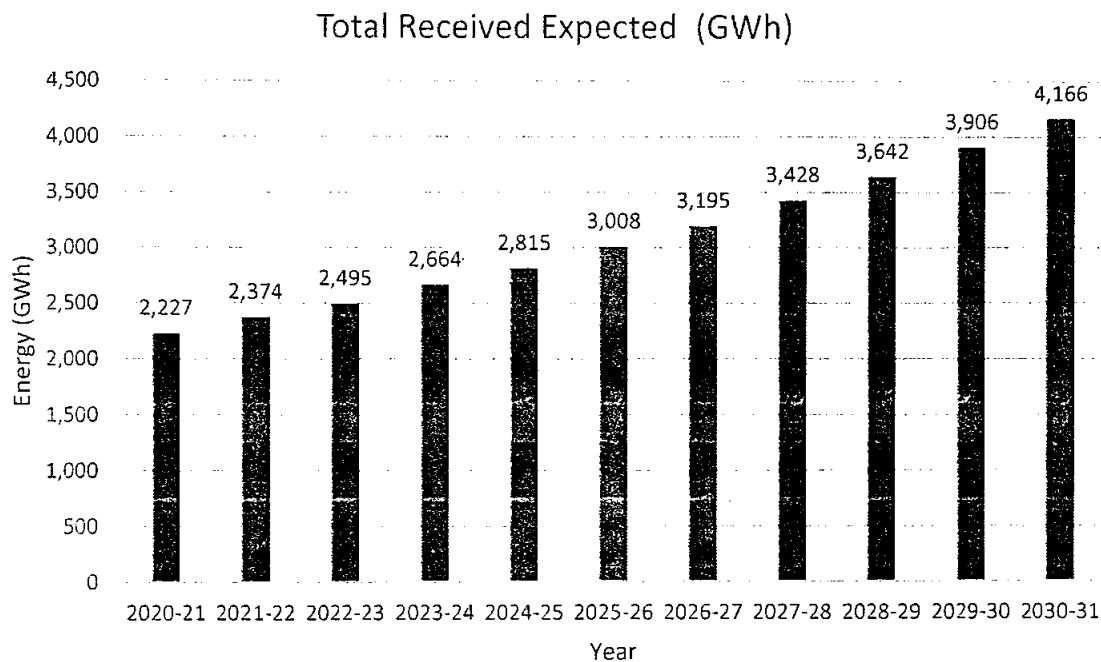
The Projection is based on latest PMS Study.



Peak Demand (MW) of TESCO:



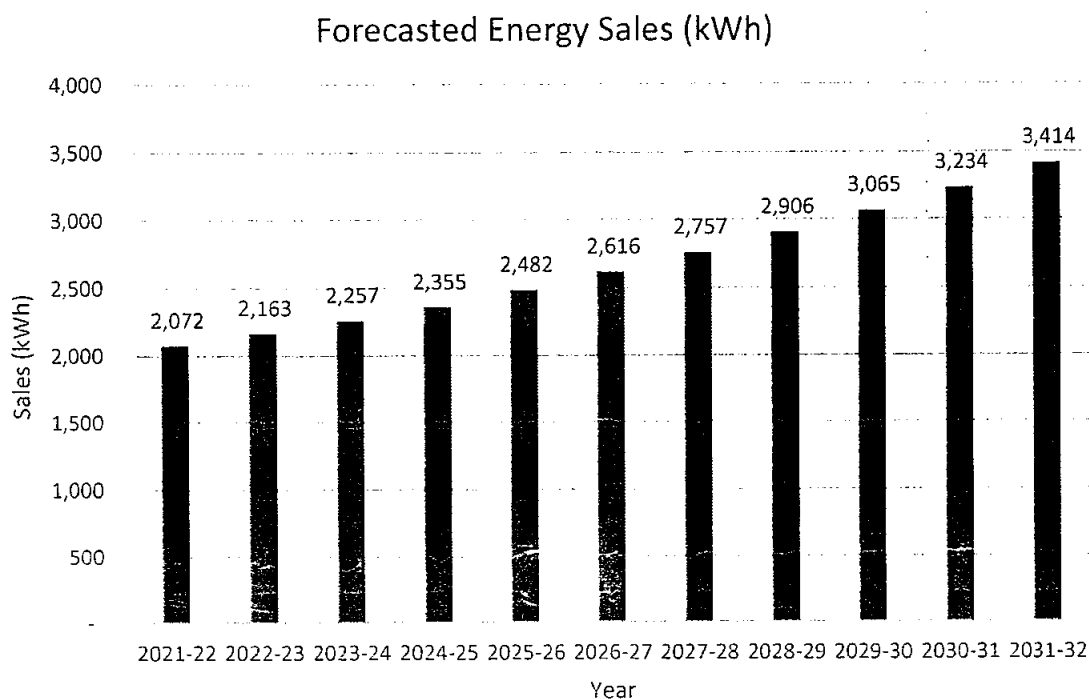
TESCO Yearly projections on the expected receiving of units:



Forecasted Energy Sales (GWh):

TESCO is the one of the very few DISCO who have a recorded and forecasted a double digit growth in energy sales of Small industries, Medium & Large Industries and BPCs. To match this growth TESCO is also expanding its network and strengthening its network system.

The Forecasted Energy sales is shown here as.



Profit & Loss Statement

TRIBAL AREAS ELECTRIC SUPPLY COMPANY LIMITED				
STATEMENT OF PROFIT OR LOSS				
FOR THE YEAR ENDED JUNE 30, 2022				
		2022	2021	2020
	Note	Rupees	Rupees	Rupees
Sale of electricity	20	29,316,105,494	32,112,510,759	30,065,772,009
Cost of electricity sold	21	47,385,756,801	23,192,335,474	22,601,407,426
Gross profit		-18,069,651,307	8,920,175,285	7,464,364,583
Other Income	22	1,253,694,191	1,401,645,819	966,603,053
		-16,815,957,115	10,321,821,104	8,430,967,636
Operating cost	23	7,117,773,641.53	4,764,551,677.00	5,212,766,913
Financial charges	24	225,061,203.64	55,212,016.00	15,279,829.40
		7,342,834,845	4,819,763,693	5,228,046,742
Profit for the year before taxation		-24,158,791,960	5,502,057,411	3,202,920,893
Provision for taxation	25	-	-	-
Profit for the year		-24,158,791,960	5,502,057,411	3,202,920,893
Earnings per share - Basic & diluted	26	-24,158,791.96	6,502,057.41	3,202,920.89

STATEMENT OF FINANCIAL POSITION:

TRIBAL AREAS ELECTRIC SUPPLY COMPANY LIMITED				
STATEMENT OF FINANCIAL POSITION				
AS AT JUNE 30, 2022				
	Note	2022 Rupees	2021 Rupees	2020 Rupees
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	6	18,542,109,449	14,593,173,842	11,342,810,317
Long term advances	7	31,517,028	44,509,971	56,924,084
		18,573,626,477	14,637,683,813	11,399,734,401
CURRENT ASSETS				
Stores and spares		3,540,494,506	154,937,144	1,729,252,156
Trade debts	8	93,980,450,896	75,006,683,528	67,308,026,482
Advances and other receivables	9	8,655,416,048	11,496,113,371	4,501,126,108
Receivable from Government	10	18,629,042,936	20,570,110,627	18,391,515,757.00
Cash and bank balances	11	2,070,533,399	4,756,448,043	7,334,329,465
		126,875,937,785	111,984,292,713	99,264,249,968
TOTAL ASSETS		145,449,564,262	126,621,976,526	110,663,984,369
EQUITY AND LIABILITY				
SHARE CAPITAL AND RESERVES				
Authorized share capital:				
20,000,000 ordinary shares of Rs. 10/- each.		200,000,000	200,000,000	200,000,000
Issued, subscribed and paid-up capital	12	10,000	10,000	10,000
Deposit for share	13	427,164,244	373,922,759	373,922,759
Accumulated loss		-41,291,706,862	-17,132,914,902	-22,538,475,537
		-40,864,532,618	-16,758,982,143	-22,164,542,778
NON-CURRENT LIABILITIES				
Long term loan from Government of Pakistan	14	19,233,228,900	19,233,228,900	19,233,228,900
Long term loans	15	72,887,222	84,765,222	95,259,222
Deferred credits	16	7,033,492,196	6,673,837,992	5,113,992,150
		26,339,608,318	25,991,832,114	24,442,480,272
CURRENT LIABILITIES				
Consumers' security deposits	17	444,178,705	438,979,846	428,671,426
Current portion of long-term loans		85,200,018	73,322,018	62,828,018
Trade and other liabilities	18	159,445,109,841	116,780,462,916	107,894,682,432
		159,974,488,562	117,292,764,780	108,386,181,876
		145,449,564,262	126,525,614,751	110,664,119,370
CONTINGENCIES	19	0		-

Annex- B

ANNEX

GOVERNMENT OF PAKISTAN



CERTIFICATE OF INCORPORATION

(Under section 32 of the Companies Ordinance, 1984 (XLVII of 1984))

Company Registration No. L 12028 of 2002-2003

I hereby certify that "TRIBAL AREAS ELECTRICITY SUPPLY

COMPANY LIMITED" //

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is this day incorporated under the Companies Ordinance, 1984 (XLVII of 1984) and

that the company is limited by Shares.

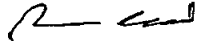
Given under my hand at Lahore.

this 03rd day of July, 2002.

two thousand and Two.

Fee Rs. 5,15,400/-




(ZAHOOR AHMED)
JOINT REGISTRAR OF COMPANIES

No. ML/193

Dated: 3/7/02

GOVERNMENT OF PAKISTAN



CERTIFICATE FOR COMMENCEMENT OF BUSINESS

[Under section 146 (2) of the Companies Ordinance, 1984 (XLVII of 1984)]

I hereby certify that the "TRIBAL AREAS ELECTRICITY SUPPLY COMPANY LIMITED" which was incorporated under the Companies Ordinance, 1984 (XLVII of 1984), on the 3rd day of July, 2002 and which has filed a duly verified declaration in the prescribed form that the conditions of clauses (a) to (e) of sub-section (1) of section 146 of the said Ordinance have been complied with, is entitled to commence business.

Given under my hand at LAHORE
this 30th day of July, 2002
~~XXXXXX~~ two thousand and two.

Fee Rs. =200/-

C.R.O.-4



Muhamm
(MUHAMMAD AKRAM QURESHI)
ASSISTANT REGISTRAR
OF
COMPANIES

No. TR2/1867

Dated: 30/7/02

MEMORANDUM
AND ARTICLES
OF ASSOCIATION
OF

**TRIBAL AREAS ELECTRICITY
SUPPLY COMPANY LIMITED**

TRIBAL AREAS ELECTRICITY SUPPLY COMPANY LIMITED

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MEMORANDUM OF ASSOCIATION

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TRIBAL AREAS ELECTRICITY SUPPLY COMPANY LIMITED

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THE COMPANIES ORDINANCE, 1984
PUBLIC COMPANY LIMITED BY SHARES
MEMORANDUM OF ASSOCIATION

-of-

TRIBAL AREAS ELECTRICITY SUPPLY COMPANY LIMITED

- I. The name of the Company is "Tribal Areas Electricity Supply Company Limited".
- II. The registered office of the Company will be situated in Lahore, Province of Punjab, Pakistan.
- III. The objects for which the Company is established are to undertake any or all of the following activities and businesses:
 1. Acquisition of Facilities. - To acquire, or to obtain for use, whether by purchase, lease, concession, grant, hire or otherwise, from the Pakistan Water and Power Development Authority ("WAPDA"), and from any company, body corporate or other entity, engaged in the generation, transmission, or distribution of electric power, part of the business, properties, assets, and undertakings of WAPDA and other companies and entities (collectively, the "Facilities"); and to carry on or expand the Facilities; and to take over or assume any or all of the belongings, funds, assets, rights, privileges, liabilities, obligations and contracts related to or in respect of the Facilities.
 2. Power Generation, Transmission and/or Distribution. - To carry on all or any of the businesses of generating, transmitting, purchasing, importing, transforming, converting, distributing, supplying, exporting and dealing in electricity and all other forms of energy and products or services associated therewith and of promoting the conservation and efficient use of electricity and all other forms of energy, and to exercise all other powers necessary or incidental to the business of electricity generation, transmission, distribution and supply.
 3. Electrification. - To do anything which a public electricity supplier is empowered or required to do by virtue of or under a licence or other authorisation granted according to law and its implementing rules and regulations or any statutory instrument made thereunder or any statutory modification or re-enactment thereof, and to plan, survey, design, and supply equipment, and carry out the electrification of cities, cantonments, towns, villages, housing colonies, industrial estates, complexes, gas and oil refineries, workshops, buildings, highways, bridges, ports, air terminals, and other premises within its area of supply.
 4. Electrical Equipment. - To carry on all or any of the businesses of wholesalers, retailers, traders, importers, exporters, suppliers, distributors, designers, developers, manufacturers, installer, fitters, testers, repairers, maintainers, contractors, constructors, operators, users, inspectors, reconditioners, servicers, improvers,

alterers, protectors, removers, hirers, replacers, importers and exporters of, and dealers in, electrical appliances, systems products and services used for energy conservation, domestic, commercial, agricultural, industrial, household and general equipment, furniture, fixtures, fittings and devices, and all other kinds of goods, equipment, machinery, materials and installations, including but not limited to cables, wires, meters, pylons, tracks, rails, pipelines and any other plant, apparatus, equipment, systems and things incidental to the efficient generation, procurement, transformation, supply, and distribution of electricity.

5. **Tariff.** - To ascertain the tariff for supply of power that will secure recovery of operating costs, interest charges and depreciation of assets, redemption at due time of loans other than those covered by depreciation, expansion projects, payment of taxes, and a reasonable return on investment, to obtain any approval thereof as may be required by law or licence for the time being in force, to quote the tariff to purchasers of electrical power, and to petition the appropriate authority for the approval of its schedule of tariff and of adjustments or increases in its retail and bulk supply tariff, where desirable or necessary.
6. **Facilities and Installations.** - To locate, establish, construct, equip, operate, use, manage and maintain thermal power plants, power grid stations, transforming, switching, conversion and transmission facilities, grid stations, cables, overhead lines, sub-stations, switching stations, tunnels, cable bridges, link boxes, telecommunications stations, masts, aerials and dishes, fibre optic circuits, satellites and satellite microwave connections, heat pumps, plant and equipment for combined heat and power schemes, offices, computer centres, shops, dispensing machines for pre-payment cards and other devices, showrooms, dépôts, factories, workshops, plants, printing facilities, warehouses and other storage facilities (including but not limited to facilities for storage and disposal of products and waste), training, education and display centres, stands and show-houses, testing premises, laboratories, research stations, compressor stations, vehicle parks, terminals, transport facilities, roads, and other electrical installations and infrastructure it may deem beneficial.
7. **Acquisition and Conveyance of Assets.** - To acquire or convey, whether by purchase, lease, concession, grant, hire or otherwise, establish, develop, exploit, operate and maintain real or personal properties including but not limited to land, any estates in land, claims, licences, concessions, easements, exploration and production rights, and rights or interests of all descriptions in or relating to the same, which may seem to the Company capable or possibly capable of affording or facilitating the generation, purchase, transformation, conversion, supply, distribution, and development of electricity or any other form of energy, and for the accomplishment of all the purposes of the Company herein stated.
8. **Site Development.** - To build, construct, maintain, alter, enlarge, pull down, and remove or replace structures, factories, offices, works, wharves, roads, railways, tramways, machinery, engines, walls, fences, banks, dams, sluices or water courses and to clear sites for the same and to work, manage and control the same and to carry on any other business which may seem to the Company capable of being conveniently carried on in connection with the above or calculated directly or indirectly to enhance the value of or render more profitable the Company's properties, but not to engage in the business of a real estate developer.

9. Intellectual Property Rights. – To apply for and take out, purchase or otherwise acquire any patents, patent rights, inventions, designs, copyrights, trademarks, service marks, commercial names and designations, technological know-how, formulæ, licences, concessions and the like (and any interest in any of them), and exclusive or non-exclusive or limited rights to use any information as to any invention of any kind, and to use, exercise, develop, and grant licenses in respect of, and otherwise turn to account and deal with, the property, rights and information so acquired.
10. Metering. – For the purposes of electricity supply and communication, to install in, on, above or under any premises or place and to operate, use, inspect, maintain, repair, replace and remove cables, lines, ducts, transformers, switchgear (remotely controlled and otherwise, and including time switches), fuses, circuit breakers, electricity service equipment, meters and other devices for measuring or controlling the quantity or quality of electricity supplied, prepayment and debt payment devices, items provided to afford access to, support, encase, insulate, and protect from damage or tampering, the above-mentioned gadgets, or to protect people and property from injury or damage, or to comply with any legal obligation and for other purposes associated with the generation and supply of electricity and to install all such things and apparatus and items for the purposes of supplying, measuring and controlling light, heat, steam, hot water, air-conditioning and refrigeration, and for associated purposes, including payment for these facilities.
11. Demand Forecasting. - To provide or procure the provision of such facilities and services as may be necessary or desirable to forecast the demand for electrical energy and to satisfy such demand.
12. Transportation. – To acquire (whether by purchase, lease, concession, grant, hire or otherwise), charter, lease, take or let on hire, operate, use, employ or turn to account, build, equip, service, repair, maintain, and supply motor vehicles, railway locomotives, wagons, trucks, vessels, and craft of any description, engineering plants and machinery, and parts and accessories of all kinds, and to carry on the businesses of storage contractors, freight contractors, carriers by land, water and air of freight and passengers, forwarding agents, shipping agents, and agents of any other kind (except managing agents), in so far as such activities are incidental to or necessary for the generation, transformation, supply or distribution of electricity.
13. Audio-Visual Systems. – To carry on as principal, agent, contractor or sub-contractor all or any of the businesses of running, operating, managing, supplying and dealing in systems for the conveyance by any means of sounds, visual images, signals, and services, facilities and equipment ancillary to or for use in connection with such systems.
14. Information Technology and Systems. – To carry on all or any of the businesses of running, operating, managing, supplying and dealing in data processing and information retrieval systems, computers, computer programmes and software, computer bureau and databases, meter reading and credit checking and to provide services, facilities and equipment ancillary to or for use in connection with the same.
15. Research and Development. – To carry on business as inventors, researchers and developers, to conduct, promote and commission research and development in connection with the businesses and activities of the Company and its subsidiaries, to

establish and maintain research stations, laboratories, workshops, testing and proving grounds and sites, facilities and establishments and installations, and to exploit and turn to account the results of any research and development carried out by or for it.

16. Labour Contracting. – To enter into contracts with suppliers of labour, and to carry on all or any of the businesses of consultants, advisers and suppliers of management, personnel and training services, whether generally or in respect of one or more of the types of business or activity which the Company has power to carry on, and to provide training and educational courses, instruction and materials, of every description for workers of the Company and for other persons.
17. Contracts. – To enter into agreements with any individual, firm, cooperative or other society, company, corporate body, Government or local authority or other legal entity necessary or expedient for the purpose of carrying on any business of the Company.
18. Engineering Services. – To carry on all or any of the businesses of, and to provide services associated with, engineers (including without limitation electrical, mechanical, heating, ventilation, civil, chemical, sanitation, telecommunications and gas engineers), mechanics, technicians, draftsmen, designers, surveyors, architects, builders, installers, and shopfitters.
19. Advertisement and Publicity. – To adopt such means of making known the products and services of the Company as may seem expedient and, in particular, by advertising in the press, by circulars, by purchase and exhibition of works of art or interest, by publication of books and periodicals, and by granting prizes, rewards and donations.
20. Other Businesses. – To carry on all or any of the businesses of manufacturers, wholesalers, retailers, and traders, whether generally or in relation to particular goods or commodities, and to carry on all or any of the businesses of factors and developers, so far as incidental to or necessary for the generation, transformation, distribution and supply of electricity.
21. Borrowing. – To borrow or raise money or secure or discharge any debt or obligation (whether of the Company or any other person) in such manner as the Company thinks fit and in particular (but without prejudice to the generality of the foregoing) by the creation or issue, upon such terms as to priority or otherwise as the Company thinks fit, of securities of any kind or mortgages or discharges founded or based upon all or any part of the undertaking, property, assets and rights (present and future) of the Company, or without any such security, and advance payments with or without allowance of mark-up thereon.
22. Bank Accounts. – To open, operate, transfer, and close banking accounts of the Company with any bank or banks and to draw, make, accept, endorse, discount, execute, and issue promissory notes, bills of exchange, bills of lading, warrants, debentures, and other negotiable/non-negotiable or transferable/non-transferable instruments, but not to act as a finance or banking company.
23. Guarantee and Suretyship. – To enter into any guarantee, contract of indemnity or suretyship and, in particular (without prejudice to the generality of the foregoing), to guarantee, support or secure, with or without consideration, whether by personal obligation or by mortgaging or charging all or any part of the undertaking, property

and assets (present and future), and unsubscribed capital of the Company or by both such methods or in any other manner, the performance of any contract, obligation or commitment of, and the repayment or payment of the principal amounts and any premiums, interest, dividends, and other moneys payable on or in respect of any securities or liabilities of, any person, including (without prejudice to the generality of the foregoing) any company which is a subsidiary, an affiliate or a holding company of the Company or otherwise associated with the Company, whether or not any valuable consideration or advantage is received by the Company.

24. Partnership. – To enter into partnership, joint venture or cooperation arrangements with any person or company or other legal entity, local or foreign, carrying on or engaged in any business or transaction which the Company is authorized to carry on or engage in, or otherwise seek assistance from or assist any such person, company or legal entity.
25. Related Businesses. – To acquire by any means the whole or any part of the assets, and to undertake the whole or any part of the liabilities, of any person, natural or juridical, carrying on or proposing to carry on any business which the Company is authorized to carry on or which can be carried on in connection therewith, to acquire an interest in, amalgamate or enter into partnership or into any arrangement for sharing profits, cooperation, or mutual assistance, with any such person, to promote, form and sponsor any company or companies in furtherance of the objects herein stated, and to give or accept, for any of the acts or things aforesaid or property acquired, such consideration as the Company thinks fit, including without limitation, any shares, debentures, or other securities or rights.
26. Equity Investment. – To invest the surplus moneys of the Company not immediately required in any manner to subscribe for, purchase or otherwise acquire, and to hold, and deal with, any shares, debentures, bonds, notes, and other securities, obligations and investments of any nature whatsoever, including any options or rights in respect of them, and otherwise to invest and deal with the moneys and assets of the Company, but not to act as an investment company.
27. Advances. – To make payments of moneys in advance to suppliers and such persons or companies on such terms as may seem expedient, and to allow credit to customers and others having dealings with the Company, and to guarantee the performance of any contract or obligation and the payment of money by the Company, and to accept securities of any person or any property or interest therein of whatever nature in payment or partial payment for any services rendered or for any sale or supply made to, or debt owing from, any such person, but not to act as a finance or banking company.
28. Trusts. – To vest any real or personal property, rights or interests acquired by or belonging to the Company in any person or company on behalf of or for the benefit of the Company, with or without any declared trust in favour of the Company, and to undertake and execute any trust the undertaking whereof may seem desirable, either gratuitously or otherwise.
29. Portfolio Investments. – Subject to such terms and conditions as may be thought advantageous, to trade its shares and to undertake mark-up and currency swaps, options (including traded options), swap option contracts, forward exchange contracts,

futures contracts or other financial instruments allowed by law, including hedging agreements of any kind, all or any of which may be on a fixed and/or floating rate basis and/or in respect of local or foreign currency or commodities of any kind, but not to engage in the business of a stock-broker.

30. Government Permissions. – To apply for and obtain necessary consents, permissions and licences from any Government, Provincial, Local, Foreign, Multilateral or other authorities or entities for enabling the Company to carry any of its objects into effect or for extending any of the powers of the Company or for effecting any modification of the constitution of the Company or for any other purpose which may seem expedient, and to enter into arrangements with any Government or authorities, foreign, federal, provincial, municipal, local or otherwise, public or quasi-public bodies, or with any other persons, in any place where the Company may have interests that may seem conducive to the objects of the company or any of them and to obtain from any such Government, authorities or persons any rights, privileges and concessions which the Company may think fit to obtain, and to carry out, exercise and comply therewith.
31. Dispute Resolution. – To resolve disputes by negotiation, conciliation, mediation, arbitration, litigation or other means, judicial or extra-judicial, and to enter into compromise agreement with creditors, members and any other persons in respect of any difference or dispute with them and to exercise the power to sue and be sued and to initiate or oppose all actions, steps, proceedings or applications which may seem calculated directly or indirectly to benefit or prejudice, as the case may be, the interests of the Company or of its members.
32. Employees' Funds. – To establish and maintain or procure the establishment and maintenance of any contributory or non-contributory pension or superannuation funds for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances or emoluments to such persons who are or were at any time in the employ or service of the Company, or of any company which is a holding company or a subsidiary of the Company or is allied to or associated with the Company or with any such subsidiary or affiliate company, or who are or were at any time directors or officers of the Company or of any such other company as aforesaid, and the wives, widows, families and qualified dependants of any such persons, and also to establish, subsidise and subscribe to institutions, associations, clubs or funds calculated to be for the benefit of or to advance the interests and well-being of the Company or of any such other company as aforesaid, and make payments to or towards the insurance of any such person as aforesaid and do any of the matters aforesaid, either alone or in conjunction with any such other company as aforesaid.
33. Remuneration. – To enter into contracts with its salaried employees, including a chief executive who, prior to his appointment as such, was not a director of the Company or of its subsidiary or holding Company, and to provide for such other financial assistance to said employees or workers under personnel rules and regulations that the Company may subsequently adopt.
34. Commissions. – To pay and discharge all or any expenses, costs and disbursements, and to pay commissions and to remunerate any person for services rendered or to be rendered in connection with the formation, registration, promotion and floatation of the Company and any company formed, sponsored, registered, and promoted by the

Company incidental to any negotiations between promoters preliminary to the formation of the Company, and the underwriting, placing or issue at any time of securities of the Company or of any other person plus all costs and expenses incurred in the acquisition of any property or assets, including the accomplishment of all or any formalities which the Company may think necessary or proper in connection with any of the matters aforesaid.

35. Charitable Contributions. – To subscribe or contribute (in cash or in kind) surplus properties to, and to promote or sponsor, any charitable, eleemosynary, scientific, educational, benevolent or useful object of a public character or any object which may in the opinion of the Company be likely, directly or indirectly, to further the interests of the Company, its employees and workers or its members, and to receive donations and grants, in cash or in kind, whether absolutely gratuitous or otherwise, which it may deem beneficial to its business, employees or shareholders.
36. Dissolution and Winding Up. – To cease carrying on or wind up any business or activity of the Company and to cancel any registration of and to wind up or procure the dissolution of the Company in any state or territory.
37. Equity Conversion. – To issue, allot and grant options over securities of the Company towards the satisfaction of any liability or obligation undertaken or agreed to be undertaken by or for the benefit of the Company, or in consideration of any obligation or for any other similar purpose.
38. International Operations. – To procure the Company to be registered or recognised in any part of the world and to do all or any of the above things in any part of the world, either as principal, agent, trustee, contractor or otherwise, alone or in collaboration with another, and either by or through agents, trustees, sub-contractors, subsidiaries or otherwise.
39. Disposal of Assets and Declaration of Dividends. – To dispose by any means of the whole or any part of the assets of the Company or of any interest therein and to distribute in specie or otherwise by way of dividends or bonus or reduction of capital all or any of the property or assets of the Company among its members, and particularly, but without prejudice to the generality of the foregoing, securities of any other company formed to take over the whole or any part of the assets or liabilities of the Company or any proceeds of sale or other disposal of any property or assets of the Company.
40. Insurance. – To insure the property, assets, and employees of the Company in any manner deemed fit by the Company, and to create any reserve fund, sinking fund, insurance fund or any other special fund whether for depreciation or for repairing, insuring, improving, extending or maintaining any of the properties of the Company or for any other purpose conducive to the interests of the Company, but not to act as an insurance company.
41. Regulations. – To make rules or regulations not inconsistent with this Memorandum and to provide for all matters for which provision is necessary or expedient for the purpose of giving effect to the provisions of this Memorandum and the efficient conduct of the affairs of the Company.

42. To carry on any other activities which may be necessary or conducive or incidental to the attainment of the above objects or any of them.

Declaration. - It is hereby declared that:

- (a) the word "company" in this Memorandum of Association, except where used in reference to this Company, shall be deemed to include any partnership or other body of persons, whether corporate or unincorporated, and whether domiciled in Pakistan or elsewhere;
- (b) the objects specified in each of the paragraphs of this clause shall be regarded as independent objects and, accordingly, shall in no way be limited or restricted (except where otherwise expressed in such paragraphs) by reference to or inference from the terms of any other paragraph or the name of the Company, but may be carried out in as full and ample a manner and construed in as wide a sense as if each of the said paragraphs defined the objects of a separate and distinct company;
- (c) the headings used in each of the paragraphs of this clause are for convenience only and are not intended to affect the construction thereof in any way; and
- (d) notwithstanding anything contained in the foregoing object clauses of this Memorandum of Association, nothing herein shall be construed as empowering the Company to undertake or indulge in the business of banking or financing institution, leasing, investment, managing agents, real estate brokerage or insurance, directly or indirectly, as restricted by law, or in any unlawful operations.

IV. The liability of the members is limited.

V. The authorised share capital of the Company shall be Rs.200,000,000/- (Rupees two hundred million only), divided into 20,000,000 (twenty million) ordinary shares of Rs.10 (Rupees Ten) each, with power to increase or reduce the capital and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such rights, privileges or conditions as may be determined by or in accordance with the regulations of the Company, and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the regulations of the Company in accordance with law; provided, however, that rights as between various classes of ordinary shares, if any, as to profits, votes and other benefits shall be strictly proportionate to the paid-up value of shares.

We, the several persons whose names are subscribed below, are desirous of being formed into a company in pursuance of this Memorandum of Association and we respectively agree to take the number of shares in the Capital of the Company set opposite our respective names.

Name and surname (Present and former) in full (in Block letters)	Father's name in full	Nationality	Occupation	Residential address in full	No. of shares taken by each subscriber	Signatures
Brig. Khalid Khan	Muhammad Siddique Khan	Pakistani	Defence Services	#1, WAPDA Colony, Shami Road, Peshawar.	1	
Fazal Ahad Khan	Haji Gul Muhammad	Pakistani	WAPDA Service	House 39, St. 3, Sector J-3, Ph-II, Hayatabad, Peshawar.	1	
Muhammad Anwar Khalid	Ch. Sardar Muhammad	Pakistani	WAPDA Service	23 Greenwood Homes, C-Block, New Muslim Town, Lahore.	1	
Samar Qand	Abdullah	Pakistani	WAPDA Service	H. 175, St. 75, Sector H-4, Ph-II, Hayatabad, Peshawar.	1	
Syed Akhlaq Ahmad	Syed Ahmad Hussain	Pakistani	PEPCO Service	68 Islamia Park Development Scheme, Lahore.	1	
Muhammad Amjad	Muhammad Ashraf	Pakistani	PEPCO Service	B-32 WAPDA Officers' Colony, Upper Mall, Lahore	1	
Salman Iqbal	Zahur Ahmed Shah	Pakistani	PEPCO Service	31-E Model Town, Lahore.	1	

Total number of shares taken: 7 (seven)

Dated the ____ day of June, 2002.

Witness to the above signatures

(Full name, in Block letters): _____

(Father's name, in full): _____

Full address: _____

Signature: _____

Occupation: _____

THE COMPANIES ORDINANCE, 1984
PUBLIC COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION

- of -

TRIBAL AREAS ELECTRICITY SUPPLY COMPANY LIMITED

1. PRELIMINARY

1. Table "A" Not to Apply

The regulations in Table A in the First Schedule to the Companies Ordinance, 1984, shall not apply to the Company except as reproduced herein.

2. Definitions

Unless the context otherwise requires, capitalized terms used in these Articles shall have the meanings set out below:-

- (a) "Articles" means these Articles as originally framed or as from time to time altered in accordance with law.
- (b) "Board" means the group of Directors in a meeting duly called and constituted or, as the case may be, the Directors assembled at a board.
- (c) "Company" means Tribal Areas Electricity Supply Company Limited.
- (d) "Directors" means the Directors for the time being of the Company as named in Article 49 and, subsequently, such members duly elected and registered pursuant to Sections 178 and 205, respectively.
- (e) "Month" means calendar month according to the Gregorian calendar.
- (f) "Office" means the registered office for the time being of the Company.
- (g) "Ordinance" means the Companies Ordinance, 1984, or any modification or re-enactment thereof for the time being in force.
- (h) "Ordinary Resolution" means a resolution passed at a general meeting of the Company when the votes cast (whether *viva voce*, by show of hands or by poll) in favour of a resolution by members who, being entitled to vote in person or by proxy, do so vote, exceed the number of votes, if any, cast against the resolution by members so entitled and voting.
- (i) "Register" means, unless the context otherwise requires, the register of members to be kept pursuant to Section 147 of the Ordinance.

- (k) "Section" means a Section of the Ordinance.
- (l) "Special Resolution" means the special resolution of the Company as defined in Section 2(1)(36) of the Ordinance.

3. Interpretation

In these Articles:

- (i) the headings are for convenience only and are not part of these Articles and shall not be used in construing these Articles; and
- (ii) unless the context otherwise requires,—
 - (a) provisions bearing on transfer or transmission of shares, meetings, voting in person or by proxy, management, and the appointment, powers and removal of Directors and employees of the Company shall be read subject to the provisions of Section 183 relating to the power of control by a holding company over its subsidiary;
 - (b) the singular includes the plural, and *vice versa*, and words denoting any gender shall include all genders;
 - (c) references to any Act, Ordinance, legislation, Rules or Regulations or any provision of the same shall be a reference to that Act, Ordinance, legislation, Rules or regulations or provision, as amended, re-promulgated or superseded from time to time.
 - (d) the terms "include" or "including" shall mean include or including without limitation;
 - (e) expressions referring to writing shall, unless the contrary intention appears, be construed as including references to printing, lithography, photography, and other modes of representing or reproducing words in a visible form;
 - (f) words importing persons shall include bodies corporate; and
 - (g) words and expressions contained in these Articles shall bear the same meaning as in the Ordinance.

II. BUSINESS

4. Public Company

The Directors shall have regard to the restrictions on the commencement of business imposed by Section 146 if, and so far as, those restrictions are binding upon the Company.

III. SHARES

A. GENERAL

5. Shares Under Directors' Control

Subject to Section 183 and these Articles, the shares of the Company shall be under the control of the Directors who may allot or otherwise dispose of the same to such persons and on such terms and conditions as the Directors think prudent.

6. Amount Payable on Application

No shares shall be offered to the public for subscription except upon the term that the amount payable on application shall not be less than the full amount of the nominal amount of the share.

7. Allotment of Shares

No shares shall be issued at a discount except in accordance with the provisions of the Ordinance. The Directors shall, as regards any allotment of shares, duly comply with such of the provisions of Sections 68 to 73, as may be applicable to the Company. The minimum subscription upon which the Company may proceed to allot the shares shall be Rs 10,000 (Rupees Ten Thousand).

8. Share Certificates

Every person whose name is entered as a member in the Register shall, free of charge, be entitled to receive within ninety (90) days after allotment or within forty-five (45) days of the application for registration of transfer, a certificate under Seal specifying the share or shares held by him and the amount paid-up thereon, including in particular and without limitation, such legends as the Company shall be obliged to affix to certain classes of share certificates as provided by law or as the Company shall have agreed to affix pursuant to any contractual arrangement in this respect; Provided, that, in respect of share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all.

9. Certificate under Seal

The certificate of title to shares may be issued under the authority of a Director or of a committee of Directors duly authorized thereto by the Board in such manner and form as the Directors may from time to time prescribe. The Seal shall be duly affixed to every share certificate issued by the Company.

10. Issuance of Replacement Certificate

If a share certificate is defaced, lost or destroyed, it may be renewed on payment by the requesting shareholder or his representative of such fee and stamp taxes, if any, and compliance with such terms prescribed by the Directors as to evidence and indemnity and payment of expenses incurred by the Company in investigating title.

16. Form of Transfer

Shares in the Company shall be transferred in the following form, or in any usual or common form which the Directors shall approve:-

TRIBAL AREAS ELECTRICITY SUPPLY COMPANY LIMITED

I/We, _____, of _____, (hereinafter called the "Transferor/s", for brevity), in consideration of the sum of Rupees _____ paid to me by _____, of _____, (hereinafter called the "Transferee/s", for brevity), do hereby transfer to the Transferee/s the Ordinary/Preferred Share(s) numbered _____ to _____, inclusive, standing in my/our name in the books of the Tribal Areas Electricity Supply Company Limited, to hold unto the said Transferee, his/her/their executors, administrators and assigns, subject to the several conditions on which I/We held the same at the time of the execution hereof, and I/We, the Transferee/s, do hereby agree to the said share(s) subject to the conditions aforesaid.

Witness our hands this ____ day of _____, 20__.

Transferor

Transferee

Signatures: _____

Signatures: _____

Name in full: _____

Name in full: _____

Father's/Husband's name: _____

Father's/Husband's name: _____

Nationality: _____

Nationality: _____

Residential address in full: _____

Residential address in full: _____

Signed by the above-named Transferor/s and Transferee/s in the presence of:

Signatures (Witness#1) _____

Signatures (Witness#2) _____

Full name: (Witness#1) _____

Full name: (Witness#2) _____

Full address: _____

Full address: _____

17. Non-Refusal of Transfer of Shares

The Directors shall not refuse to transfer any fully paid shares unless the transfer deed is defective or invalid. The Director may decline to recognise any instrument of transfer, unless-

- (a) a fee not exceeding two rupees as may be determined by the Directors and the appropriate stamp tax is paid to the Company in respect thereof; and
- (b) the duly stamped instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer.

If the Directors refuse to register a transfer of shares, they shall within one month after the date of which the transfer deed was lodged with the Company send to the transferee and the transferor notice of the refusal indicating the defect, invalidity or any ground for objection to the transferee, who shall, after removal of such defect or invalidity, be entitled to re-lodge the transfer deed with the Company.

18. Closure of Register

On giving seven days' prior notice in the manner provided by the Ordinance, the Register may be closed for such period or periods not exceeding forty-five (45) days in any one year as the Directors may from time to time determine; however, the Register shall not be closed for a period longer than thirty (30) days at any given time.

C. TRANSMISSION OF SHARES

19. Transmission

The executors, administrators, heirs or nominees, as the case may be, of a deceased sole holder of a share shall be the only persons recognised by the Company as having any title to the share. In the case of a share registered in the names of two or more holders, the survivor or survivors shall upon proof of his right of succession be the only person or persons recognised by the Company as having any title to the share.

20. Election to Register or Transfer

Any person becoming entitled to a share in consequence of the death or insolvency of a member shall, upon such evidence being produced as may from time to time be required by the Directors, have the right, either to be registered as a member in respect of the share or, instead of being registered himself, to make such transfer of the share as the deceased or insolvent person could have made. The Directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by the deceased or insolvent person before the death or insolvency.

21. Rights of Person Entitled by Transmission

A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would have been entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

D. ALTERATION OF CAPITAL

22. Power to Increase Capital

The Company may, from time to time, by ordinary resolution, increase the share capital by such sum to be divided into shares of such amount as the resolution shall prescribe.

23. Further Issue of Capital

All further issue of share capital shall be subject to the applicable provisions of Section 86. Thereafter, the Directors may dispose of the same in such manner as they think most beneficial to the Company.

24. Provisions Applicable to New Shares

The new share capital shall be subject to the same provisions with reference to transfer and transmission as the original share capital.

25. Consolidation and Subdivision

The Company may, by ordinary resolution:-

- (a) consolidate and divide its share capital into shares of larger amount than its existing shares;
- (b) subdivide its existing shares or any of them into shares of smaller amount than that fixed by the Company's Memorandum of Association, subject to the provisos to Section 92, sub-section (1), clause (d); or
- (c) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

26. Reduction of Share Capital

The Company may, by Special Resolution, reduce its share capital in any manner, with and subject to any incident authorised and consent required by law.

IV. MEETINGS AND PROCEEDINGS

A. GENERAL MEETINGS

27. Statutory Meeting

The statutory meeting of the Company shall be held within the period required by Section 157.

28. Annual General Meeting

The annual general meeting shall be held in accordance with the provisions of Section 158, within eighteen (18) months from the date of incorporation of the Company and, thereafter, once at least in every year within a period of six months following the close of its financial year and not later than fifteen months after the holding of its last preceding annual general meeting, as may be determined by the Directors.

29. Other Meetings

All general meetings of the Company other than the statutory meeting or an annual general meeting shall be called extraordinary general meetings.

30. Extraordinary Meetings

The Directors may whenever they think necessary, call an extraordinary general meeting. Extraordinary general meetings may also be called on such requisition, or in default, may be called by such requisition, as provided under Section 159. If at any time there are not within Pakistan sufficient Directors capable of acting to form a quorum, any Director of the Company may call an extraordinary general meeting in the same manner as nearly as possible as that in which meetings may be called by the Directors.

B. NOTICE AND PROCEEDINGS

31. Notice of Meetings

'Twenty-one days' notice at the least (exclusive of the day on which the notice is served or deemed to be served, but inclusive of the day for which notice is given), specifying the place, the date and the hour of meeting and, in case of special business, the general nature of that business, shall be given in the manner provided by the Ordinance for general meetings to such persons as are, under the Ordinance or the regulations of the Company, entitled to receive such notices from the Company.

32. Special Business

All business shall be deemed special that is transacted in an extraordinary general meeting and those transacted in an annual general meeting, with the exception of declaration dividends, the consideration of the accounts, balance sheet and the reports of the Directors and auditors, the election of Directors, and the appointment and fixing of the remuneration of auditors.

33. Quorum

No business shall be transacted at any general meeting unless a quorum of members is present at that time when the meeting proceeds to business. Three members present personally who represent personally who represent not less than twenty-five percent of the total voting power either on their own account or as proxies shall be a quorum.

34. Effect of Quorum Not being Present

If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if called upon the requisition of members, shall be dissolved; In any other case, it shall stand adjourned to the same day in the next week at the same time and place, and, if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the members present, being not less than three, shall be a quorum.

35. Chairman of Meeting

The Chairman of the Board of Directors, if any, shall preside as chairman at every general meeting of the Company, but if there is no such Chairman, or if at any meeting he is not present within fifteen minutes after the time appointed for the meeting, or is unwilling to act as chairman, any one of the Directors present may be elected to be the chairman, and if none of the Directors is present, or willing to act as chairman, the members present shall choose one of their number to be the chairman.

36. Adjournment

The Chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the majority of members present), adjourn the meeting from time to time but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for ten days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

or by proxy, shall be accepted to the exclusion of the votes of the other joint-holders. For this purpose, seniority shall be determined by the order in which the names stand in the Register.

44. Voting; Corporation Representatives

On a poll, votes may be given either personally or by proxy; Provided, that, no body corporate shall vote by proxy as long as a resolution of its directors in accordance with the provisions of Section 162 of the Ordinance is in force.

45. Proxy to be in Writing

The instrument appointing a proxy shall be in writing under the hand of the principal to his attorney duly authorized in writing. A proxy must be a member of the Company.

46. Instrument Appointing Proxy to be Deposited

The instrument appointing a proxy and the power-of-attorney or other authority (if any) under which it is signed, or a notarially certified copy of that power or authority, shall be deposited at the Office of the Company not less than forty-eight (48) hours before the time for holding the meeting at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid.

47. Form of Proxy

An instrument appointing a proxy may be in the following form, or a form as near thereto as may be:

TRIBAL AREAS ELECTRICITY SUPPLY COMPANY LIMITED

I, _____, of _____, in the District of _____, being a member of Tribal Areas Electricity Supply Company Limited, hereby appoint _____ of _____, as my proxy to vote for me and on my behalf at the (annual/extraordinary, as the case may be) general meeting of the Company to be held on the ____ day of _____, 20____, and at any adjournment thereof.

48. Revocation of Authority

A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the share in respect of which the proxy is given; Provided, that, no intimation in writing of such death, insanity, revocation or transfer as aforesaid shall have been received by the Company at its Office before the commencement of the meeting or adjourned meeting at which the proxy is used.

V. MANAGEMENT AND ADMINISTRATION

A. BOARD OF DIRECTORS

49. Number of Directors

The number of Directors shall not be less than seven. The first Directors, to hold office until the first annual general meeting, shall be: -

- (1) Khalid Khan
- (2) Fazal Ahad Khan
- (3) Muhammad Anwar Khalid
- (4) Samar Qand
- (5) Syed Akhlaq Alunad
- (6) Muhammad Amjad
- (7) Salman Iqbal

50. Qualification of Directors

Save as provided in Section 187, no person shall be appointed as a Director unless he is a member of the Company.

51. Chairman of the Board

The Directors may elect one of their number as the Chairman of the Board and vest in him such powers and functions as they may deem fit in relation to the management and administration of the affairs of the Company subject to their general supervision and control.

52. Chief Executive

The Directors may elect one of their number to be the Chief Executive of the Company in accordance with the provisions of Sections 198 and 199 and vest in him such powers and functions as they deem fit in relation to the management and administration of the affairs of the Company subject to their general supervision and control. The Chief Executive of the Company shall be the ex-officio Vice-Chairman of the Board. The provisions of the Ordinance shall be observed regarding other matters relating to the Chief Executive.

53. Remuneration

Subject to any approval or limits required by law, the terms and conditions and remuneration of:-

- (a) Director for performing extra services, including the holding of the office of Chairman;

- (b) the Chief Executive; and
- (c) any Director for attending the meetings of the Directors or a Committee of Directors shall be determined by the Board of Directors.

54. Alternate Director

A Director may, with the approval of the Board, appoint any person (including another Director) to be his alternate Director and such an alternate Director shall be entitled to notice of meetings of the Directors and to attend and vote thereat accordingly and, generally, to exercise all the rights of such absent Director subject to any limitations in the instrument appointing him. For the purposes of the proceedings at such meetings, the provisions of these Articles shall apply as if any alternate Director (instead of his appointer) were a Director. An alternate Director shall not require any share qualification and he shall ipso facto vacate office as and when his appointer (a) vacates office as a Director; (b) removes the appointee from office; or (c) returns to Pakistan; Provided, that, upon each occasion upon which the appointer thereafter leaves Pakistan again, and unless the appointer shall have informed the Company to the contrary, he shall be deemed to have re-appointed the appointee as his alternate Director and no further approval of the Board shall be required unless the appointer desires to approve another person not previously approved by the Board as his alternate. If an alternate Director shall be himself a Director, his voting rights shall be cumulative but he shall not be counted as more than one for quorum purposes. Any appointment or removal under this Article shall be reflected by notice in writing under the hand of the Director making the same.

B. POWERS AND DUTIES OF DIRECTORS

55. General Management Powers

The business of the Company shall be managed by the Directors, who may exercise all such powers of the Company as are not by the Ordinance or by these Articles or other regulations required to be exercised by the Company in general meeting, subject nevertheless to the provisions of the Ordinance and to any of these Articles and to such regulations, not inconsistent with the aforesaid provisions, as may be prescribed by the Company in a general meeting; but no regulation made by the Company in general meeting shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made.

56. Borrowing Powers

The Directors may exercise all the powers of the Company to raise money otherwise than by issue of shares and to mortgage, charge, pledge, hypothecate or otherwise create an encumbrance on its undertaking or any part thereof and to issue debentures and other securities whether outright or as security for any obligation, liability or debt of the Company or of any third party. In exercising the aforesaid powers of the Company the Directors may, from time to time and on such terms and conditions as they think fit, raise money from banks and financial institutions and from other persons under any permitted system of financing, whether providing for payment of

interest or some other form of return, and in particular the Directors may raise money on the basis of mark-up price, musharika, modaraba or any other permitted mode of financing, and without prejudice to the generality of the foregoing, the Directors may exercise all or any of the powers of the Company under Section 196(2) of the Ordinance. In particular, the Directors may issue any security as defined in Section 2(1)(34) of the Ordinance or may issue any instrument or certificate representing redeemable capital as defined in 2(1)(30A) of the Ordinance or participatory redeemable capital as defined in Section 2(1)(25) of the Ordinance.

57. Duties of Directors

The Directors shall duly comply with the provisions of the Ordinance.

58. Minute Books

The Directors shall cause minutes to be made in books provided for the purpose of:-

- (a) all appointments of officers made by the Directors;
- (b) the names of the Directors present at each meeting of the Directors and of any committee of the Directors; and
- (c) all resolutions and proceedings at all meetings of the Company and of the Directors and of committees of Directors;

and every Director present at any meeting of Directors or committee of Directors shall sign his name in a book to be kept for that purpose.

C. DISQUALIFICATION OF DIRECTORS

59. Disqualification of Directors

No person shall become a Director of the Company if he suffers from any of the disabilities or disqualifications mentioned in Section 187 of the Ordinance and, if already a Director, shall cease to hold such office from the date he so becomes disqualified or disabled or:-

- (a) if removed by general or special order of the holding company;
- (b) if removed by a resolution of members as hereinafter provided; or
- (c) if by notice in writing given to the Company he resigns his office;

Provided, however, that no Director shall vacate his office by reason only of his being a member of any company which has entered into contracts with, or done any work for, the Company but such Director shall not vote in respect of any such contract or work, and if he does so vote, his vote shall not be counted.

D. PROCEEDINGS OF DIRECTORS

60. Meeting of Directors

- (a) The Directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings, as they deem proper. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes, the Chairman shall have and exercise a second or casting vote. A Director may, and the secretary on the requisition of a Director shall, at any time, summon a meeting of Directors. Seven (7) days notice at the least, exclusive of the day on which the notice is served or deemed to be served, but inclusive of the day on which the notice is served or deemed to be served, shall be given for a meeting of Directors; Provided, that, if all the Directors entitled to attend and vote at any such meeting so agree, in writing, a meeting may be held of which less than seven (7) days notice has been given.
- (b) The quorum for the meeting of Directors shall not be less than one third of their number or four, whichever is greater.
- (c) A meeting of the Directors may consist of a conference between Directors, some or all of whom are in different places; Provided, that, each Director who participates is able to hear each of the other participating Directors addressing the meeting and, if he so wishes, to address each of the other participating Directors simultaneously, whether directly, by conference telephone or by any other form of communications equipment (whether in use when this Article 60(c) is adopted or developed subsequently) or by a combination of methods. A quorum shall be deemed to be present if those conditions are satisfied in respect of the minimum number and designation of Directors required to form a quorum. A meeting held in this way shall be deemed to take place at the place where the largest group of Directors is assembled or, if no such group is readily identifiable, at the place from where the Chairman participates. Any Director may, by prior notice to the Secretary, indicate that he wishes to participate in the meeting in such manner, in which event, the Directors shall procure that an appropriate conference facility is arranged.

61. Chairman of Directors' Meetings

The Chairman of the Board shall preside at all meetings of the Board but, if at any meeting the Chairman is not present within ten minutes after the time appointed for holding the same or is unwilling to act as Chairman, the Directors present may choose one of their number to be chairman of the meeting.

62. Committees

The Directors may delegate any of their powers not required to be exercised in their meeting to committees consisting of such member or members of their body as they

think fit. Any committee so formed shall, in the exercise of the powers so delegated, conform to any restrictions that may be imposed on it by the Directors.

63. Chairman of Committee Meetings

A committee may elect a chairman of its meetings but, if no such chairman is elected, or if at any meeting the chairman is not present within ten minutes after the time appointed for holding the same or is unwilling to act as chairman, the members present may choose one of their number to be chairman of the meeting.

64. Proceedings of Committee Meetings

A committee may meet and adjourn as it thinks fit. Questions arising at any meeting shall be determined by a majority of votes of the members present. In case of an equality of votes, the chairman shall have and exercise a second or casting vote.

65. Validity of Directors' Acts

An act done in a meeting of the Directors or of a committee of Directors shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of such Directors or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director unless the said act is *ultra vires* in itself.

66. Resolution in Writing

A resolution in writing circulated to all the Directors and signed by a majority of the total number of Directors or affirmed by them through fax, telex or telegram shall be as valid and effectual as if it had been passed at a meeting of the Directors duly convened and held.

E. ELECTION AND REMOVAL OF DIRECTORS

67. Rotation of Directors

At the first annual general meeting of the Company, all the Directors shall retire from office, and Directors shall be elected in their place in accordance with Section 178 for a term of three years.

68. Eligibility for Re-election.

A retiring Director shall be eligible for re-election.

69. Election in Accordance with the Ordinance

The Directors shall comply with the provisions of Sections 174 to 178 and Sections 180 to 184 relating to the election of Directors and matters ancillary thereto.

70. Filling of Casual Vacancy

Any casual vacancy occurring in the Board of Directors may be filled by the Directors, but the person so chosen shall be subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he is chosen was last elected as Director.

71. Removal of Director

The Company may remove a Director but only in accordance with the provisions of the Ordinance.

VI. THE SEAL

72. Common Seal

The Directors shall provide a common seal of the Company which shall not be affixed to any instrument except by the authority of a resolution of the Board or by a committee of Directors authorized in that behalf by the Board. Two (2) Directors or one Director and the secretary of the Company shall sign every instrument to which the common seal is affixed.

73. Official Seal

The Directors may provide for the use in any territory, district or place not situated in Pakistan, of an official seal which shall be a facsimile of the common seal of the Company, with the addition on its face of the name of every territory, district or place where it is to be used. The provisions of Section 213 shall apply to the use of the official seal.

VII. DIVIDENDS AND RESERVE

74. Declaration of Dividends

The Company in general meeting may declare dividends but no dividend shall exceed the amount recommended by the Board.

75. Interim Dividends

The Board may from time to time direct payment to the members or to the holding

company such interim dividends as appear to be justified by the distributable profits of the Company.

76. Dividends Payable Out of Profits

No dividends shall be paid otherwise than out of distributable profits of the year or any other undistributed profits. No unpaid dividend shall bear interest against the Company.

77. Dividends Payable on Amount Paid on Shares

All dividends shall be declared and paid according to the amounts paid on the shares.

78. Reserve Fund

The Directors may, before recommending any dividend, set aside out of the profits available for distribution of the Company such sums as they think proper as a reserve or reserves which shall, at the discretion of the Directors, be applicable for meeting contingencies, or for equalizing dividends, or for any other purpose to which the profits of the Company may be properly applied, and pending such application may either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Directors may, subject to the provisions of the Ordinance, from time to time think fit.

79. Profit Carried Forward

The Directors may carry forward any profits which they may think prudent not to distribute, without setting them aside as a reserve.

80. Payment of Dividends Specie

With the sanction of a resolution in a general meeting, any dividend may be paid wholly or in part by the distribution of specific assets and in particular of paid-up shares or debentures of any other company or in any one or more of such ways. The Directors may fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any members upon the footing of the value so fixed, in order to adjust the rights of all members, and may vest any such specific assets in trust for the members entitled to the dividend as may seem expedient to the Directors.

81. Dividends to Joint Holders

If several persons are registered as joint holders of any share, any one of them may give effectual receipt for any dividend payable on the share.

82. Notice of Dividend

Notice of any dividend that may have been declared shall be given in the manner hereinafter mentioned to the persons entitled thereto. The Company may give such notice by publication in a newspaper of general circulation in the Province where the Office is situated.

83. Period for Payment of Dividends

Dividends shall be paid within the period specified in Section 251.

VIII. ACCOUNTS

84. Books of Account

The Directors shall cause to be kept proper books of account as required under Section 230.

85. Place Where Accounts Kept

The books of account shall be kept at the Office or at such other place as the Directors shall think fit and shall be open to inspection by the Directors during business hours.

86. Inspection by Members

The Directors, or their representatives, shall from time to time determine whether and to what extent and at what time and place/s and under what conditions or regulations the accounts and books or papers of the Company or any of them shall be open to the inspection of members not being Directors. No member (not being a Director) shall have any right of inspecting of any account and book or papers of the Company, except as conferred by law or authorized by the Directors or by the Company in general meeting.

87. Annual Accounts

The Directors shall as required by Sections 233 and 236 cause to be prepared and to be laid before the Company in general meeting such profit and loss accounts and balance sheets duly audited and reports as are referred to in those sections.

88. Balance Sheet and Profit and Loss Account

A balance sheet, profit and loss account, and other reports referred to in the preceding Article shall be made out every year and laid before the Company in the

annual general meeting made up to a date not earlier than six months before such meeting. The balance sheet and profit and loss account shall be accompanied by a report of the auditors of the Company and the report of Directors.

89. Copy of Accounts to be Sent to Members

A copy of the balance sheet and profit and loss account and reports of Directors and auditors shall, at least twenty-one days preceding the meeting, be sent to the persons entitled to receive notices of general meetings in the manner in which notices are to be given as hereinafter provided.

90. Compliance with the Ordinance

The Directors shall in all respects comply with the provisions of Sections 230 to 236.

91. Capitalisation of Profits

The Company in general meeting may, upon the recommendation of the Directors, resolve that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution. The Company may then set free such sum for distribution among the members who would have been entitled thereto if distributed by way of dividend and in the same proportions, on condition that the same be not paid in cash but be applied in or towards paying up in full un-issued shares or debentures of the Company to be allotted and distributed, credited as fully paid up to and amongst such members in the proportion aforesaid. The Board of Directors shall give effect to such distribution by resolution.

92. Audit

Auditors shall be appointed and their duties regulated in accordance with Sections 252 to 255 of the Ordinance.

IX. NOTICES

93. Notice to Members, etc.

Notice shall be given by the Company to members and auditors of the Company and other persons entitled to receive notice in accordance with law.

X. CONFIDENTIALITY

94. Confidentiality Undertaking

Every director, manager, adviser, auditor, trustee, member of a committee, officer,

agent, accountant, or other employees of the Company shall, if so required by the Directors, before entering upon his duties, sign a confidentiality undertaking in relation to all transactions of the Company with its customers and the state of accounts with individuals and in matters relating thereto, and shall undertake not to reveal any of the matters which may come to his knowledge in the discharge of his duties, except when required to do so by the Directors or by any general meeting or by any a court of law of competent jurisdiction and except so far as may be necessary in order to comply with any of the provisions in these presents.

95. Members' Access to Company Premises

No member or other person (not being a Director) shall be entitled to enter upon the property of the Company or examine the Company's premises or properties without the permission of a Director, subject to Article 94, or to require discovery of any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade, or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Directors will be inexpedient, in the interest of the Company and its members, to communicate.

XI. RECONSTRUCTION

96. Reconstruction

On any sale of the undertakings of the Company, the Directors or the liquidators on a winding up may, if authorised by a Special Resolution, accept fully paid shares, debentures or securities of any other company, either then existing or to be formed for the purchase in whole or in part of the property of the Company. The Directors (if the profits of the Company permit), or the liquidators (in a winding up), may distribute such shares or securities, or any other properties of the Company amongst the members without realisation, or vest the same in trustees for them. A special Resolution may provide for the distribution or appropriation of the cash, shares or other securities, benefits or property, and for the valuation of any such securities or property at such price and in such manner as the meeting may approve. All shareholders shall be bound by any valuation or distribution so authorized, and waive all rights in relation thereto save only such statutory rights (if any) as are, in case the Company is proposed to be or is in the course of being wound up, incapable of being varied or excluded by these Articles.

XII. WINDING UP

97. Division and Distribution of Assets Upon Dissolution

If the Company is wound up, the liquidator may, with the sanction of a Special Resolution of the Company and any other sanction required by law, divide amongst the members in specie or kind the whole or any part of the assets of the Company

(whether they shall consist of property of the same kind or not) and may, for such purpose, set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trust for the benefit of the contributories as the liquidator, with the like sanction, shall think fit; Provided, that, no member shall be compelled to accept any shares or other securities whereon there is any liability.

XIII. INDEMNITY

98. Indemnification

Every officer or agent of the Company may be indemnified out of the assets of the Company for any liability incurred by him in defending any proceedings, whether civil or criminal, arising out of his dealings in relation to the affairs of the Company, except those brought by the Company against him, in which judgment is given in his favour or in which he is acquitted, or in connection with any application under Section 488 in which relief is granted to him by a court of competent jurisdiction.

XIV. ARBITRATION

99. Differences to be Referred to Arbitrator

Every intra-corporate dispute shall, as a condition precedent to any other action at law be referred, in conformity with the Arbitration Act, 1940, as amended, and its implementing rules, to the decision of an arbitrator to be appointed by the parties in dispute or, if they cannot agree upon a single arbitrator, to the decision of two arbitrators of whom one shall be appointed by each of the parties in dispute, or, in the event of the two arbitrators not agreeing, then of an umpire to be appointed by the two arbitrators, in writing, before proceeding on the reference. Such decision and arbitral award shall be final and binding on the parties. Intra-corporate disputes shall include any dispute that may arise between the Company on the one hand and any of the members, their executors, administrators or assigns on the other hand, or between members, their executors, administrators or assigns, relating to these Articles or the statutes, or anything then or thereafter done, executed, omitted or suffered in pursuance of these Articles or of the statutes or any breach or alleged breach, or otherwise relating to these Articles or to any statute affecting the Company or to any of the affairs of the Company.

We, the several persons whose names are subscribed below, are desirous of being formed into a company in pursuance of these Articles of Association and we respectively agree to take the number of shares in the Capital of the Company set opposite our respective names.

Name and surname (Present and former) in full (in Block letters)	Father's name in full	Nationality	Occupation	Residential address in full	No. of shares taken by each subscriber	Signatures
Brig. Khalid Khan	Muhammad Siddique Khan	Pakistani	Defence Services	#1, WAPDA Colony, Shami Road, Peshawar.	1	
Fazal Ahad Khan	Haji Gul Muhammad	Pakistani	WAPDA Service	House 39, St. 3, Sector J-3, Ph-II, Hayatabad, Peshawar.	1	
Muhammad Anwar Khalid	Ch. Sardar Muhammad	Pakistani	WAPDA Service	23 Greenwood Homes, C-Block, New Muslim Town, Lahore.	1	
Samar Qand	Abdullah	Pakistani	WAPDA Service	H. 175, St. 75, Sector H-4, Ph-II, Hayatabad, Peshawar.	1	
Syed Akhlaq Ahmad	Syed Ahmad Hussain	Pakistani	PEPCO Service	68 Islamia Park Development Scheme, Lahore.	1	
Muhammad Amjad	Muhammad Ashraf	Pakistani	PEPCO Service	B-32 WAPDA Officers' Colony, Upper Mall, Lahore	1	
Salman Iqbal	Zahur Ahmed Shah	Pakistani	PEPCO Service	31-E Model Town, Lahore.	1	

Dated the ____ day of June, 2002.

Total number of shares taken: 7 (seven)

Witness to the above signatures

(Full name, in Block letters): _____

Signature: _____

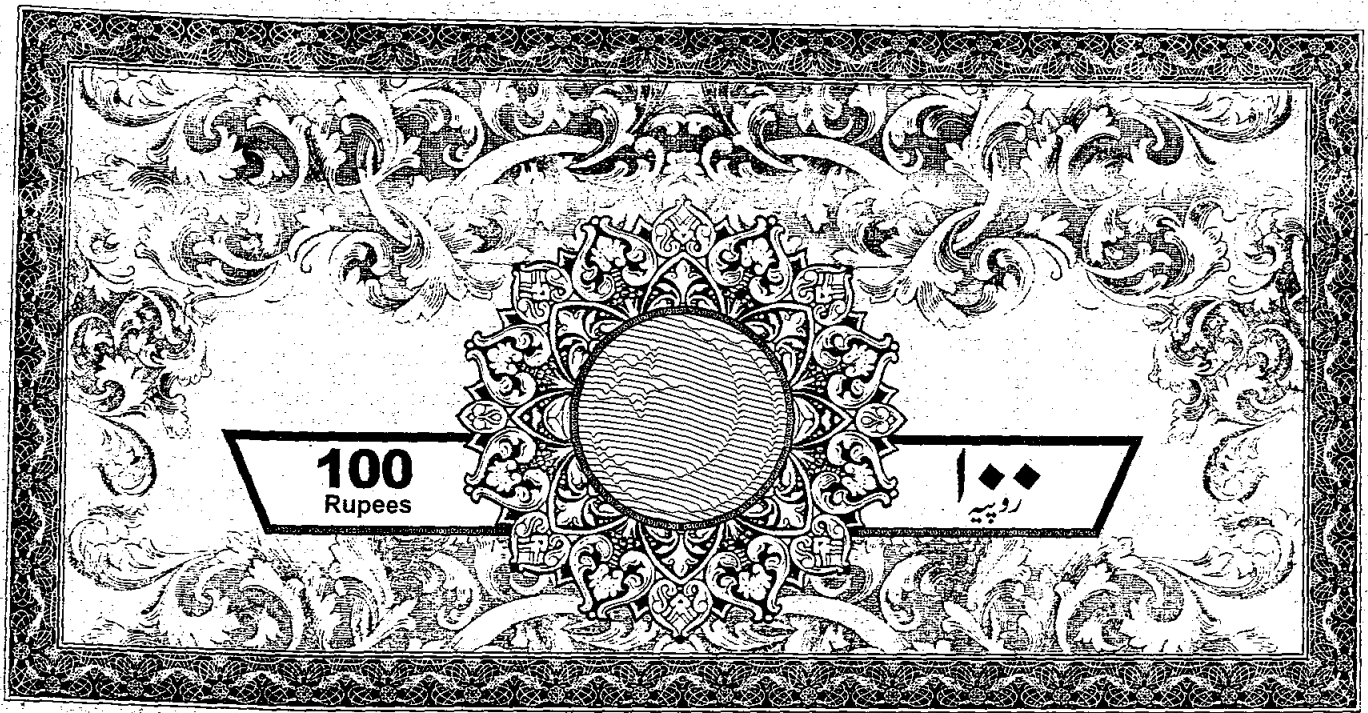
(Father's name, in full): _____

Occupation: _____

Full address: _____

Annex- C

ANNEX-C




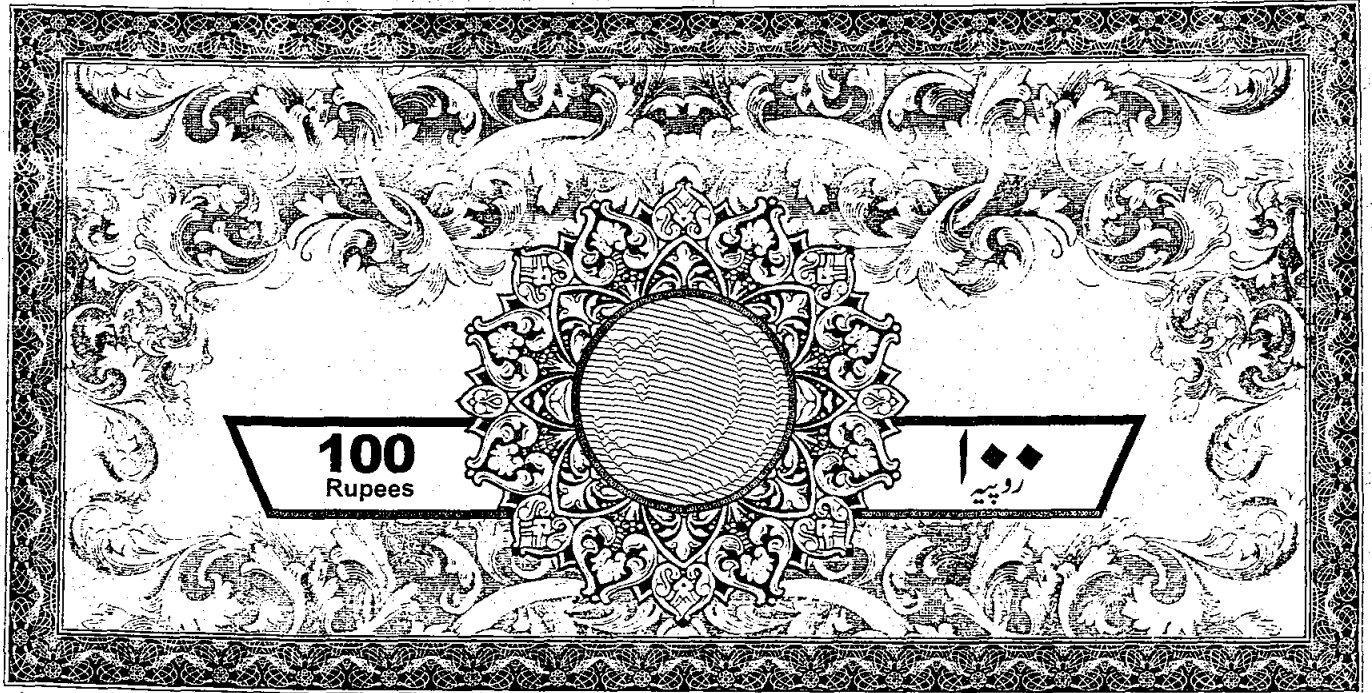
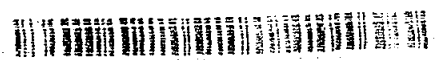
AFFIDAVIT

I Engr, Qazi Muhammad Tahir S/O Qazi Muhammad Tufail, Chief Executive Officer, Tribal Areas Electricity Supply Company Ltd, having CNIC No. 13101-9101070-9, duly authorized by the Board of Directors of Tribal Electric Supply Company Limited in its 45th BoD Meeting held on 18-04-2023 vide Item No. 06, in terms of regulations 3. (4)(g) of the NEPRA Licensing (Application, Modification, Extension, and Cancellation) Procedure Regulations, 2021 do hereby, solemnly affirm and testify that the following License has been granted by the honorable Authority to TESCO:

1. Distribution License No. 22/DL/2013 by the Authority till Aug 11, 2033, letter No. NEPRA/R/LAD-10/9642-44 dated: Aug 12, 2013.

Deponent


Qazi Muhammad Tahir,
Chief Executive Officer TESCO



AFFIDAVIT

I Engr, Qazi Muhammad Tahir S/O Qazi Muhammad Tufail, Chief Executive Officer, Tribal Areas Electricity Supply Company Ltd, having CNIC No. 13101-9101070-9, duly authorized by the Board of Directors of Tribal Electric Supply Company Limited in its 45th BoD Meeting held on 18-04-2023 vide Item No. 06, do hereby, solemnly affirm and testify that the contents of the application for grant of Electric Power Supply License as Supplier of Last Resort are in accordance with Regulation 3(1) of NEPRA Licensing (Electric Power Supplier) Regulations, 2022 and Regulation 3 of the NEPRA Licensing (Application, Modification, Extension, and Cancellation) Procedure Regulations, 2021 and that the Annexed documents are true and correct to the best of my knowledge, belief on the basis of provided confirmations by the concerned formations put before me; and further declare that:

1. I am the Chief Executive Officer of the Tribal Areas Electricity Supply Company Ltd (TESCO) and fully aware of the affairs of the Company particularly to endorse application for grant of Electric Power Supply License.
2. Whatsoever stated in the application and accompanied documents is true and nothing has been concealed.

Annex- D1

Annex- D1

**TRIBAL AREAS ELECTRIC SUPPLY COMPANY LIMITED
(TESCO)**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

RSM

RSM Avasi Hyder Liaquat Nauman
Chartered Accountants

Suit # 6, Block- A, 2nd Floor
Cantonment Plaza, Fakhre- Alam Road
Peshawar Cantt. Pakistan

T: +92 (91) 527 7205, 527 8310
F: +92 (91) 526 0085

peshawar@rsm-pakistan.pk
www.rsm-pakistan.pk

INDEPENDENT AUDITOR'S REPORT

To the members of M/S Tribal Areas Electric Supply Company Limited

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the annexed financial statements of M/S Tribal Areas Electric Supply Company Limited (the Company), which comprise the statement of financial position as at June 30, 2021, and the statement of profit or loss, statement of comprehensive income, statement of changes in equity and 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, except for the effect of the matter discussed in the basis of qualified opinion, if any, the statement of financial position, the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows together with the notes forming part thereof conform with the International Financial 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 profit, comprehensive income, and changes in equity and its cash flows for the year then ended.

Basis for Qualified Opinion

Except for the matters discussed below, 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.

- a) Trade debts of the company include past due trade debts of Rs. 84,512 million against which a provision of Rs. 9,505 million has been made. In our view, provision is not sufficient considering the fact that past due trade debts include trade debts of Rs. 65,502 million outstanding in the last three or more years. In our view, full provision should be made at least in respect of trade debts past due over three years. Had the provision been made, trade debts and profit for the year would have been decreased by Rs. 55,997 million.

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Other Offices at:
Lahore : 92 (42) 35872731-3
Karachi : 92 (21) 3585 5975-6
Faisalabad : 92 (41) 854 1165/854 1965
Islamabad : 92 (51) 2340490
Rawalpindi : 92 (51) 5193135
Quetta : 92 (81) 282 9809
Kabul : 93 (799) 058155

b) No actuarial valuation of employee's retirement benefits using projected unit credit method was carried out by an independent actuary as required under International Accounting Standard 19 "Employees Benefits". We are unable to quantify its impact due to non-availability of actuarial valuation.

AUDITOR'S REPORT

19. Current account with divisions with credit balance of Rs. 11,414 million represents an un-reconciled and un-adjusted difference between various divisions and head office of the company at the balance sheet date. The balance needs to be reconciled and adjusted in the financial statements of the Company. We are unable to determine the impact on different line items due to non-provision of relevant record and information.

20. The financial statements show a balance of Rs. 374 million under the head of deposit for the Central Power Purchasing Company, but the company has not issued shares in the name of WAPDA as yet. We have not received any response from legal advisors of the Company in respect of any assessment of potential legal liability for the company arising out of this. Therefore, we are unable to satisfy ourselves regarding the disclosure of contingencies in Note 19 to the financial statements. We have obtained all the necessary information and explanation necessary for the purposes of the audit.

21. We have requested the Central Power Purchasing Company to confirm the balance in respect of supply of electricity costing Rs. 3,200 million for current year and previous years. Consequently, the above balance remains unverified.

22. **Material Uncertainty relating to Going Concern** - The company's financial statements are prepared on the basis of the going concern assumption. The company's financial statements show a loss of Rs. 17,037 million for the year ended 30th June 2017. The company's financial statements also show that its current liabilities exceed its current assets by Rs. 5,308 million. These conditions along with other matters discussed in the notes indicate the existence of a material uncertainty, which may cast significant doubt on the company's ability to continue as a going concern. Therefore, the company may be unable to realize its assets and discharge its liabilities in the normal course of business.

Other Matter

23. Without qualifying our opinion, we draw attention to the point that the Company has not filed any annual return to the SECP.

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

24. Management is responsible for the other information. The other information obtained at the date of this auditor's report is the information included in the director's report, but does not include the financial statements of the company 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.

RSM

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, on other information obtained prior to the date of this auditor's report, 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.

Direct 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 standards as applicable in Pakistan and the requirements applicable to the Company. Management is also responsible for the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objective is to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that expresses 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.

Signature

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.

ture and content of the overall presentation, structure and content of each financial statement, including all statements of assets, liabilities and shareholders' equity statements, based on the underlying transactions and reservation of events in a manner that achieves fair presentation.

gained during our audit with you-are not aware regarding, among other matters, the planned scope and
involvement of the audit, and significant 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, the financial statements for the year ended 31 March 2017 are true and fair in accordance with the provisions of the Companies Act, 2013 and the Companies (Accounts) Rules, 2014. We also report that the financial statements are in accordance with the Indian Accounting Standards prescribed under the Companies Act, 2013 and the Companies (Accounts) Rules, 2014.

Our objectives are free from material misstatements. Our opinion includes our opinion on the aggregate results, which we have taken on the basis of these financial decisions of users.

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

As part of an audit,

er the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Muhammad Ali. Identify any fraud or audit evidence that is sufficient and appropriate to conclude that there is a material misstatement in the financial statements.

...a material misstatement...
...may involve collusion...
...internal control...

SM Avals... Peshawar

RSM AVAIS HYDER LIAQUAT NAUMAN
CHARTERED ACCOUNTANT

Place: Peshawar

Date: January 13, 2022

TRIBAL AREAS ELECTRIC SUPPLY COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2021

	Note	2021 Rupees	2020 Rupees
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	6	14,593,173,842	11,342,810,817
Long term advances	7	49,874,509,971	58,524,384
		64,467,683,813	11,359,704,901
CURRENT ASSETS			
Stores and spares		114,377,144	1,720,262,688
Trade debts	8	75,006,683,523	67,308,026,482
Advances and other receivables		11,336,113,373	18,300,123,123
Receivable from Government		20,570,110,627	18,391,315,733
Cash and bank balances		4,733,448,043	6,715,432,653
		111,934,292,712	99,264,249,958
		126,621,976,526	110,663,984,369
LIABILITIES AND EQUITY			
SHARE CAPITAL AND RESERVES			
Authorized share capital:			
20,000,000,000/-		200,000,000	200,000,000
12/-		10,000	10,000
13/-		373,922,759	373,922,759
14/-		(17,070,553,127)	(17,070,553,127)
		16,662,620,368	16,662,620,368
NON CURRENT LIABILITIES			
14/-		19,233,228,900	19,233,228,900
15/-		84,765,222	95,259,222
16/-		6,673,837,992	5,113,392,160
		25,991,832,114	24,442,480,282
CURRENT LIABILITIES			
17/-		438,979,846	438,979,846
18/-		73,322,018	52,828,018
		116,780,462,915	116,780,462,915
		117,292,764,779	103,386,181,876
		126,621,976,526	110,663,984,369
TOTAL EQUITY AND LIABILITIES			

CONTINGENCIES

The annexed notes form an integral part of these financial statements

CHIEF EXECUTIVE


DIRECTOR

TRIBAL AREAS ELECTRIC SUPPLY COMPANY LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2021

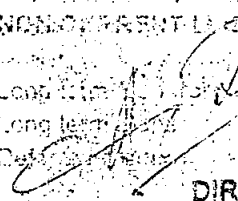
	Note	2021 Rupees	2020 Rupees
Sale of electricity	20	32,112,510,759	30,065,772,009
Cost of electricity sold	21	23,192,335,474	22,601,407,426
Gross profit		8,920,175,285	7,464,364,583
Other Income	22	1,401,645,219	966,603,053
		10,321,821,104	8,430,967,636
Operating Profit		4,724,551,676	5,212,766,019
Financial Profit		55,212,013	15,279,829
		4,819,763,692	5,228,045,743
Profit for the year before taxation		5,502,057,411	5,202,920,893
Provision for taxation	25	3,202,920,893	3,202,920,893
Profit for the year		5,502,057,411	3,202,920,893

Earnings per share - Basic and diluted: 5,502,057.41 and 3,202,920.89 respectively.

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

 **CHIEF EXECUTIVE**

 **DIRECTOR**

 **DIRECTOR**

CURRENT LIABILITIES

Current liabilities include: Deposits for electricity, Advances from customers, Current portion of long-term debt, Trade and other payables.

TOTAL EQUITY AND LIABILITIES

Equity includes: Share capital, Reserves and surplus. Liabilities include: Long-term debt, Current liabilities.

TRIBAL AREAS ELECTRIC SUPPLY COMPANY LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2021

	2021 Rupees	2020 Rupees
Profit for the year	5,502,057,411	3,202,920,893
Other comprehensive income		
Total comprehensive income for the year	<u>5,502,057,411</u>	<u>3,202,920,893</u>

Operating expenses
Financial charges

Profit for the year before taxation

Provision for taxation

Profit for the year

Earnings per share basic & diluted

The annexed notes form an integral part of these financial statements

CHIEF EXECUTIVE

DIRECTOR

CHIEF EXECUTIVE

DIRECTOR

TRIBAL AREAS ELECTRIC SUPPLY COMPANY LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2021

Issued, subscribed and paid up capital	Deposit for share	Accumulated loss	Total
Rupees			

Profit for the year

Balance as at July 01, 2019 10,000 373,922,759 (25,970,458,503) (25,596,526,149)

Total comprehensive income

Profit for the year	3,202,920,893	3,202,920,893	3,202,920,893
Prior Year Adjustments	228,927,477	228,927,477	228,927,477
Other comprehensive income	3,431,848,370	3,431,848,370	3,431,848,370

Balance as at June 30, 2020

Profit for the year	5,502,057,411	5,502,057,411	5,502,057,411
Other comprehensive income	5,502,057,411	5,502,057,411	5,502,057,411

Balance as at June 30, 2021

373,922,759	(17,036,553,127)	(16,662,630,368)	(16,662,630,368)
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statements

The annexed notes form an integral part of these financial statements

CHIEF EXECUTIVE

CHIEF EXECUTIVE

DIRECTOR

TRIBAL AREAS ELECTRIC SUPPLY COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

1 STATUS AND ACTIVITIES

1.1 Tribal Areas Electric Supply Company Limited (the Company) was incorporated on July 03, 2002 as a public limited Company under the Companies Ordinance, 1984 having its registered office situated WAPDA House Lahore in the province of Punjab. The Company was formed to acquire/takeover all the properties, rights, assets, obligations and liabilities relating to Federally Administered Tribal Areas (FATA) from Water and Power Development Authority (WAPDA) and such other assets and liabilities as agreed. All such assets and liabilities have been transferred to the Company under the terms and conditions of Business Transfer Agreement dated July 31, 2004 which is effective from July 01, 2003. The Company has received distribution license in 2012-13.

1.2 The Company is a wholly owned subsidiary of Water and Power Development Authority (WAPDA).

1.3 The Company has accumulated losses of Rs.17,037 million (2020: Rs.22,538 million) as at the year end. Current liabilities of the Company have exceeded its current assets by Rs.5,308 million (2020: 9,122 million) as on reporting date. The distribution losses of the Company are 9.6% (2020: 16.2%) of the electricity purchased. These factors indicate the existence of a material uncertainty, which may cast significant doubts on the Company's ability to continue as a going concern and the Company may not be able to realize its assets and discharge its liabilities in the normal course of business.

The Company has taken different measures and has succeeded in reduction of its distribution losses. As a result, the Company is earning profit for the last 6 years. Moreover, the Company is a public interest company and is backed by Government of Pakistan. The Government of Pakistan is providing subsidy to the Company to cover up its losses and will provide the financial support to the Company as and when required. Considering these factors, the management is confident that the Company will be able to continue as a going concern.

2 STATEMENT OF COMPLIANCE

Consumer security deposits
Deferred credits - contribution received

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

Net decrease in cash and cash equivalents

International Financial Reporting Standard (IFRS's) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

Cash and cash equivalents at the beginning of the year

Provisions of and directives issued under the Companies Act, 2017.

Cash and cash equivalents at the end of the year

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

2.2 New standards, amendments to accounting and reporting standards and new interpretations form an integral part of these financial statements.

a) Amendments and interpretation to published accounting and reporting standards which became effective during the year

There were certain amendments and interpretations to accounting and reporting standards which became effective for the Company's annual financial statements for the current year. However, these do not have any significant impact on the Company's financial reporting and, therefore, have not been disclosed in these financial statements.

b) New standard and amendments to published accounting and reporting standards that are not yet effective

The following amendments with respect to the accounting and reporting standards would be effective from the dates mentioned below against the respective amendments:

	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 estimates and errors (Amendments)	January 1, 2023
IAS 12 Income taxes (Amendments)	January 1, 2023
IAS 16 Property, Plant and Equipment (Amendments)	January 1, 2022

Depreciation is provided on straight line method and charged to profit or loss to write off the depreciable amount of each asset over its estimated useful life at the rates specified in note 6.1. Depreciation on addition in property, plant and equipment is charged from the month of purchase or capitalization upto the month preceeding the month of its disposal.

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 benefit associated with the item will flow to the Company and the cost of the item can be measured reliably. Minor repair and maintenance are charged to statement of profit or loss as and when incurred.

Repair and maintenance expenditure on capital works in progress are charged to statement of profit or loss as and when incurred while major renewals and improvements are capitalized.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized in profit or loss.

5.3 Stores, spares and loose tools

Stores, spares and loose tools are valued at cost, determined on moving average method less allowance for obsolete and slow moving items. Items in transit are valued at invoice value plus other charges incurred thereon.

Stocks, except wastes, are valued at lower of cost and net realizable value using the moving average method. Items in transit are valued at comprising invoice value and other charges incurred thereon.

5.4 Trade debts

Trade debts are carried at original billed value less an estimate for provision for doubtful debts. Trade debts are written-off when considered irrecoverable. No provision is made on government arrears and provision for receivable other than from Government is calculated in accordance with the policy approved by Board of Directors.

5.5 Loans and other receivables

These are initially recognized at the fair value of consideration given. Subsequent to initial recognition these are recorded at their amortized cost less impairment, if any.

5.6 Cash and cash equivalents

Cash and cash equivalents are carried at cost. For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand, balances with banks in current and savings accounts, and short-term highly liquid investments that are readily convertible to known amounts of cash, and subject to an insignificant risk of changes in value.

5.7 Staff retirement benefits

The Company also maintains a General Provident Fund and WAPDA Welfare Fund for all its regular employees. The Company makes deductions from salaries of its employees and remits these amounts to the respective funds established by WAPDA.

5.8 Deferred credit

As the Company has applied IFRIC 18, as a result of which amounts received from consumers and the Government as contributions towards the cost of extension of distribution network and of providing service connections are deferred for amortization over the estimated useful lives of related assets except for separately identifiable services in which case revenue is recognized upfront upon establishing a connection network. The rate of amortization is 3.5%.

5.10 Trade and other payables

Trade and other payables are recognized initially at fair value plus directly attributable cost, if any, and subsequently carried at amortized cost, which approximates the fair value of the consideration to be paid in future for goods and services received, whether or not billed to the Company.

5.11 Revenue recognition

Revenue is recognized to the extent it is probable that the future economic benefits will flow to the Company. The Company generates revenue from:

a) Electricity sale

Revenue related to electricity sales is recognized on supply of electricity to consumers at the rates determined by NEPRA and notified by the Government of Pakistan, from time to time. Late payment surcharges are recognized on an accrual basis.

b) Tariff differential subsidy

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

c) Rental and service income

Meter rentals are recognized on a time proportionate basis.

d) Interest / mark-up

Interest / mark-up on bank deposits is recognized on accrual basis using the effective interest rate method.

5.12 Borrowings

Borrowings are recognized initially at cost, less attributable transaction costs. Subsequent to initial recognition, borrowings are stated at original cost less subsequent repayments, while the difference between the original recognized amounts (as reduced by periodic payments) and the redemption value is recognized in the statement of profit or loss over the period of borrowing on an effective rate basis. The borrowing cost on qualifying assets is included in the cost of the related assets.

5.13 Provisions

A provision is recognized in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an 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 measured at the present value of expected expenditure, discounted at a pre-tax rate that reflects current market assessment of the time value of the money and the risk specific to the obligation. However, provisions are reviewed on each reporting date and adjusted to reflect current best estimates.

5.14 Provision for taxation

a) Current

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

b) Deferred

Deferred tax is accounted for all timing differences between carrying amounts of assets and liabilities in the financial statements and their tax base. Deferred tax liabilities are recognized for all taxable temporary differences. The Company recognizes deferred tax assets on all deductible temporary differences to the extent it is probable that future taxable profits will be available against which these deductible temporary differences can be utilized. Deferred tax asset is also recognized for the carry forward of unused tax losses and unused tax credits to the extent it is probable that future taxable profits will be available against which the unused tax losses and unused tax credits can be utilized. Deferred tax is charged to/credited in the statement of profit or loss except in case of items credited or charged to equity in which case it is included in equity.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted on the reporting date. Income tax expense comprises of current and deferred tax. Income tax is recognized in statement of profit or loss except to extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

5.15 Financial Instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument, and de-recognized when the Company loses control of the contractual rights that comprise the financial assets, and in case of financial liabilities, when the obligation specified in the contract is discharged, cancelled or expires. All financial assets and liabilities are initially recognized at fair value plus transaction costs other than financial assets and liabilities carried at fair value through profit or loss. Financial assets and liabilities carried at fair value through profit or loss are initially recognized at fair value, and transaction costs are charged to income for the year. These are subsequently measured at fair value, amortized cost or cost, as the case may be. Any gain or losses on de-recognition of financial assets and financial liabilities are included in statement of profit or loss for the year.

a) Financial assets

Classification and subsequent measurement

The Company classifies its financial assets in the following categories: fair value through profit or loss, held-to-maturity investments, loans and receivables and available-for-sale financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. Regular purchases and sales of financial assets are recognized on the trade date - the date on which the Company commits to purchase or sell the asset.

i Fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held-for-trading and financial assets, designated upon initial recognition, at fair value through profit or loss.

Financial assets at fair value through profit or loss are carried in the financial statements at their fair values, with changes therein recognized in the income for the year. Assets in this category are classified as current assets.

ii Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, these financial assets are measured at amortized cost, using the effective interest rate method, less impairment, if any.

Impairment of financial assets

The Company assesses at the end of each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

b) Financial liabilities

Initial recognition and measurement

The Company classifies its financial liabilities in the following categories: fair value through profit or loss and other financial liabilities. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of other financial liabilities, also include directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

i) Fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held-for-trading and financial liabilities designated upon initial recognition as being at fair value through profit or loss. The Company has not designated any financial liabilities upon initial recognition as being at fair value through profit or loss.

ii Other financial liabilities

After initial recognition, other financial liabilities are subsequently measured at amortized cost, using the effective interest rate method.

c) Offsetting of financial assets and financial liabilities

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

5.16 Off-setting of financial assets and financial liabilities

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

6 PROPERTY, PLANT AND EQUIPMENT

		2021 Rupees	2020 Rupees
Operating fixed assets	6.1	7,412,435,775	5,664,342,016
Capital work in progress	6.2	7,180,738,067	5,678,468,301
		<u>14,593,173,842</u>	<u>11,342,810,317</u>

6.1 Operating fixed assets

	Freehold land	Building	Distribution equipment	Other plant and equipment	Vehicles	Total
Rupees						
As at June 30, 2019						
Cost	31,586,946	201,198,465	8,610,780,896	44,080,662	103,219,790	8,990,866,759
Accumulated depreciation	-	(58,342,111)	(3,218,209,945)	(30,576,969)	(88,597,122)	(3,395,726,147)
Net book value	<u>31,586,946</u>	<u>142,856,354</u>	<u>5,392,570,951</u>	<u>13,503,693</u>	<u>14,622,668</u>	<u>5,595,140,612</u>
Year ended June 30, 2020						
Opening net book value	31,586,946	142,856,354	5,392,570,951	13,503,693	14,622,668	5,595,140,612
Additions during the year	-	9,719,403	390,337,129	3,132,002	91,000	403,279,534
Assets written off:	-	-	-	(8,123,325)	-	(8,123,325)
Depreciation charge for the year	-	(4,218,357)	(314,011,545)	(4,479,331)	(3,245,572)	(325,954,805)
Closing net book value	<u>31,586,946</u>	<u>148,357,400</u>	<u>5,468,896,535</u>	<u>4,033,039</u>	<u>11,468,096</u>	<u>5,664,342,016</u>
As at June 30, 2020						
Cost	31,586,946	210,917,868	9,001,118,025	39,089,339	103,310,790	9,386,022,968
Accumulated depreciation	-	(62,560,468)	(3,532,221,490)	(35,056,300)	(91,842,694)	(3,721,680,952)
Net book value	<u>31,586,946</u>	<u>148,357,400</u>	<u>5,468,896,535</u>	<u>4,033,039</u>	<u>11,468,096</u>	<u>5,664,342,016</u>
Year ended June 30, 2021						
Opening net book value	31,586,946	148,357,400	5,468,896,535	4,033,039	11,468,096	5,664,342,016
Additions during the year	-	183,970,700	1,880,910,881	-	83,296,500	2,148,178,081
Assets written off:	-	-	-	-	-	-
Depreciation charge	-	(7,897,771)	(380,871,012)	(3,908,934)	(7,406,605)	(400,084,322)
Closing net book value	<u>31,586,946</u>	<u>324,430,329</u>	<u>6,968,936,404</u>	<u>124,105</u>	<u>87,357,991</u>	<u>7,412,435,775</u>
As at June 30, 2021						
Cost	31,586,946	394,888,568	10,882,028,906	39,089,339	186,607,290	11,534,201,049
Accumulated depreciation	-	(70,458,239)	(3,913,092,502)	(38,965,234)	(99,249,299)	(4,121,765,274)
Net book value	<u>31,586,946</u>	<u>324,430,329</u>	<u>6,968,936,404</u>	<u>124,105</u>	<u>87,357,991</u>	<u>7,412,435,775</u>
Depreciation rate		2%	3.5%	10%	10%	

6.1.1 Operating assets include following assets which were transferred from WAPDA and are held in the name of WAPDA:

	Cost	Accumulated depreciation	NBV
Rupees			
Freehold land	10,242,946	-	10,242,946
Building	80,525,715	34,506,512	46,019,203
Motor vehicles	11,379,122	11,379,122	-
Total	<u>102,147,783</u>	<u>45,885,634</u>	<u>56,262,149</u>

6.2 Capital work in progress	Note	2021 Rupees	2020 Rupees
Civil works		617,512,231	446,899,883
Distribution equipments		<u>6,563,225,836</u>	<u>5,231,568,418</u>
		<u>7,180,738,067</u>	<u>5,678,468,301</u>
7 LONG TERM ADVANCES			
Secured - considered good			
To employees		51,326,514	60,466,106
Less: current portion	9	<u>(6,816,543)</u>	<u>(3,542,022)</u>
		<u>44,509,971</u>	<u>56,924,084</u>
7.1 These are given to employees for house building, purchase of plot / vehicles and are repayable in five to ten years. These are secured against lien on their provident fund balance, mortgage of immovable property and hypothecation of vehicles. These are subject to markup at the rate applicable on Provident Fund. These loans have been carried at cost as the effect of carrying these balances at amortised cost would not be material.			
8 TRADE DEBTS	Note	2021 Rupees	2020 Rupees
Secured			
Considered good			
From consumers			
Against electricity cost	8.1	22,734,381,785	20,374,460,688
Against Government levies and other charges	8.1 & 8.2	<u>52,272,301,743</u>	<u>46,933,565,794</u>
		<u>75,006,683,528</u>	<u>67,308,026,482</u>
Considered doubtful		<u>9,505,533,615</u>	<u>9,491,709,935</u>
Provision for doubtful debts		<u>(9,505,533,615)</u>	<u>(9,491,709,935)</u>
		<u>75,006,683,528</u>	<u>67,308,026,482</u>
8.1 Trade debts are secured to the extent of corresponding consumers' security deposits against electricity connection.			
8.2 Government levies and other charges	Note	2021 Rupees	2020 Rupees
Electricity duty		754,560,120	722,829,372
Withholding income tax		1,291,695,818	867,099,269
General sales tax		40,231,232,326	38,021,681,961
Others		<u>9,994,813,479</u>	<u>7,321,955,192</u>
	8.2.1	<u>52,272,301,743</u>	<u>46,933,565,794</u>
8.2.1 General sales tax is being deposited in Government Treasury on billing basis since 2007 through SRO (2007). Previously sales tax was deposited on collection basis.			
9 ADVANCES AND OTHER RECEIVABLES	Note	2021 Rupees	2020 Rupees
Advances against expenses		37,084,306	37,642,271
Other advances		166,812	166,812
Due from related parties - net		37,883,661	25,771,579
Current portion of long term advances	9.1	6,816,543	3,542,022
Current account with divisions		<u>11,414,162,049</u>	<u>4,434,003,424</u>
		<u>11,496,113,370</u>	<u>4,501,126,108</u>
9.1 Due from associated undertakings			
National Transmission and Dispatch Company Limited (NTDC)		-	-
WAPDA Welfare Fund		37,062,814	24,941,316
Quetta Electric Supply Company Limited (QESCO)		163,707	173,123
Pakistan Electric Power Company Limited (PEPCO)		<u>657,140</u>	<u>657,140</u>
	9.2	<u>37,883,661</u>	<u>25,771,579</u>
9.2 These are interest free.			

	Note	2021 Rupees	2020 Rupees
10 RECEIVABLES FROM GOVERNMENT			
Tariff Deferential Subsidy (T.D.S) Claims	10.1	19,787,205,865	18,943,814,819
Industrial Support Package (ISP) Claims	10.2	<u>782,904,762</u>	<u>330,839,501</u>
		<u>20,570,110,627</u>	<u>19,274,654,320</u>
10.1 Tariff Deferential Subsidy (T.D.S) Claims			
Opening Balance		18,060,676,256	16,941,748,202
Subsidy Claim-revenue		2,320,504,800	3,538,747,625
Subsidy Claim - received from CPPA		<u>(593,975,191)</u>	<u>(1,536,681,008)</u>
		<u>19,787,205,865</u>	<u>18,943,814,819</u>
10.2 Industrial Support Package (ISP) Claims			
Opening Balance		330,839,501	-
ISP verified Claims		618,803,908	1,401,981,140
ISP receipts from CPPA		<u>(166,738,647)</u>	<u>(1,071,141,639)</u>
		<u>782,904,762</u>	<u>330,839,501</u>
11 CASH AND BANK BALANCES			
Cash in hand		-	-
Cash at banks in current accounts	11.1 & 11.2	2,236,785,635	2,060,435,724
Cash at banks in deposit accounts	11.1 & 11.2	<u>2,519,662,408</u>	<u>5,273,893,741</u>
		<u>4,756,448,043</u>	<u>7,334,329,465</u>
11.1 These include customer's security deposits amounting to Rs. 420.530 million (2020; Rs. 428.671 million) kept in separate bank account.			
11.2 These carry profit at rates ranging from 6% to 10% (2020 ; 6% to 10% per annum) per annum.			
12 ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL	Note	2021 Rupees	2020 Rupees
1000 ordinary shares of Rs. 10/- each fully paid in cash		<u>10,000</u>	<u>10,000</u>
12.1 These are held by Water and Power Development Authority (WAPDA) in the name of its nominee directors.			
13 DEPOSIT FOR SHARES	Note	2021 Rupees	2020 Rupees
13.1 This represents expenses incurred and payments made by WAPDA on behalf of the Company against which shares will be issued to WAPDA.	13.1	<u>373,922,759</u>	<u>373,922,759</u>
14 LONG TERM LOAN FROM GOVERNMENT OF PAKISTAN			
Unsecured- Not subject to mark up	11.1	<u>19,233,228,900</u>	<u>19,233,228,900</u>
14.1 Loan of Rs. 203.219 billion was obtained by corporatized entities (DISCO's) to cover up short fall of revenue during the year 2003 to 2007 in the absence of subsidy mechanism in shape of payment to IPP's through Government of Pakistan. Repayment terms are not yet agreed. Request for conversion of this loan into subsidy is pending with Government of Pakistan. It is not payable on demand hence classified as non current liability.			
15 LONG TERM LOANS	Note	2021 Rupees	2020 Rupees
Unsecured: under markup arrangement			
Cash development loans	15.1 & 15.2	158,087,240	158,087,240
Less: current portion			
Over due		62,828,018	50,263,018
Payable within one year		<u>10,494,000</u>	<u>12,565,000</u>
		<u>73,322,018</u>	<u>62,828,018</u>
		<u>84,765,222</u>	<u>95,259,222</u>

- 15.1 These loans have been transferred to the Company by WAPDA in the year 2008-09 vide letter no. GMF(P)/LOANS/MISC/CDL/645 in accordance with the terms of Loan Liabilities Transfer Agreement (LLTA) dated June 30, 2004. These loans have been transferred to the Company by WAPDA in Rupees denominations and are also repayable in Rupees. These are payable to the Government of Pakistan (Federal Government).

15.2 The balance amount of loans at the time of transfer to the Company were repayable in 7 to 24 years in un-equal annual installments commenced from 2005 and ending on 2028. These are subject to markup at the rates ranging from 10.87% to 11.70% per annum (2020: 10.87% to 18.03% per annum).

15.3 The carrying value of loans related to overdue installements is Rs. 62.828 million(2020 Rs. 50.263 million).

16 DEFERRED CREDITS	Note	2021 Rupees	2020 Rupees
Opening balance		7,292,375,952	6,902,038,823
Amount received during the year for capital expenditure		1,880,910,881	390,337,129
		<u>9,173,286,833</u>	<u>7,292,375,952</u>
Less:Accumulated amortisation			
Opening balance		2,178,383,802	1,923,150,644
Amortisation for the year		321,065,039	255,233,158
		<u>2,499,448,841</u>	<u>2,178,383,802</u>
		<u>6,673,837,992</u>	<u>5,113,992,150</u>
17 CONSUMERS' SECURITY DEPOSITS		<u>438,979,846</u>	<u>428,671,426</u>

17.1 These represent security deposits received from consumers against electricity connection.

18 TRADE AND OTHER LIABILITIES	Note	2021 Rupees	2020 Rupees
Creditors	18.1	74,817,234,669	69,057,148,151
Due to associated undertakings-unsecured	18.2	376,206,828	375,165,015
Electricity duty payable		923,245,073	836,469,072
Withholding income tax		1,529,764,339	1,076,626,488
Capital contributions awaiting connections		202,547,449	135,703,582
Receipts against deposit work in progress		11,174,807,444	11,631,161,540
Accrued liabilities		50,841,433	27,965,230
Retention money-contractors		79,190,593	35,077,266
General sales tax		14,614,527,265	15,326,672,463
Others taxes payable		13,012,097,822	9,392,693,625
		<u>116,780,462,915</u>	<u>107,894,682,432</u>
18.1 Creditors			
Peshawar Electric Supply Company Limited (PESCO)		42,816,381,093	39,752,008,344
Central power purchasing Agency		31,507,095,950	28,839,051,046
Trade Creditors Payable		493,757,626	466,088,759
		<u>74,817,234,669</u>	<u>69,057,148,151</u>

	2021 Rupees	2020 Rupees
18.2 Due to associated undertakings-not		
WAPDA	93,030,147	93,030,147
Jamshoro Power Company Limited (GENCO-1)	3,000	3,000
Lahore Electric Supply Company Limited (LESCO)	2,076,922	1,411,734
Faisalabad Electric Supply Company Limited (FESCO)	1,216,406	737,869
Gujrawala Electric Supply Company Limited	192,755	155,021
Islamabad Electric Supply Company Limited (IESCO)	6,076,822	6,241,630
Hyderabad Electric Supply Company Limited (HESCO)	30,688	5,526
National Transmission and Dispatch Company Limited	273,580,089	273,580,089
	<u>376,206,828</u>	<u>375,165,016</u>

19 CONTINGENCIES

Various industrial consumers/establishments in specified areas have disputes and filed suits against the Company for withdrawal of relief/subsidy the financial impact of which has not been determined and in the opinion of management, the Company has strong grounds in such cases. Consequently, no provision for any liability that may arise has been made in the financial statements.

	Note	2021 Rupees	2020 Rupees
20 ELECTRICITY SALES			
Electricity billing		29,173,202,051	26,527,024,384
Subsidy from Government	20.2	2,939,308,708	3,538,747,625
	20.1 & 20.2	<u>32,112,510,759</u>	<u>30,065,772,009</u>

20.1 Electricity sold, total units: 2,023 million (2020: 2,001 million units) at the average rate of Rs. 15.87 (2020: Rs.13.26) per unit.

20.2 This represents the subsidy granted by the Government of Pakistan to the Company on Tariff differential between the Sale Price of electricity charged to the consumer and the rate determined by NEPRA under different tariff determinations.

	Note	2021 Rupees	2020 Rupees
21 COST OF ELECTRICITY			
Purchases from Central Power Purchase Agency	21.1	<u>23,192,335,474</u>	<u>22,601,407,426</u>

21.1 Electricity purchased: total unit 2,023 million (2020: 2,001 million) at the average rate of Rs. 10.37 (2019: Rs.11.29 per unit).

	Note	2021 Rupees	2020 Rupees
22 OTHER INCOME			
Rental and service Income		131,575,838	192,813,025
Profit on deposits		417,280,047	402,908,155
Amortization of deferred credit	16	321,065,039	255,233,158
Income from non utility operation		50,805	41,925
Miscellaneous income		<u>531,674,090</u>	<u>115,606,790</u>
		<u>1,401,645,819</u>	<u>966,603,053</u>

23 OPERATING COST

Salaries, wages and other benefits	1,120,135,167	910,767,287
Repair and maintenance	37,220,251	17,184,630
Travelling	31,948,955	18,251,982
Transport	27,627,775	18,680,584
Power, light and water	765,421	2,004,812
Rent, rates and taxes	2,958,417	6,813,940
Postage and telephone	2,768,302	2,175,349
Office supplies and other expenses	3,431,183	2,869,466
Electricity bills collection charges	41,812	249,463
Legal expenses	3,213,900	1,658,000
Damages and injuries	8,216,245	-
Consultancy	23,633,316	4,838,885
Management fee	36,111,577	179,802,114
Bad debts	13,645,228	1,339,985,065
Auditors' remuneration	695,000	695,000
Advertising and publicity	4,666,777	2,886,283
Subscription and periodicals	240,160	214,400
Insurance	1,316,831	328,211
Depreciation	400,084,322	325,954,805
Wheeling charges to PESCO	3,032,768,914	2,363,160,586
Computer services	7,226,568	11,812,995
Directors Fee	1,890,000	-
Miscellaneous	3,945,556	2,433,056
	<u>4,764,551,676</u>	<u>5,212,766,913</u>

24 FINANCIAL CHARGES

Note

2021
Rupees

2020
Rupees

Interest/mark up on long term loans	24.1	54,793,811	12,317,000
Bank charges		418,205	2,962,829
		<u>55,212,016</u>	<u>15,279,829</u>
24.1 Interest/mark up on long term loans			
Federal Government loan		54,793,811	12,317,000
		<u>54,793,811</u>	<u>12,317,000</u>

24.1.1 These have been charged by WAPDA on loans allocated to the Company as per Loans Liabilities Transfer Agreement (LLTA) (Ref Note 15).

25 PROVISION FOR TAXATION

Income from sale of electricity in Federally Administered Tribal Areas (FATA) is not chargeable to tax as taxation laws are not applicable in FATA region. Therefore, no provision for current and deferred taxation has been made.

Annex- D2

Annex- D2

TRIBAL AREAS ELECTRIC SUPPLY COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2022

	Note	2022 Rupees	2021 Rupees
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	6	18,542,109,449	14,593,173,842
Long term advances	7	31,517,028	44,509,971
		18,573,626,477	14,637,683,813
CURRENT ASSETS			
Stores and spares		3,540,494,506	154,937,144
Trade debts	8	93,980,450,898	75,006,683,528
Advances and other receivables	9	8,655,418,043	11,496,113,371
Receivable from Government	10	18,529,042,933	20,570,110,627
Cash and bank balances	11	2,070,533,399	4,756,448,043
		126,875,937,785	111,984,292,713
TOTAL ASSETS		145,449,564,262	126,621,976,526
EQUITY AND LIABILITY			
SHARE CAPITAL AND RESERVES			
Authorized share capital: 20,000,000 ordinary shares of Rs. 10/- each.		200,000,000	200,000,000
Issued, subscribed and paid up capital	12	10,000	10,000
Deposit for share	13	427,164,244	373,922,759
Accumulated loss		(41,291,706,862)	(17,132,914,902)
		(40,864,532,618)	(16,758,982,143)
NON CURRENT LIABILITIES			
Long term loan from Government of Pakistan	14	19,233,228,900	19,233,228,900
Long term loans	15	72,887,222	84,765,222
Deferred credits	16	7,033,492,196	6,673,837,992
		26,339,608,318	25,991,832,114
CURRENT LIABILITIES			
Consumers' security deposits	17	444,178,705	438,979,846
Current portion of long term loans		85,200,018	73,322,018
Trade and other liabilities	18	159,445,109,941	116,780,462,916
		159,974,488,562	117,292,764,780
		145,449,564,262	126,525,614,751
CONTINGENCIES	19	0	

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

TRIBAL AREAS ELECTRIC SUPPLY Company LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

1 STATUS AND ACTIVITIES

- 1.1 Tribal Areas Electric Supply Company Limited (the Company) was incorporated on July 03, 2002 as a public limited Company under the Companies Ordinance, 1984 having its registered office situated WAPDA House Lahore in the province of Punjab. The Company was formed to acquire/takeover all the properties, rights, assets, obligations and liabilities relating to Federally Administered Tribal Areas (FATA) from Water and Power Development Authority (WAPDA) and such other assets and liabilities as agreed. All such assets and liabilities have been transferred to the Company under the terms and conditions of Business Transfer Agreement dated July 31, 2004 which is effective from July 01, 2003. The Company has received distribution license in 2012-13.
- 1.2 The Company is a wholly owned subsidiary of Water and Power Development Authority (WAPDA).
- 1.3 The Company has accumulated losses of Rs.17,528 million (2020: Rs.22,538 million) as at the year end. Current liabilities of the Company have exceeded its current assets by Rs.5807 million (2020: 9122 million) as at balance sheet date. The distribution losses of the Company are 9.6% (2020: 16.2%) of the electricity purchased. These factors indicate the existence of a material uncertainty, which may cast significant doubts on the Company's ability to continue as a going concern and the Company may not be able to realize its assets and discharge its liabilities in the normal course of business.

The Company has taken different measures and has succeeded in reduction of its distribution losses. As a result, the Company is earning profit for the last 6 years. Moreover, the Company is a public interest company and is backed by Government of Pakistan. The Government of Pakistan is providing subsidy to the Company to cover up its losses and will provide the financial support to the Company as and when required. Considering these factors, the management is confident that the Company will be able to continue as a going concern.

2 Statement of compliance

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

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

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

2.1 Application of new and revised International Financial Reporting Standards (IFRSs)

2.1.1 Standards, amendments to standards and interpretations becoming effective in current year

The following standards, amendments to standards and interpretations have been effective and are mandatory for financial statements of the Company for the periods beginning on or after July 01, 2017 and therefore, have been applied in preparing these financial statements.

IAS 12 Income taxes

The amendments to IAS 12 address the issue of recognition of deferred tax assets for unrealized losses and clarify how to account for deferred tax assets related to debt instruments measured at fair value.

The application of these amendments has no impact on the Company's financial statements.

IAS 7 Statement of cash flows

The amendments to IAS 7 introduce an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities.

The application of these amendments has no impact on the Company's financial statements.

2.1.2 Standards, amendments to standards and interpretations becoming effective in current year but not relevant

There are certain amendments to standards that became effective during the year and are mandatory for accounting periods of the Company beginning on or after July 01, 2017 but are considered not to be relevant to the Company's operations and are, therefore, not disclosed in these financial statements.

2.1.3 Standards, amendments to standards and interpretations becoming effective in future periods

The following standards, amendments to standards and interpretations have been published and are mandatory for the Company's accounting periods beginning on or after their respective effective dates:

IAS / IFRS	Description	Effective date	Impact
IFRS 9	IFRS 9 contains accounting requirements for financial instruments in the areas of classification and measurement, impairments, hedge accounting, de-recognition.	On or after January 01, 2018	Management is assessing its impact on financial statements
IFRS 15	IFRS 15 provides a single, principles based five-step model to be applied to all contracts with customers.	On or after January 01, 2018	Management is assessing its impact on financial statements
IFRS 16	Replaces the current IAS - 17 and requires lessees to recognize a lease liability reflecting future lease payments for virtually all lease contracts.	On or after January 01, 2019	Not expected to have any material impact
IFRIC 22	This IFRIC addresses foreign currency transactions or parts of transactions where there is consideration that is denominated or priced in a foreign currency.	On or after January 01, 2018	Not expected to have any material impact
IFRIC 23	The interpretation is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12.	On or after January 01, 2019	Not expected to have any material impact
IAS 40	These amendments clarify the requirements relating to transfers of property to, or from, investment property.	On or after January 01, 2018	Not expected to have any material impact
IAS 12	Income Taxes - Income Tax consequences of dividends.	On or after January 01, 2019	Not expected to have any material impact
IFRS 3	Business Combinations - Re-measurement of previously held interest.	On or after January 01, 2017	Not expected to have any material impact
IFRS 11	Joint Venture - Re-measurement of previously held interest.	On or after January 01, 2019	Not expected to have any material impact
IAS 23	Borrowing Costs - Borrowing costs eligible for capitalization.	On or after January 01, 2019	Not expected to have any material impact

Annual improvements 2014-2016

IFRS 1	First-time Adoption of International Financial Reporting Standards.	On or after January 01, 2018 and January 01, 2019.	Not expected to have any material impact
IAS 28	Investments in Associates and Joint Ventures.		

2.1.4 Standards, amendments to standards and interpretations becoming effective in future period but not relevant.

There are certain new standards, amendments to standards and interpretations that are effective from different future periods but are considered not to be relevant to the Association's operations, therefore, not disclosed in these financial statements.

3 Basis of preparation

3.1 These financial statements have been prepared on the basis of the historical cost convention.

3.2 These Financial statements are presented in Pakistani Rupees, which is the Company's functional and presentation currency.

4 Significant accounting estimates and judgments

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised.

Significant areas requiring the use of management estimates in these financial statements relate to the useful life of depreciable assets, provision for doubtful receivables and amortisation of deferred credits. However, assumptions and judgments made by management in the application of accounting policies that have significant effect on the financial statements are not expected to result in material adjustment to the carrying amounts of assets and liabilities in the next year.

5 Summary of significant accounting policies

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

5.1 Borrowings costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are charged to profit and loss account whenever incurred.

5.2 Property, plant and equipment

Property, plant and equipment, except freehold land and capital work in progress, are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises acquisition and other directly attributable costs. Freehold land and capital work in progress are stated at cost less impairment losses, if any. Capital work in

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labor and any other costs directly attributable to bringing the assets to a working condition for their intended use.

Depreciation is provided on straight line method and charged to profit or loss to write off the depreciable amount of each asset over its estimated useful life at the rates specified in note 6.1. Depreciation on addition in property, plant and equipment is charged from the month of purchase or capitalization upto the month preceeding the month of its disposal.

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 benefit associated with the item will flow to the Company and the cost of the item can be measured reliably. Minor repair and maintenance are charged to income and expenditure account as and when incurred.

Repair and maintenance expenditure on capital works in progress are charged to profit and loss account as and when incurred while major renewals and improvements are capitalized.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized in profit or

5.3 Stores, spares and loose tools

Stores, spares and loose tools are valued at cost, determined on moving average method less allowance for obsolete and slow moving items. Items in transit are valued at invoice value plus other charges incurred thereon.

Stocks, except wastes, are valued at lower of cost and net realizable value using the moving average method. Items in transit are valued at comprising invoice value and other charges incurred thereon.

5.4 Trade debts

Trade debts are carried at original billed value less an estimate for provision for doubtful debts. Trade debts are written-off when considered irrecoverable. No provision is made on government arrears and provision for receivable other than from Government is calculated in accordance with the policy approved by Board of Directors.

5.5 Loans and other receivables

These are initially recognized at the fair value of consideration given. Subsequent to initial recognition these are recorded at their amortized cost less impairment, if any.

5.6 Cash and cash equivalents

Cash and cash equivalents are carried at cost. For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand, balances with banks in current and savings accounts, and short-term highly liquid investments that are readily convertible to known amounts of cash, and subject to an insignificant risk of changes in value.

5.7 Staff retirement benefits

The Company also maintains a General Provident Fund and WAPDA Welfare Fund for all its regular employees. The Company makes deductions from salaries of its employees and remits these amounts to the respective funds established by WAPDA.

5.8 Deferred credit

As the Company has applied IFRIC 18, as a result of which amounts received from consumers and the Government as contributions towards the cost of extension of distribution network and of providing service connections are deferred for amortization over the estimated useful lives of related assets except for separately identifiable services in which case revenue is recognized upfront upon establishing a connection network. The rate of amortization is 3.5%.

5.10 Trade and other payables

Trade and other payables are recognized initially at fair value plus directly attributable cost, if any, and subsequently carried at amortized cost, which approximates the fair value of the consideration to be paid in future for goods and services received, whether or not billed to the Company.

5.11 Revenue recognition

Revenue is recognized to the extent it is probable that the future economic benefits will flow to the Company. The Company generates revenue from:

a). Electricity sale

Revenue related to electricity sales is recognized on supply of electricity to consumers at the rates determined by NEPRA and notified by the Government of Pakistan, from time to time. Late payment surcharges are recognized on an accrual basis.

b) **Tariff differential subsidy**

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

c) **Rental and service income**

Meter rentals are recognized on a time proportionate basis.

d) **Interest / mark-up**

Interest / mark-up on bank deposits is recognized on accrual basis using the effective interest rate method.

5.12 Borrowings

Borrowings are recognized initially at cost, less attributable transaction costs. Subsequent to initial recognition, borrowings are stated at original cost less subsequent repayments, while the difference between the original recognized amounts (as reduced by periodic payments) and the redemption value is recognized in the profit and loss account over the period of borrowing on an effective rate basis. The borrowing cost on qualifying assets is included in the cost of the related assets.

5.13 Provisions

A provision is recognized in the balance sheet when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an 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 measured at the present value of expected expenditure, discounted at a pre-tax rate that reflects current market assessment of the time value of the money and the risk specific to the obligation. However, provisions are reviewed at each balance sheet date and adjusted to reflect current best estimates.

5.14 Provision for taxation

a) **Current**

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

b) **Deferred**

Deferred tax is accounted for all timing differences between carrying amounts of assets and liabilities in the financial statements and their tax base. Deferred tax liabilities are recognized for all taxable temporary differences. The Company recognizes deferred tax assets on all deductible temporary differences to the extent it is probable that future taxable profits will be available against which these deductible temporary differences can be utilized. Deferred tax asset is also recognized for the carry forward of unused tax losses and unused tax credits to the extent it is probable that future taxable profits will be available against which the unused tax losses and unused tax credits can be utilized. Deferred tax is charged to/credited in the profit and loss account except in case of items credited or charged to equity in which case it is included in equity.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Income tax expense comprises of current and deferred tax. Income tax is recognized in profit and loss account except to extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

5.15 Financial instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument, and de-recognized when the Company loses control of the contractual rights that comprise the financial assets, and in case of financial liabilities, when the obligation specified in the contract is discharged, cancelled or expires. All financial assets and liabilities are initially recognized at fair value plus transaction costs other than financial assets and liabilities carried at fair value through profit or loss. Financial assets and liabilities carried at fair value through profit or loss are initially recognized at fair value, and transaction costs are charged to income for the year. These are subsequently measured at fair value, amortized cost or cost, as the case may be. Any gain or losses on de-recognition of financial assets and financial liabilities are included in profit and loss.

a) Financial assets

Classification and subsequent measurement:

The Company classifies its financial assets in the following categories: fair value through profit or loss, held-to-maturity investments, loans and receivables and available-for-sale financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. Regular purchases and sales of financial assets are recognized on the trade date - the date on which the Company commits to purchase or sell the asset.

i Fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held-for-trading and financial assets, designated upon initial recognition, at fair value through profit or loss.

Financial assets at fair value through profit or loss are carried in the financial statements at their fair values, with changes therein recognized in the income for the year. Assets in this category are classified as current assets.

ii Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, these financial assets are measured at amortized cost, using the effective interest rate method, less impairment, if any.

Impairment of financial assets

The Company assesses at the end of each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

a) Financial liabilities

Initial recognition and measurement

The Company classifies its financial liabilities in the following categories: fair value through profit or loss and other financial liabilities. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of other financial liabilities, also include directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

i) Fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held-for-trading and financial liabilities designated upon initial recognition as being at fair value through profit or loss. The Company has not designated any financial liabilities upon initial recognition as being at fair value through profit or loss.

ii Other financial liabilities

After initial recognition, other financial liabilities are subsequently measured at amortized cost, using the effective interest rate method.

c) Offsetting of financial assets and financial liabilities

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

5.16 Off-setting of financial assets and financial liabilities

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

5.17 Transactions with related parties

Transactions with related parties are carried out at arm's length. The prices are determined in accordance with comparable uncontrolled price method. The power is sold to related parties at the rates determined by National Electric Power Regulatory Authority.

5.18 Critical accounting estimates and judgments

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised.

Significant areas requiring the use of management estimates in these financial statements relate to the useful life of depreciable assets, provision for doubtful receivables and slow moving inventory and staff retirement gratuity. However, assumptions and judgments made by management in the application of accounting policies that have significant effect on the financial statements are not expected to result in material adjustment to the carrying amounts of assets and liabilities in the next year.

6 Property, plant and equipment

		2022 Rupees	2021 Rupees
Operating fixed assets	6.1	7,810,438,252	7,412,435,775
Capital work in progress	6.2	10,731,671,197	7,180,738,067
		<u>18,542,109,449</u>	<u>14,593,173,842</u>

6.1 Operating assets

	Freehold land	Building	Distribution- equipment	Other plant and equipment	Vehicles	Total
As at July 01, 2020						
Cost	31,586,946	210,917,868	9,001,118,025	39,089,339	103,310,790	9,386,022,968
Accumulated depreciation		(62,560,468)	(3,532,221,490)	(35,056,300)	(91,842,694)	(3,721,680,952)
Net book value	<u>31,586,946</u>	<u>148,357,400</u>	<u>5,468,896,535</u>	<u>4,033,039</u>	<u>11,468,096</u>	<u>5,664,342,016</u>
Year ended June 30, 2021						
Opening net book value	31,586,946	148,357,400	5,468,896,535	4,033,039	11,468,096	5,664,342,016
Additions during the year		183,970,700	1,880,910,881		83,296,500	2,148,178,081
Assets written off:						
Depreciation charge		(7,897,771)	(380,871,012)	(3,908,934)	(7,406,605)	(400,084,322)
Closing net book value	<u>31,586,946</u>	<u>324,430,329</u>	<u>6,968,936,404</u>	<u>124,105</u>	<u>87,357,991</u>	<u>7,412,435,775</u>
As at June 30, 2021						
Cost	31,586,946	394,888,568	10,882,028,906	39,089,339	186,607,290	11,534,201,049
Accumulated depreciation		(70,458,239)	(3,913,092,502)	(38,965,234)	(99,249,299)	(4,121,765,274)
Net book value	<u>31,586,946</u>	<u>324,430,329</u>	<u>6,968,936,404</u>	<u>124,105</u>	<u>87,357,991</u>	<u>7,412,435,775</u>
Year ended June 30, 2022						
Opening net book value	31,586,946	324,430,329	6,968,936,404	124,105	87,357,991	7,412,435,775
Adjustment during the year	3,600,000	(3,600,000)				
Additions during the year			705,408,542	4,985,329	189,720,238	900,114,109
Assets written off:			(36,905,814)		(52,136,160)	(89,041,974)
Depreciation charge		(7,825,771.36)	(382,928,453.00)	(4,183,602.00)	(18,131,954.00)	(413,069,780.36)
Closing net book value	<u>35,186,946</u>	<u>313,004,558</u>	<u>7,254,510,679</u>	<u>925,832</u>	<u>206,810,115</u>	<u>7,810,438,252</u>
As at June 30, 2022						
Cost	35,186,946	391,288,568	11,550,531,634	44,074,668	324,191,368	12,345,273,184
Accumulated depreciation		(78,284,010.36)	(4,296,020,955.00)	(43,148,714.00)	(117,381,253.00)	(4,534,834,932)
Net book value	<u>35,186,946</u>	<u>313,004,558</u>	<u>7,254,510,679</u>	<u>925,954</u>	<u>206,810,115</u>	<u>7,810,438,252</u>
Depreciation Rate		2%	3.5%	10%	10%	

6		Note	2022 Rupees	2021 Rupees
	6.1 Capital work in progress			
	Civil works		1,072,704,210	617,512,231
	Distribution equipments		9,658,966,987	6,563,225,836
			<u>10,731,671,197</u>	<u>7,180,738,067</u>

7 LONG TERM ADVANCES

Secured - considered good				
To employees		41,553,771	51,326,514	
Less: current portion	9	(10,036,743)	(6,816,543)	
		<u>31,517,028</u>	<u>44,509,971</u>	

7.1 These are given to employees for house building, purchase of plot / vehicles and are repayable in five to ten year against lien on their provident fund balance, mortgage of immovable property and hypothecation of vehicles. markup at the rate applicable on Provident Fund. These loans have been carried at cost as the effect of carry amortised cost would not be material.

8		Note	2022 Rupees	2021 Rupees
	TRADE DEBTS			
	Secured			
	Considered good			
	From consumers			
	Against electricity cost	8.1	30,948,937,501	22,734,381,785
	Against Government levies and other charges	8.1 & 8.2	63,031,513,395	52,272,301,743
			<u>93,980,450,896</u>	<u>75,006,683,528</u>
	Considered doubtful		12,665,961,277	9,505,533,615
	Provision for doubtful debts		<u>(12,665,961,277)</u>	<u>(9,505,533,615)</u>
			<u>93,980,450,896</u>	<u>75,006,683,528</u>

8.1 Trade debts are secured to the extent of corresponding consumers' security deposits against electricity connection.

	Note	2022 Rupees	2021 Rupees
8.2 Government levies and other charges			
Electricity duty		767,155,152	754,560,120
Withholding income tax		1,697,347,043	1,291,695,818
General sales tax		47,578,150,723	40,231,232,326
Others		12,988,860,477	9,994,813,479
	8.2.1	<u>63,031,513,395</u>	<u>52,272,301,743</u>

8.2.1 General sales tax is being deposited in Government Treasury on billing basis since 2007 through SRO (2007). It was deposited on collection basis.

9		Note	2022 Rupees	2021 Rupees
	ADVANCES AND OTHER RECEIVABLES			
	Advances against expenses		37,501,103	37,084,306
	Other advances		166,812	166,812
	Due from related parties - net	9.1	42,231,012	37,883,661
	Advances against shortage of store		568,010	
	Current portion of long term advances		10,036,743	6,816,543
	Current account with divisions		<u>8,564,912,368</u>	<u>11,414,162,049</u>
			<u>8,655,416,048</u>	<u>11,496,113,371</u>

9.1 Due from associated undertakings				
National Transmission and Dispatch Company Limited (NTDC)		111,750		
WAPDA Welfare Fund		41,820,865	37,062,814	
Quefta Electric Supply Company Limited (QESCO)		37,834	163,707	
Multan Electric Supply Company Limited (MEPCO)		260,563		
Pakistan Electric Power Company Limited (PEPCO)			657,140	
		<u>42,231,012</u>	<u>37,883,661</u>	

9.2.1 These are interest free.

	Note	2022 Rupees	2021 Rupees
10 RECEIVABLE FROM GOVERNMENT			
Tariff Deferral Subsidy (T.D.S) Claims	10.1	17,838,836,368	19,787,205,885
Industrial Support Package (ISP) Claims	10.2	790,206,568	782,904,762
		<u>18,629,042,936</u>	<u>20,570,110,627</u>
10.1 Tariff Deferral Subsidy (T.D.S) Claims			
Opening Balance		19,787,205,885	18,060,676,256
Subsidy Claim-revenue		641,055,574	2,320,504,800
Subsidy Claim - received from CPPA		2,589,425,071	(593,975,191)
		<u>17,838,836,368</u>	<u>19,787,205,885</u>
10.2 Industrial Support Package (ISP) Claims			
Opening Balance		782,904,762	330,839,501
ISP verified Claims		255,023,826	618,803,908
ISP receipts from CPPA		247,722,020	(166,738,647)
		<u>790,206,568</u>	<u>782,904,762</u>

11 CASH AND BANK BALANCES

Cash in hand			
Cash at banks in current accounts	11.1 & 11.2	1,320,935,192	2,236,785,635
Cash at banks in deposit accounts	11.1 & 11.2	749,598,207	2,519,662,408
		<u>2,070,533,399</u>	<u>4,756,448,043</u>

11.1 These include customer's security deposits amounting to Rs. 420,530 million (2020: Rs. 428,671 million) in account.

11.2 These carry profit at the rate of 6% to 10% per annum (2020: 6% to 10% per annum).

	Note	2022 Rupees	2021 Rupees
12 ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL			
1000 ordinary shares of Rs. 10/- each fully paid in cash		<u>10,000</u>	<u>10,000</u>

12.1 These are held by Water and Power Development Authority (WAPDA) in the name of its nominee directors.

	Note	2022 Rupees	2021 Rupees
13 DEPOSIT FOR SHARES			
13.1	13.1	<u>427,164,244</u>	<u>373,922,759</u>

	Note	2022 Rupees	2021 Rupees
14 LONG TERM LOAN FROM GOVERNMENT OF PAKISTAN			
Unsecured- Not subject to mark up	14.1	<u>19,233,228,900</u>	<u>19,233,228,900</u>

14.1 Loan of Rs. 203,219 billion was obtained by corporatized entities (DISCO's) to cover up short fall of revenue due 2007 in the absence of subsidy mechanism in shape of payment to IPP's through Government of Pakistan. Rep: yet agreed. Request for conversion of this loan into subsidy is pending with Government of Pakistan. It is not payable classified as non current liability.

	Note	2022 Rupees	2021 Rupees
15 LONG TERM LOANS			
Unsecured: under markup arrangement			
Cash development loans	15.1 & 15.2	158,087,240	158,087,240
Relent foreign loans	15.1 & 15.3		
		<u>158,087,240</u>	<u>158,087,240</u>
Less: current portion			
Over due		73,322,018	62,828,018
Payable within one year		11,878,000	10,494,000
Less: written off		<u>85,200,018</u>	<u>73,322,018</u>
		<u>72,887,222</u>	<u>84,765,222</u>

- 15.1 These loans have been transferred to the Company by WAPDA in the year 2008-09 vide letter no. GMF(P)/LOANS/MISC/ with the terms of Loan Liabilities Transfer Agreement (LLTA) dated June 30, 2004. These loans have been transferred to the Company in Rupees denominations and are also repayable in Rupees. These are payable to the Government of Pakistan (Federal Govt).
- 15.2 The balance amount of loans at the time of transfer to the Company were repayable in 7 to 24 years in un-equal annual installments from 2005 and ending on 2028. These are subject to markup at the rates ranging from 10.87% to 11.70% per annum (2020: 11% per annum).
- 15.3 The balance amount of loans at the time of transfer to the Company were repayable in 7 to 20 years in un-equal annual installments from 2005 and ending on 2020. These are subject to markup at the rates ranging from 11% to 14% per annum (2020: 11% per annum) including exchange risk fee at the rate of 3% per annum (2020: 3% per annum).
- 15.4 During the year Government of Pakistan, Finance Division through letter no.s F.I(10)-CF.I/2018-19/1271 and F.I(10)-CF.I/2018-19/641 dated March 03, 2018 and letter no.s F.I(10)-CF.I/2018-19/281 and F.I(10)-CF.I/2018-19/641 dated March 03, 2019 and May 2019, waived off foreign interest loan and cash development loan, interest thereon and exchange risk through provision of subsidy. The amount was adjusted against these loans. The amount adjusted against these loans is Rs. 714,459,000/- which includes Rs. 406,361,000/- as interest & exchange risks thereon.
- 15.5 The carrying value of loans related to overdue installments is Rs. 84,765 million (2020 Rs. 95,259 million).

16 DEFERRED CREDITS	Note	2022 Rupees	2021 Rupees
Opening balance		9,173,286,833	7,292,375,952
Amount received during the year for capital expenditure		705,408,542	1,880,910,881
		<u>9,878,695,375</u>	<u>9,173,286,833</u>
Less: Accumulated amortization			
Opening balance		2,499,448,841	2,178,383,802
Amortisation for the year		345,754,338	321,065,039
		<u>2,845,203,179</u>	<u>2,499,448,841</u>
		<u>7,033,492,196</u>	<u>6,673,837,992</u>

17 CONSUMERS' SECURITY DEPOSITS		444,178,705	438,979,846
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- 17.1 These represents security deposits received from consumers against electricity connection.

18 TRADE AND OTHER LIABILITIES	Note	2022 Rupees	2021 Rupees
I Creditors	18.1	107,922,693,830	74,817,234,669
Due to associated undertakings-unsecured	18.2	104,930,802	376,206,828
A Electricity duty payable		1,018,566,748	923,245,073
B Withholding income tax		2,017,546,473	1,529,764,339
C Capital contributions awaiting connections		202,898,738	202,547,449
D Receipts against deposit work in progress		13,350,047,282	11,174,807,444
E-B/S Accrued liabilities		141,521,163	50,841,433
F Retention money-contractors		128,886,110	79,190,593
G General sales tax		18,187,585,995	14,614,527,265
H Others taxes payable		16,370,080,277	13,012,097,822
I Supplier Security		352,423	
		<u>159,445,109,841</u>	<u>116,780,462,915</u>

	2022 Rupees	2021 Rupees
18.1 Creditors		
Peshawar Electric Supply Company Limited (PESCO)	44,882,830,386	42,816,381,093
Central power purchasing Agency	62,045,454,299	31,507,095,950
Trade Creditors Payable	994,409,145	493,757,626
	<u>107,922,693,830</u>	<u>74,817,234,669</u>

	2022 Rupees	2021 Rupees
18.2 Due to associated undertakings-net		
WAPDA	93,030,147	93,030,147
Jamshoro Power Company Limited (GENCO-1)	3,000	3,000
Lahore Electric Supply Company Limited (LESCO)	2,566,683	2,076,922
Faisalabad Electric Supply Company Limited (FESCO)	1,458,575	1,216,406
Gujawala Electric Supply Company Limited	244,283	192,755
Islamabad Electric Supply Company Limited (IESCO)	7,409,506	6,076,822
Hyderabad Electric Supply Company Limited (HESCO)	218,608	30,688
National Transmission and Dispatch Company Limited		273,580,088
	<u>104,930,802</u>	<u>376,206,828</u>

19 CONTINGENCIES

Various industrial consumers/establishments in specified areas have disputes and filed suits against the Company for relief/subsidy the financial impact of which has not been determined and in the opinion of management, the Company has not provided for such cases. Consequently, no provision for any liability that may arise has been made in the financial statements.

	Note	2022 Rupees	2021 Rupees
20 ELECTRICITY SALES			
Electricity billing	20.1	36,782,413,777	29,173,202,051
Subsidy from Government	20.2	(7,466,309,283)	2,939,308,708
		<u>29,316,105,494</u>	<u>32,112,510,759</u>

20.1 Electricity sold; total units: 2,023 million (2020: 2,001 million units) at the average rate of Rs. 15.87 (2020: Rs.13.2

20.2 This represents the subsidy granted by the Government of Pakistan to the Company on Tariff differential between electricity charged to the consumer and the rate determined by NEPRA under different tariff determinations.

	Note	2022 Rupees	2021 Rupees
21 COST OF ELECTRICITY			
Purchases from Central Power Purchase Agency	21.1	47,385,756,801	23,192,335,474
21.1 Electricity purchases during the year have been invoiced by CPPA at the average rate of Rs.10.37 per KWH (KWH).			

	Note	2022 Rupees	2021 Rupees
22 OTHER INCOME			
Rental and service income		54,710,513	131,575,838
Profit on deposits		215,374,298	417,280,047
Sale of scrap			
Amortization of deferred credit	16	345,754,338	321,065,039
Income from non utility operations		63,529	50,805
Miscellaneous income		637,791,513	531,674,090
		<u>1,253,694,191</u>	<u>1,401,645,819</u>

23 OPERATING COST			
Salaries, wages and other benefits		1,349,882,818	1,120,135,167
Repair and maintenance		103,693,053	37,220,251
Travelling		29,618,323	31,948,955
Transport		29,347,723	27,627,775
Power, light and water		2,157,580	765,421
Rent, rates and taxes		2,811,904	2,958,417
Postage and telephone		2,914,871	2,768,302
Office supplies and other expenses		4,788,398	3,431,183
Electricity bills collection charges		19,200	41,812
Legal expenses		5,234,000	3,213,900
Damages and injuries		7,500,000	8,216,245
Consultancy		13,460,778	23,633,316
Management fee		14,027,244	36,111,577
Bad debts		2,599,409,801	13,645,228
Auditors' remuneration		730,000	695,000
Store handling/computer charges (ERP)		16,254,610	-
Advertising and publicity		7,311,018	4,666,777
Subscription and periodicals		188,627	240,160
Insurance			1,316,831
Depreciation		413,069,670	400,084,322
Wheeling charges to PESCO		2,490,046,406	3,032,768,914
Computer services (PITC)		7,771,299	7,226,568
Directors Fees		12,078,673	1,890,000
Miscellaneous		5,457,646	3,945,556
		<u>7,117,773,642</u>	<u>4,764,551,677</u>

	Note	2022 Rupees	2021 Rupees
24 FINANCIAL CHARGES			
Interest/mark up on long term loans	24.1	224,795,414	54,793,811
Bank charges		265,790	418,205
		<u>225,061,204</u>	<u>55,212,016</u>
24.1 Interest/mark up on long term loans			
Federal Government loan		224,795,414	54,793,811
		<u>224,795,414</u>	<u>54,793,811</u>

24.1.1 These have been charged by WAPDA on loans allocated to the Company as per Loans Liabilities Transfer Agreement (Note 15).

25 PROVISION FOR TAXATION

Income from sale of electricity in Federally Administered Tribal Areas (FATA) is not chargeable to tax as taxation laws FATA region. Therefore, no provision for current and deferred taxation has been made.

	Note	2022 Rupees	2021 Rupees
26 EARNINGS PER SHARE - BASIC & DILUTED			
Profit for the year - Rupees		(24,158,791,960)	6,502,057,411
Number of ordinary shares		1000	1000
Earning per share- Basic & diluted		(24,158,791.96)	6,502,057.41

26.1 There is no dilutive effect on basic earning per share of the Company.

27 REMUNERATION OF CHIEF EXECUTIVE AND DIRECTORS

The aggregate amount charged in these financial statements in respect of remuneration including certain benefits to the 6,613,704 (2020: Rs. 2,314,860). The Company also provides free telephone, electricity, hospitalization and Company's the Chief Executive.

	Note	2022 Rupees	2021 Rupees
28 CASH GENERATED FROM OPERATIONS			
Profit for the year		(24,158,791,960)	5,502,057,411
Prior Year adjustment			
Adjustments for non cash charges and other items:			
Depreciation		413,069,670	400,084,322
Amortization of deferred credits		(345,754,338)	(321,065,039)
Profit on deposits		(215,374,298)	(417,280,047)
Financial charges		225,061,204	55,212,016
Operating profit before working capital changes		(24,081,789,723)	5,219,008,663
Working capital changes:			
(Increase)/decrease in current assets:			
Stores and spares		(3,385,557,362)	1,574,315,012
Trade debts		(18,973,767,368)	(7,698,657,046)
Advances, loan and other receivables		2,840,697,323	(6,994,987,262)
Interest accrued			
Receivable from Government		1,941,067,691	(2,178,594,870)
Increase in current liabilities:			
Accrued and other liabilities		42,439,851,511	8,830,986,873
		24,862,291,795	(6,466,937,493)
Cash generated from operations		780,502,072	(1,247,928,830)

29 FINANCIAL RISK MANAGEMENT

The Company has exposure to the following risks from its use of financial instruments:

- Credit
- Liquidity risk
- Market risk

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

Risk management framework

The Board of director and WAPDA/PEPCO has overall responsibility for the establishment and oversight of the Company's risk management framework. The above are responsible for developing and monitoring the Company's risk management policies.

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. Risk management policies and systems are reviewed regularly to reflect changes in market condition and the company's activities. The company, through its training and management standard and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The company's Board oversees 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 risk faced by the company. The Board is assisted in oversight role by Internal Audit. Internal Audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Board and WAPDA.

29.1 Credit risk

Credit risk is the risk of financial loss to the company if a consumer or counterpart to a financial instrument fails to meet its contractual obligation. The company is exposed to credit risk to the extent of loans, deposits and advances, trade debts, interest accrued, other receivables and bank balances. The company deals in regular consumer who normally make payments on time. The company controls its credit risk by continuous monitoring of its receivables. The management believes that there is no credit risk involved in respect of receivables from the government of Pakistan.

29.1.1 Exposure to credit risk

The carrying amount of financial assets represent the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows:

Geographically there is no concentration of credit risk as the company operates in the same geographical area.

29.1.1.1 The maximum exposure to credit risk for trade receivables at the reporting date by type of sector is as follows:

	2021 Rupees	2020 Rupees
--	----------------	----------------

29.1.1.2 The maximum exposure to credit risk for trade receivables from electricity consumers at the reporting date Rs. 74,508 million (2020: 67,308 million).

The Company's credit risk is managed by the Board of directors and the management. The Board of directors is responsible for setting the credit risk limits and the management is responsible for monitoring the credit risk. The management has established a credit risk management system that includes a credit risk assessment process, a credit risk monitoring system, and a credit risk reporting system. The management believes that the credit risk management system is effective and that the credit risk is within the acceptable limits.

29.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

29.3 Market risk

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

29.3.1 Exposure to currency risk

The Company is not exposed to any currency risk as there is no transaction in foreign currency.

29.3.2 Interest rate risk

The interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. Majority of the interest rate exposure arises from long term loans. At the balance sheet date, the interest rate profile of the Company's interest bearing financial instrument is:

The Company have no variable rate financial instruments.

29.4 Capital management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern so that it can continue to provide returns to shareholders and benefits to other stakeholders and to maintain a strong capital base to support the sustained development of its businesses. The Company manages its capital structure which comprises capital and reserves by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend to shareholders, appropriation of amounts to capital reserves or / and issue new shares.

Annex- E

Annex- E

TRIBAL AREAS ELECTRIC SUPPLY COMPANY (TESCO)
SENIOR MANAGEMENT PROFILE

S.#	Name	Status	Qualifications
01	Qazi Muhammad Tahir	Chief Executive Officer	B.Sc (Elec)/MS Computer Engineering
02	Syed Tahir Jamal	Chief Engineer (Dev/PMU)	B.Sc (Electrical Engineering)
03	Mr. Hammad Amir Hashmi	Director General (MIRAD)	B.Sc (Electrical Engineering) / MBA/ MSc Economics
04	Mr. Sajjad Ahmad Jan	Director General (HR & Admn)	PhD (Business Administration)
05	Mr. Jamshid Ali	Add: Chief Engineer (CM&O)	B.Sc (Electrical Engineering)
06	Syed Mushtaq Hussain	Add: Chief Engineer (P&E)	B.Sc (Electrical Engineering)
07	Mr. Fazli Wahab	Director (Finance)	M.Com
08	Mr. Tajamul Hussain Bhutto	Director (Commercial)	MBA
09	Mr. Jamal Nasir	Director (MM)	B.Sc (Electrical Engineering)
10	Mr. Imran Iqbal	SE (Circle)	B.Sc (Electrical Engineering)
11	Mr. Abdullah Haroon Mayo	Company Secretary	FCCA, MS (Management Sciences)
12	Syed Attaullah Shah	Head of Internal Audit	CA (Finalist), MSc
13	Mr. Amir Nawaz Khan	Legal Advisor	LL.B, MBA

TRIBAL AREAS ELECTRICITY SUPPLY COMPANY



Chief Executive Officer
TESCO WAPDA House
Peshawar

No. / CEO/TESCO

Dated 28/04/2023

Director General Finance,
National Electric Power Regulatory Authority (NEPRA)
Atafork Avenue (East), G-5/1
Islamabad.

Subject: PAYMENT OF SUPPLIER LICENSE FEE

Enclosed please find here with crossed cheque No. 76806690
dated 28-04-2023 for Rs. 2510538/- (Twenty Five Lac Ten Thousand Five
Hundred and Thirty Eight only). The income tax deduction is made from your
Gross amount @ 8%. Breakup is given below:

Gross Amount	=	2728846/-
Income Tax @ 8%	=	218308/-
Net Amount	=	2510538/-

D/A As above

Director Corporate Accounts
TESCO HQ WAPDA House
Peshawar.

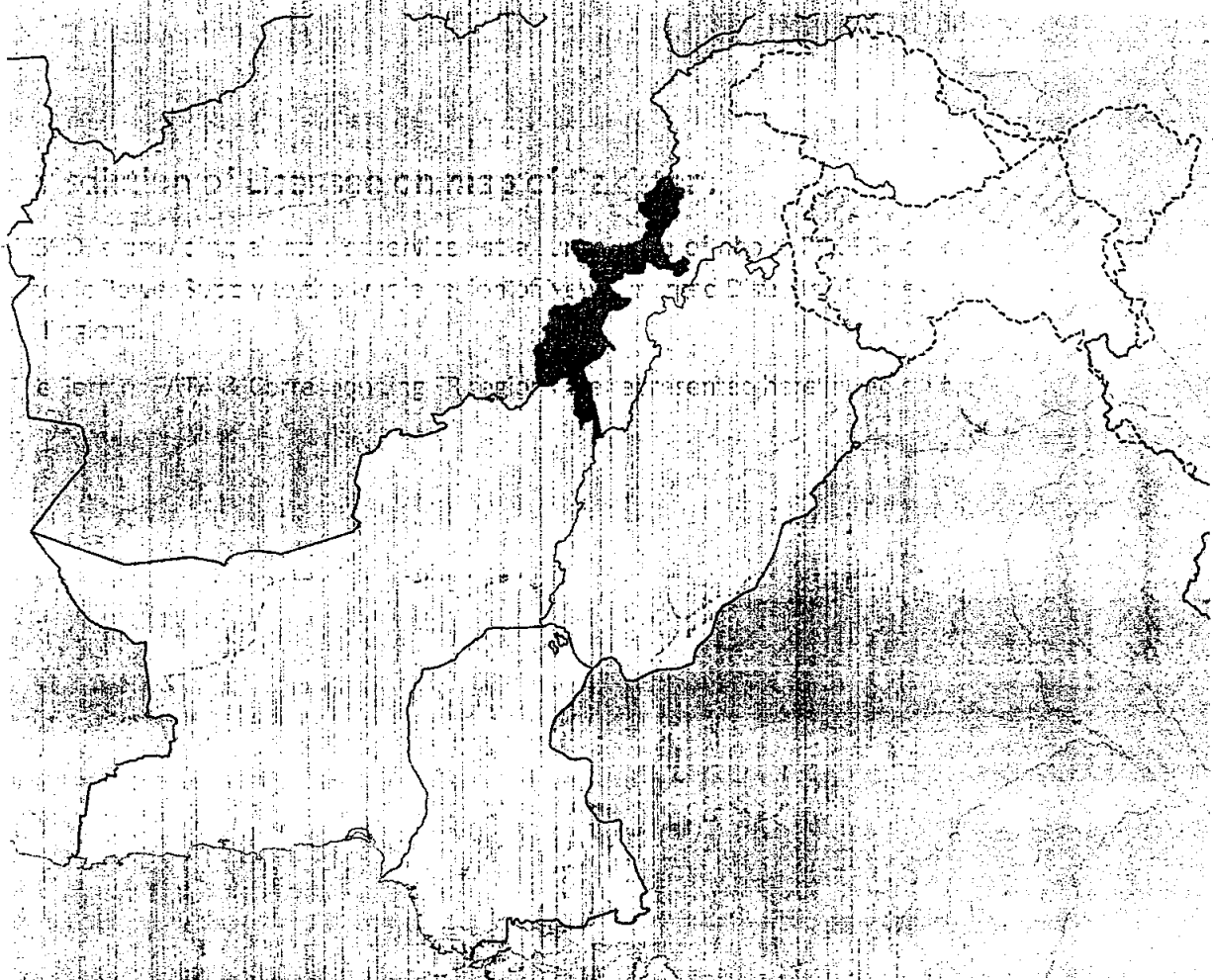
Annex- F

Annex F

Jurisdiction of Licensee on map of Pakistan.

TESCO is providing electricity services at a Jurisdiction of about 27,000 sq. km. It is providing the Electric Power Supply to the whole region of Newly merged Districts (Former FATA) & corresponding FR Regions.

The Former FATA & Corresponding FR regions are represented here in red on map of Pakistan.



TESCO is providing electricity to Seven Merged Districts, District Bajaur, Mohmand, Khyber, Orakzai, Kurram, North Waziristan and South Waziristan and Six corresponding FR Regions are, FR Peshawar, FR Kohat, FR Bannu, FR Lakki, FR Tank and FR D.I.Khan.



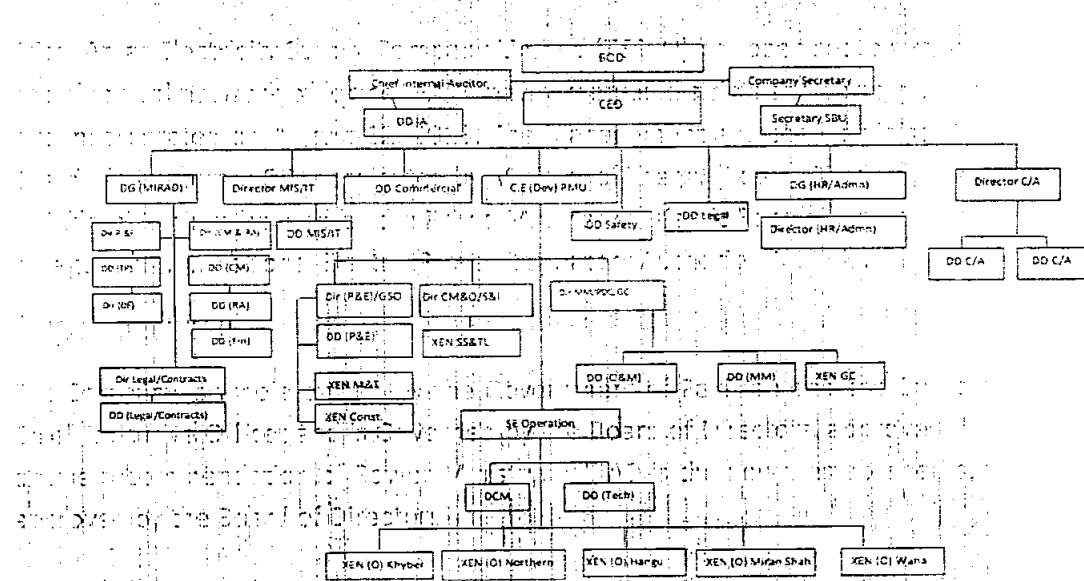
The Company's Profile.

Tribal Areas Electricity Supply Company Limited (TESCO) has been setup over the area of jurisdiction and electrical network of former FATA newly merged districts and corresponding FR regions. TESCO was incorporated on August 12, 2013. The Management and the Administration is entrusted to its Board of Directors (BOD) nominated by Ministry of Energy (Power Division), Islamabad after approval of Federal Cabinet headed by the Prime Minister of Islamic Republic of Pakistan under the umbrella of regulator i.e., National Electric Power Regulatory Authority (NEPRA).

Organogram:

The Company is whole owned by the Government of Pakistan and the Company is headed by the Chief Executive Officer and is Governed by the Board of Directors, approved by the Federal Cabinet on the recommendation of Power Ministry. MIRAD is the newly established setup of the Company approved by the Board of Directors.

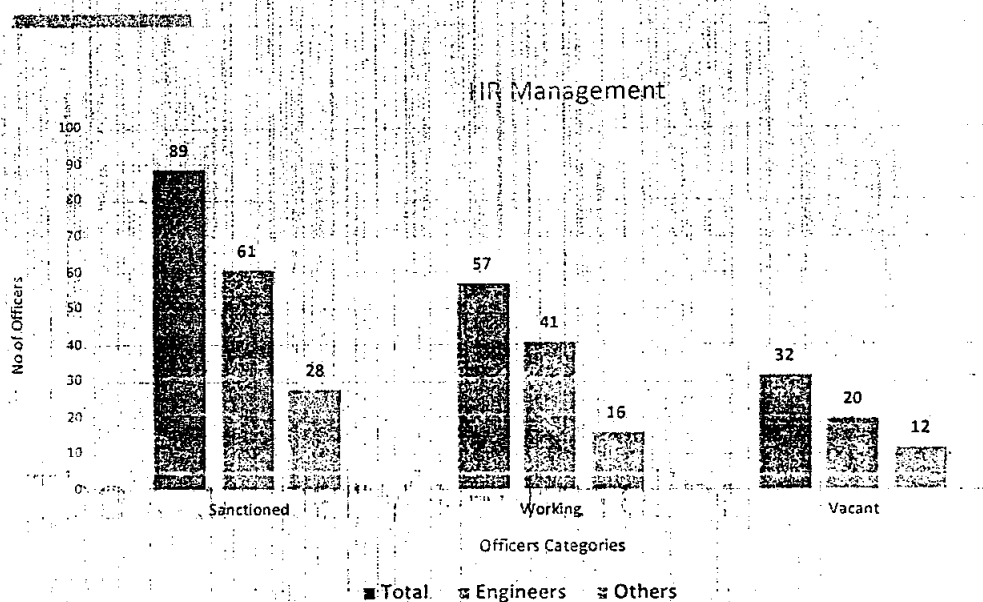
Organogram Details:



Officer's Strength (Both Technical & Non-Technical)

There are 89 total sanctioned positions of Officers. Grade 17 & above, of which 61 are technical positions (Engineers) & 28 are of another category. Out of 89 sanctioned positions total 57 officers are working, of which 41 are of Engineering cadre & 16 are non-Engineers.

The Company's – Baseline



The total number of staff sanctioned is 2336, of which technical staff is 1274 and non-technical staff is 1062. Out of the sanctioned posts total working staff is 1019, of which technical staff is 632 and non-technical staff is 387.

Sr. No.	Post (Workers)	Sanctioned	Working	Vacant
1	Technical Staff	1274	632	642
2	Non-Technical Staff	1062	387	675
3	Total	2336	1019	1317

Overall TESCO Operation System.

TESCO distribution system is comprised of one circle, Five Divisions and Fourteen subdivisions, the details of other formations are here as:

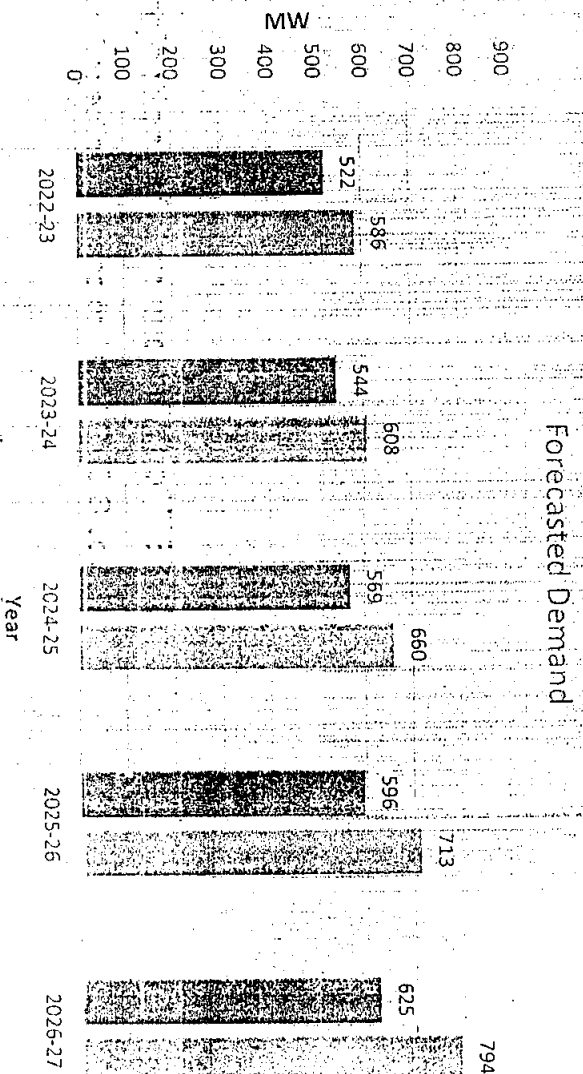
Description	Circles	Divisions	Sub-divisions	R.O Office
Distribution	1	5	14	5
SS&TL	-	1	6	-
Construction	-	1	3	-
GSC	-	1	4	-
M&T	-	1	-	-
Store	-	1	-	-

Historical Category Wise Number of Consumers.

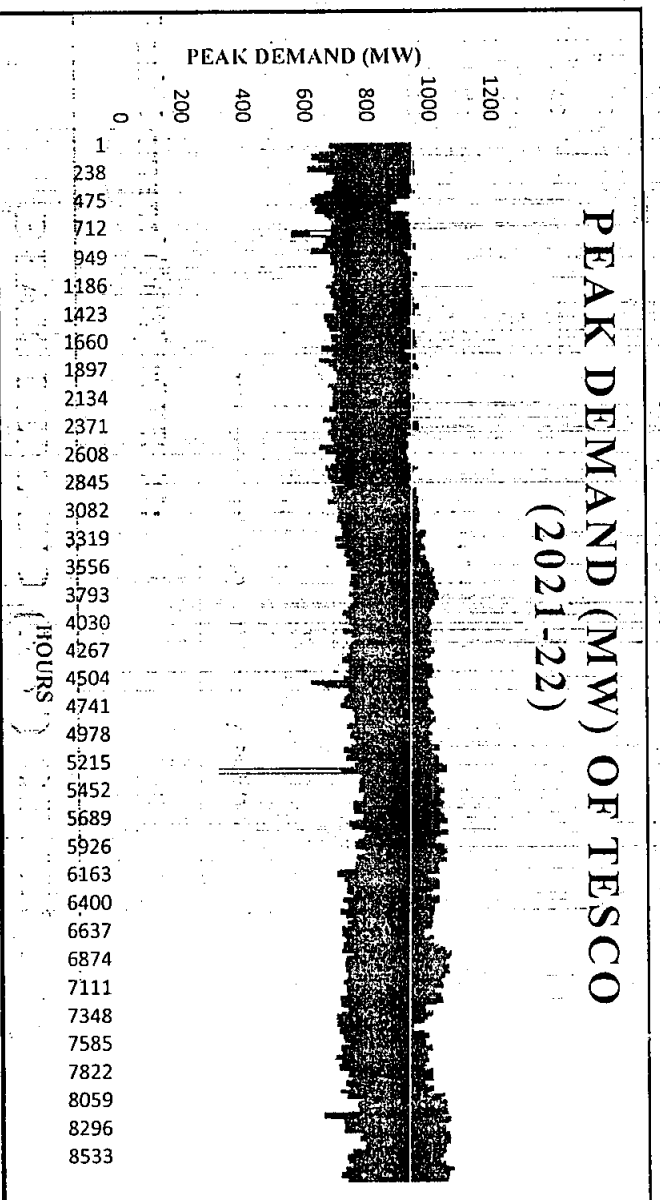
Financial Year	Domestic	Commercial	Small Industry	M&L Industry	Tube well	Bulk Supply	Public Light	Other	Total
2016-17	4,02,521	28,382	3,615	621	6,741	56	5	0	4,41,941
2017-18	4,02,209	28,625	3,575	693	6,118	57	5	1,119	4,42,401
2018-19	4,02,027	28,688	3,440	803	6,187	65	5	1,371	4,42,586
2019-20	4,02,004	28,790	3,356	915	6,194	67	5	1,434	4,42,765
2020-21	4,02,072	29,047	3,320	967	6,238	68	5	1,463	4,43,180
2021-22	4,02,084	29,763	3,291	1,071	6,252	72	5	1,608	4,44,146

Projections of Demand (MW) of TESCO:

The Projection is based on latest PMS Study.



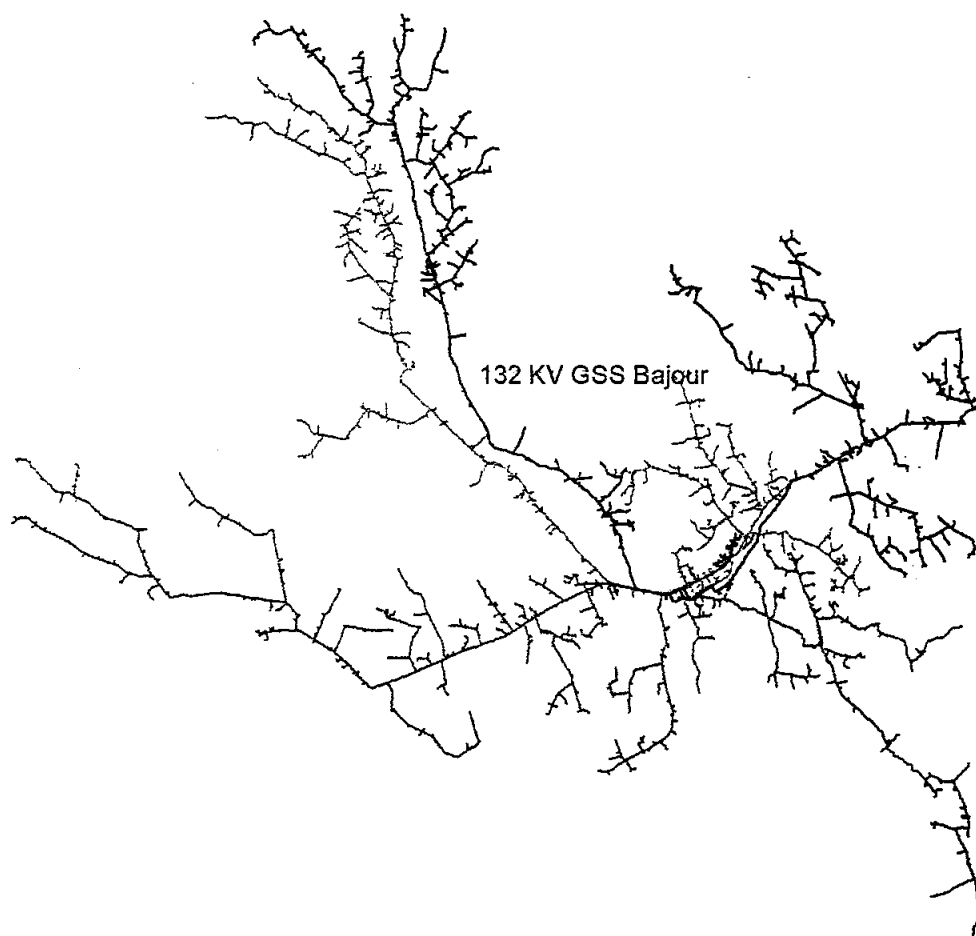
Peak Demand (MW) of TESCO:



Profit & Loss Statement

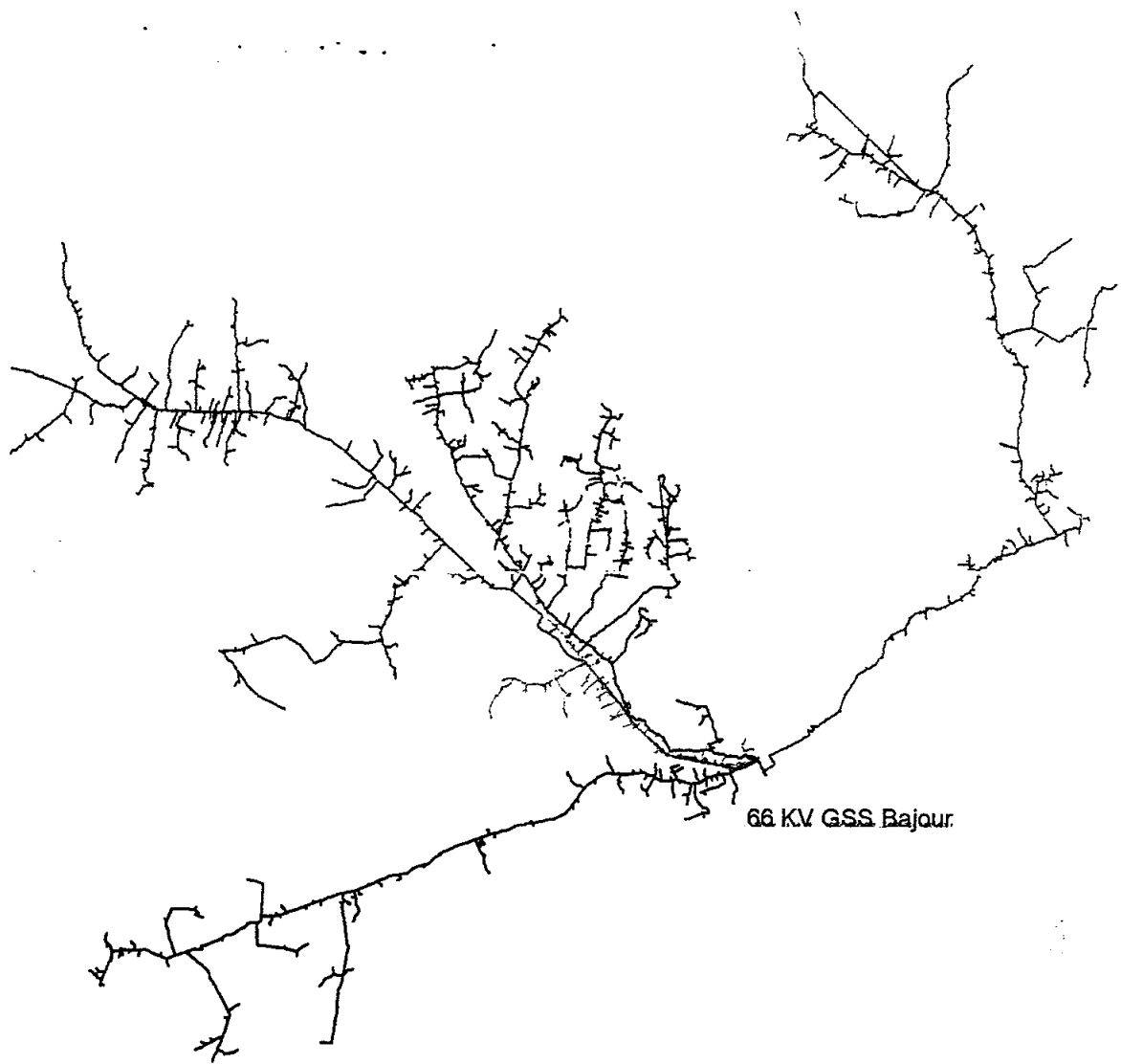
TRIBAL AREAS ELECTRIC SUPPLY COMPANY LIMITED				
STATEMENT OF PROFIT OR LOSS				
FOR THE YEAR ENDED JUNE 30, 2022				
		2022	2021	2020
	Note	Rupees	Rupees	Rupees
Sale of electricity	20	29,316,105,494	32,112,510,759	30,065,772,009
Cost of electricity sold	21	47,385,756,801	23,192,335,474	22,601,407,426
Gross profit		-18,069,651,307	8,920,175,285	7,464,364,583
Other Income	22	1,253,694,191	1,401,645,819	966,603,053
		-16,815,957,115	-10,321,821,104	8,430,967,636
Operating cost	23	7,117,773,641.53	4,764,551,677.00	5,212,766,913
Financial charges	24	225,061,203.64	55,212,016.00	15,279,829.40
		7,342,834,845	4,819,763,693	5,228,046,742
Profit for the year before taxation		-24,158,791,960	5,502,057,411	3,202,920,893
Provision for taxation	25			-
Profit for the year		-24,158,791,960	5,502,057,411	3,202,920,893
Earnings per share Basic & diluted	26	-24,158,791.96	6,502,057.41	3,202,920.89

Relevant feeder maps
Number of consumers
and expected load



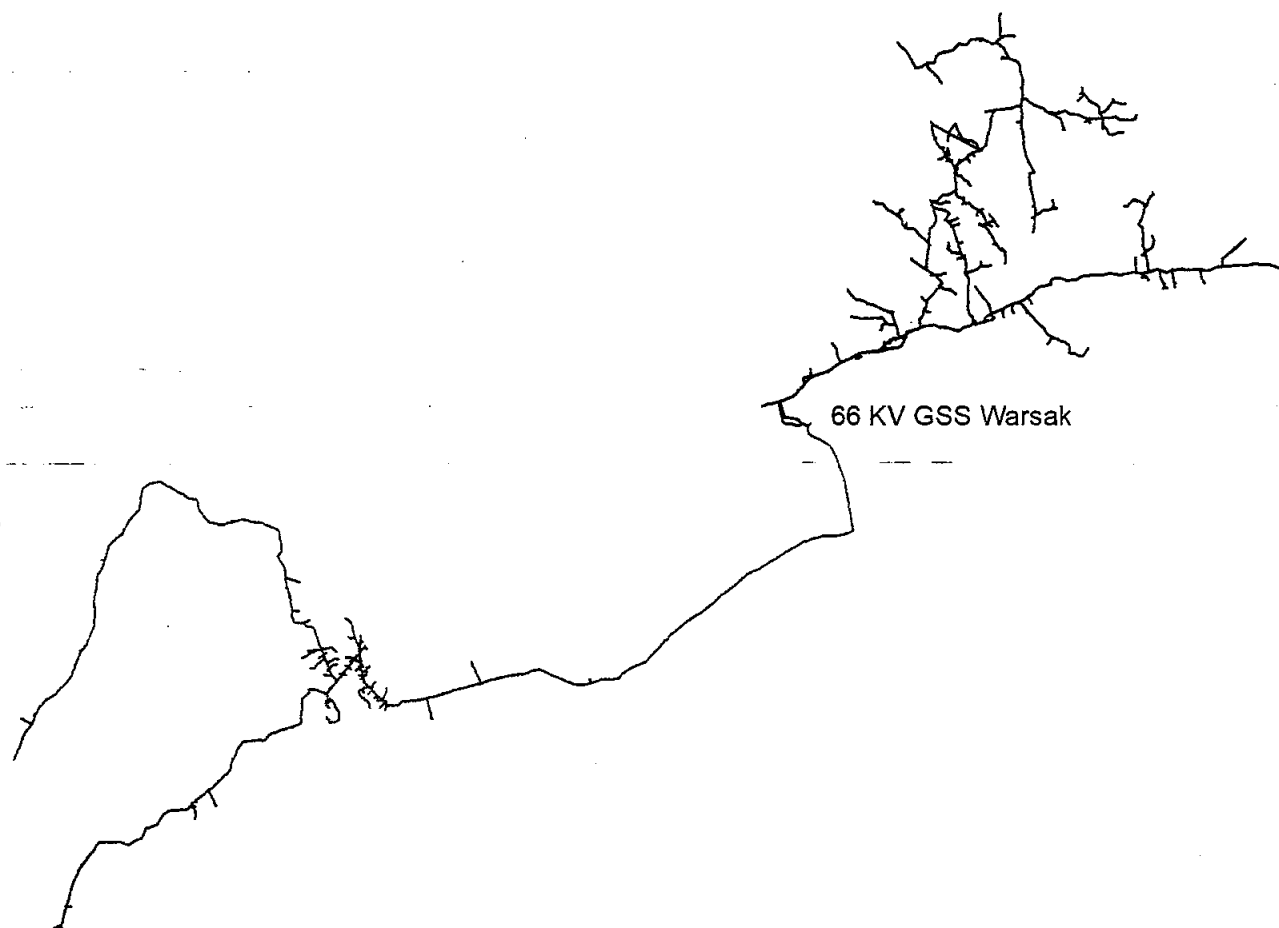
132 KV GSS Bajour

- 11 KV Shago
- 11 KV Sahil Food
- 11 KV Nawagai-1
- 11 KV Munda
- 11 KV Kit Kot-2
- 11 KV Khar
- 11 KV DHQ Khar
- 11 KV Arang
- 11 KV Express-3
- 11 KV Express-2



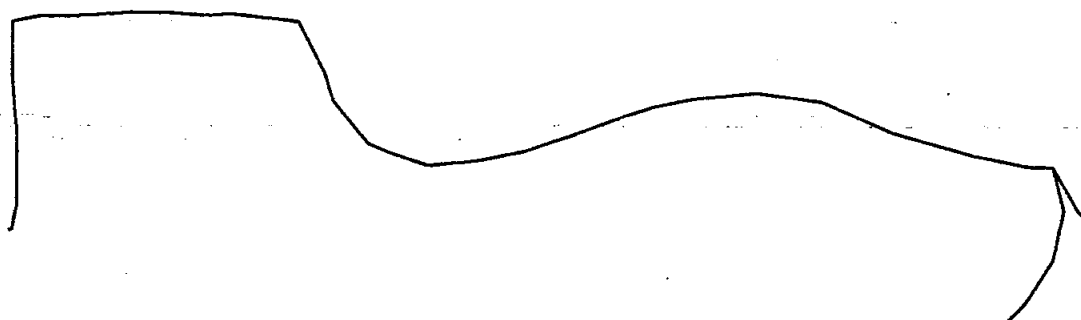
66 KV GSS Baiour

- 11 KV Kit Kot-3
- 11 KV Kit Kot-1
- 11 KV Jar
- 11 KV Khalozo
- 11 KV Nawagai-2



66 KV GSS Warsak

- 11 KV Tatara
- 11 KV Old Michni
- 11 KV Michni-3
- 11 KV Makkah Steel

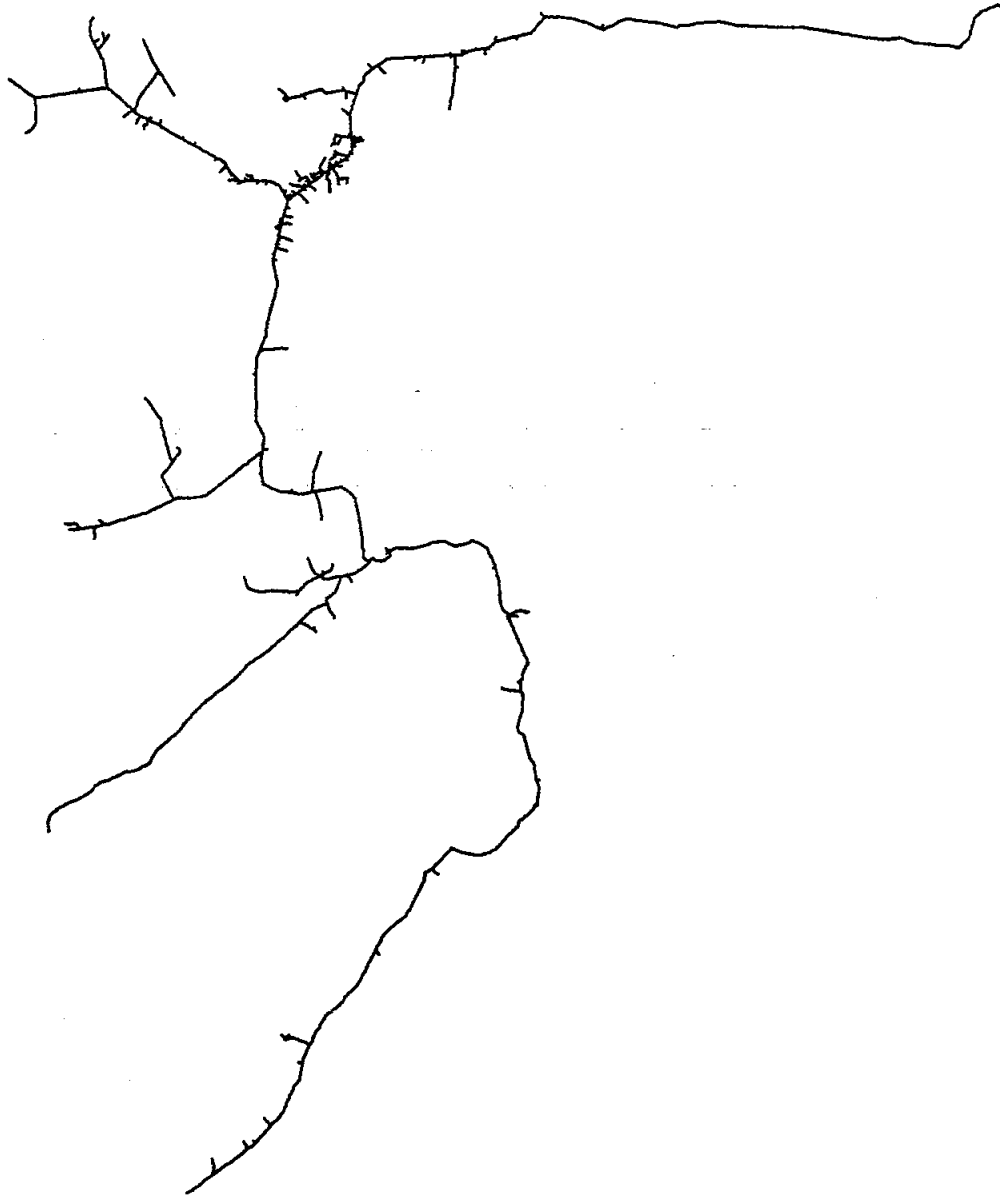


132 KV GSS Marble City

132 KV GSS marble City

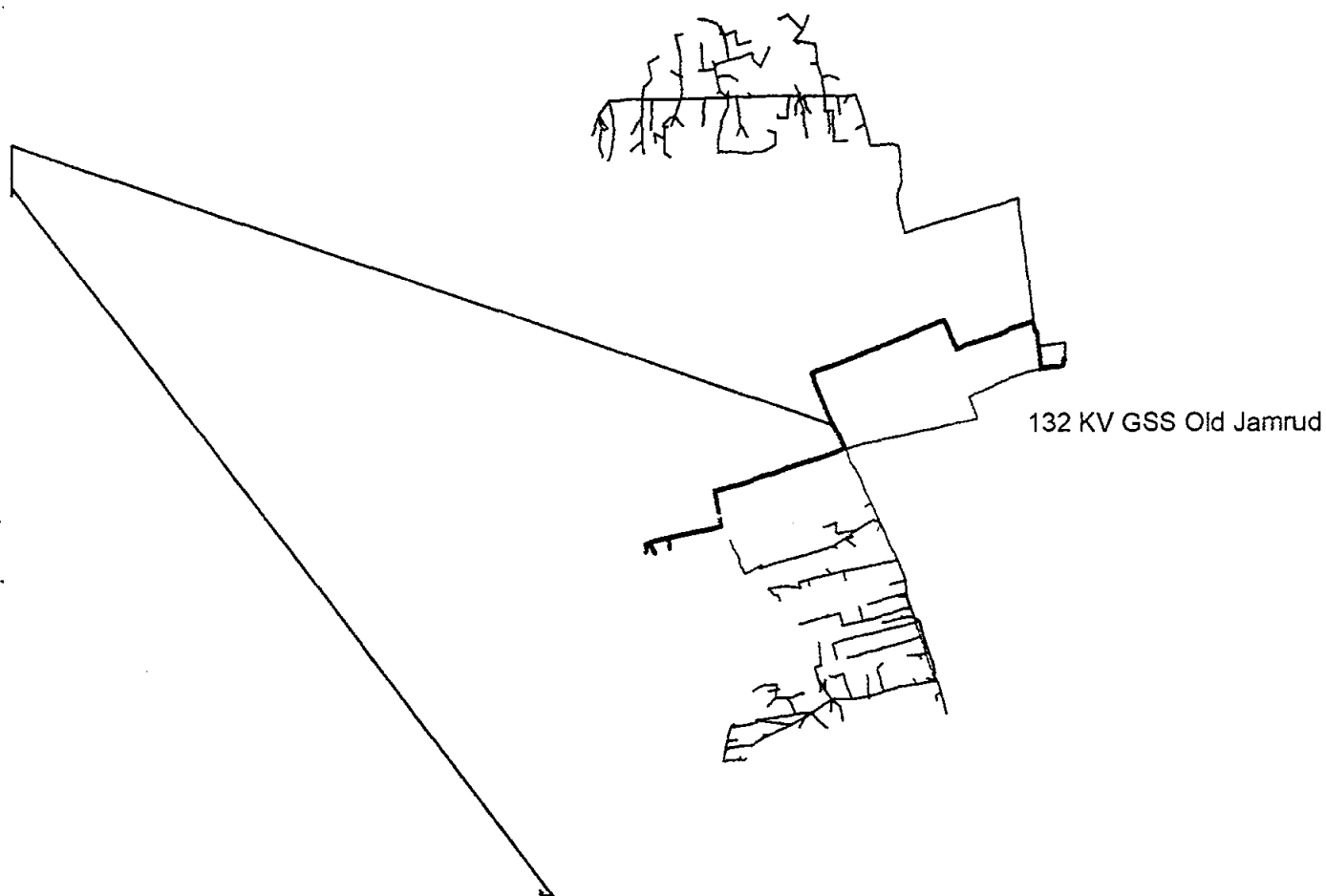
—— 11 KV Zóně-A

132 KV GSS Daraban



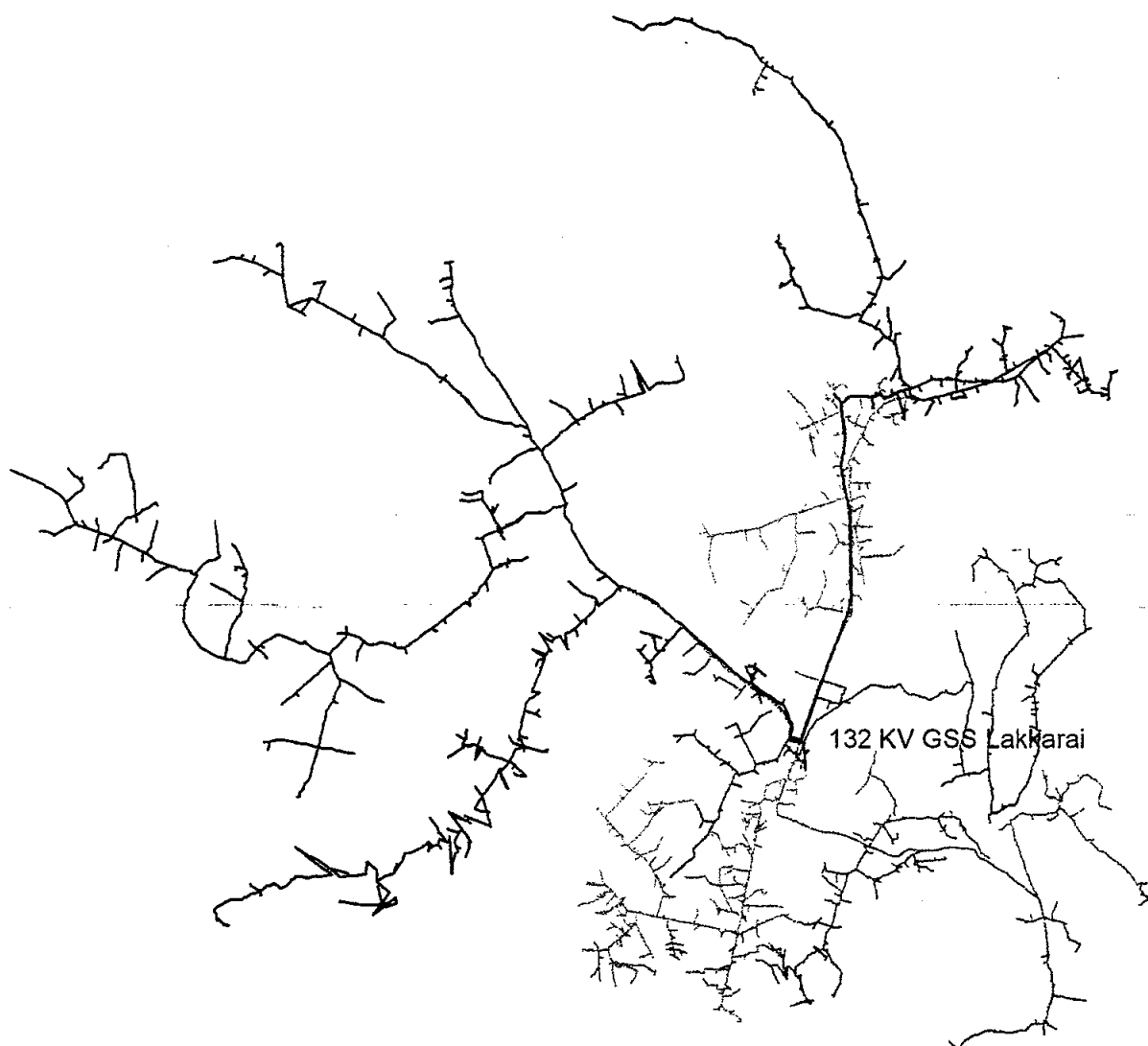
132 KV GSS Daraban

— 11 KV Darazinda-2



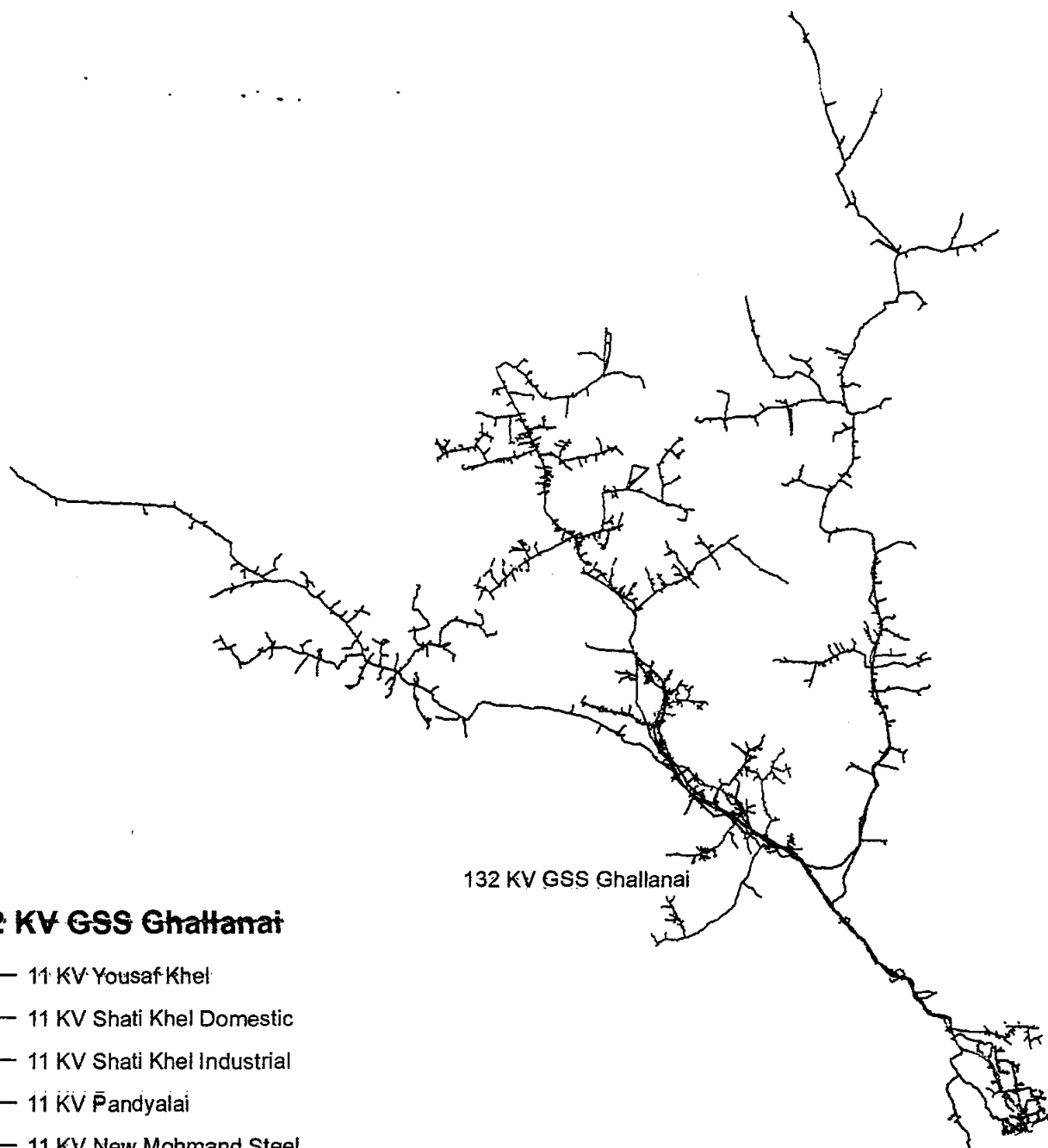
132 KV GSS Old Jamrud

- 11 KV ZK Steel
- 11 KV Old Jamrud
- 11 KV Mustafa Steel
- 11 Gillani Steel
- 11 KV Shakas-1



132 KV GSS Lakkharai

- 11 KV Mamad Gat industrial
- 11 KV Mamad Gat
- 11 KV Loisum-2
- 11 KV Loisum-1
- 11 KV Ghāziabad-1
- 11 KV Dawazai
- 11 KV Chinarey
- 11 KV Cadat Collage Mamad Gat



132 KV GSS Ghallanai

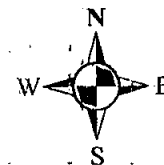
132 KV GSS Ghallanai

- 11 KV Yousaf Khel
- 11 KV Shati Khel Domestic
- 11 KV Shati Khel Industrial
- 11 KV Pandyalai
- 11 KV New Mohmand Steel
- 11 KV Wss Ekkaghund
- 11 KV Muslim Steel
- 11 KV Iakari-1
- 11 KV Koz Gandab
- 11 KV Khawazai
- 11 KV Gulman Shah steel
- 11 KV Ghallanai
- 11 KV Garang
- 11 KV DHQ Ghallanai
- 11 KV Ekka Ghund-3
- 11 KV Lakarai-2
- 11 KV Ekka Ghund-2
- 11 KV Ekka Ghund-1



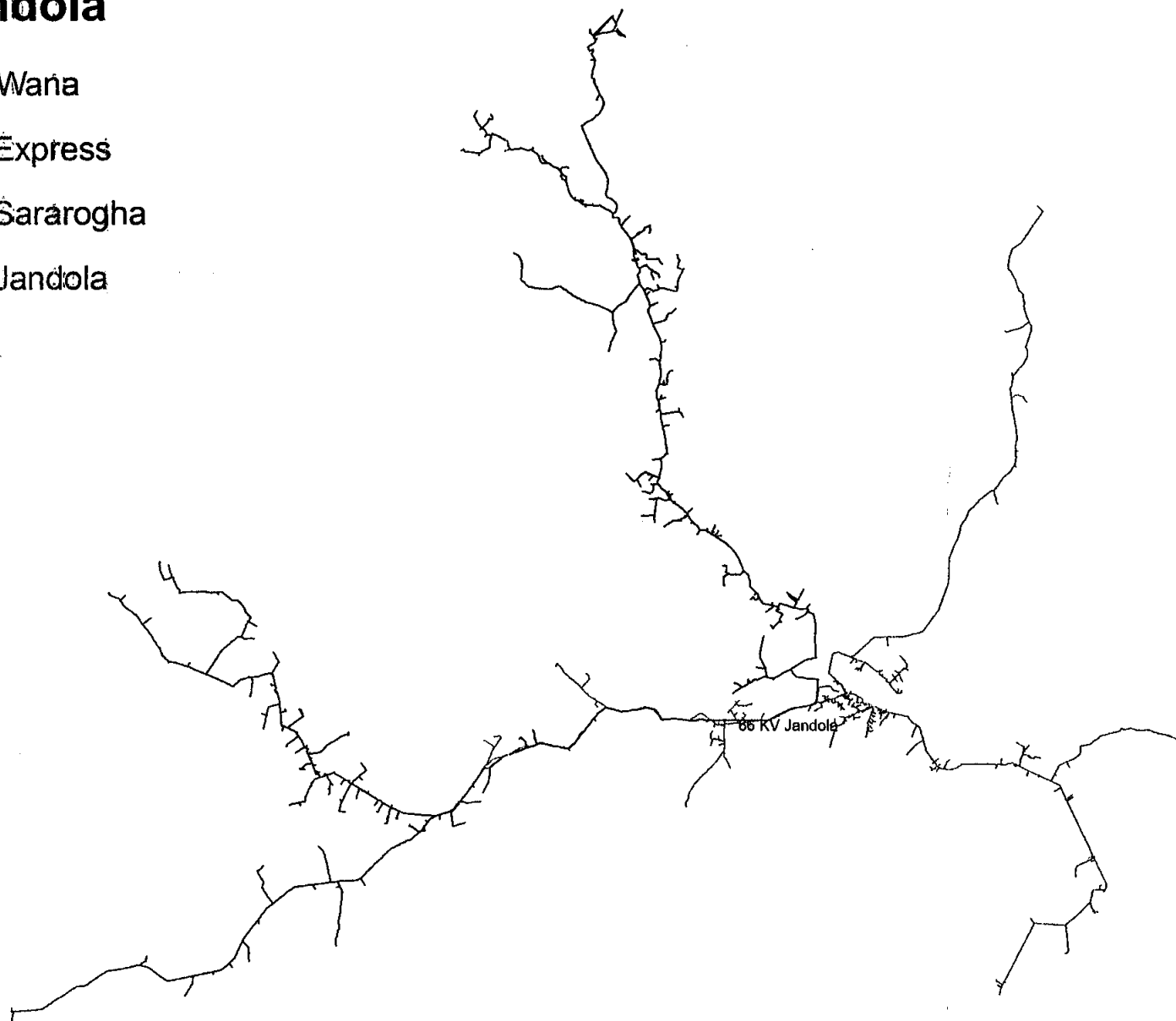
TRIBAL AREA ELECTRIC SUPPLY COMPANY

Geographical Layout 66 KV GSS Jandola



66 KV Jandola

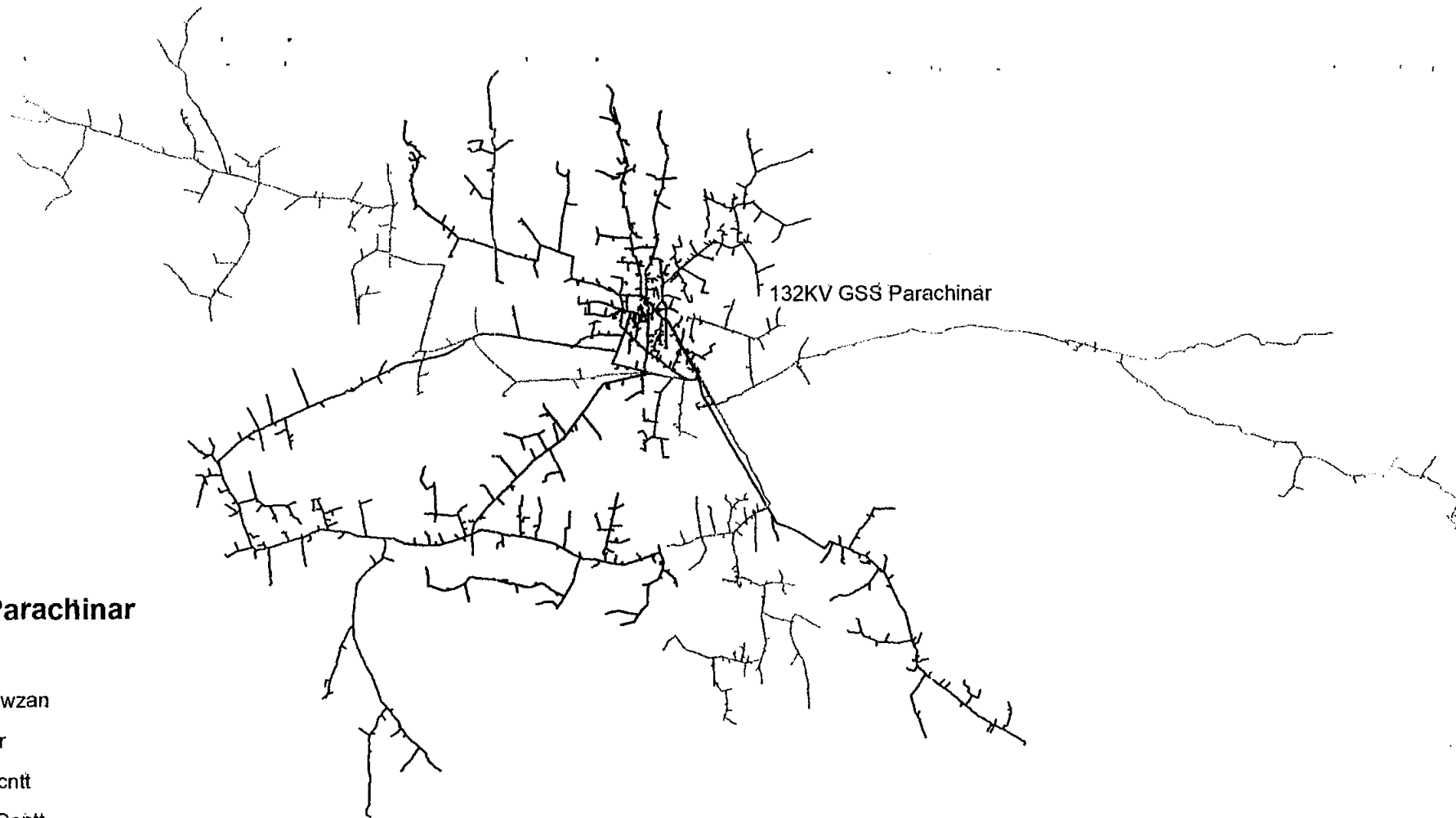
- 33 KV Wana
- - - 11 KV Express
- 11 KV Sararogha
- 11 KV Jandola



132KV GSS Parachinar

- 11 KV Ziran
- 11 KV Shalowzan
- 11 KV Pekar
- 11 KV Old acntt
- 11 KV New Canth
- 11 KV Express
- 11 KV Shublan-3.
- 11 KV City-3
- 11 KV Shublan-2.
- 11 KV Kharlachi-2
- 11 KV Kirman-2
- 11 KV City-2
- 11 KV Kharlachi-1
- 11 KV City-1

132KV GSS Parachinar



132KV GSS Timergara

Legend

- 11 KV Qazafi
- 11 KV Ghar Shamoza
- 11 KV Ghazi Baba



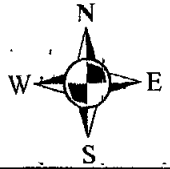
132 KV GSS Warsak

- 11 KV Zamzam Steel
- 11 KV Qilla Shah Baig
- 11 KV Parchavy
- 11 KV New Michni
- 11 KV Marble Chowak
- 11 KV Madina Steel



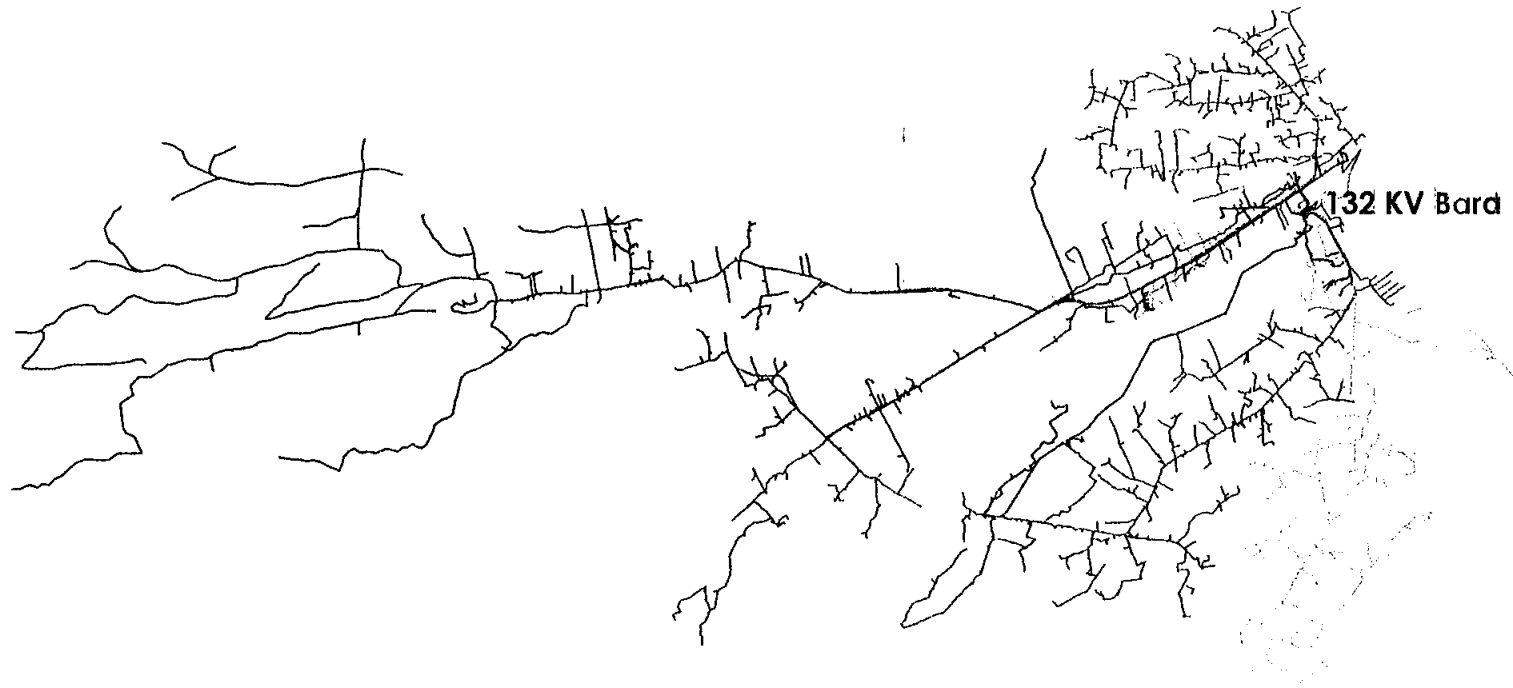
TRIBAL AREA ELECTRIC SUPPLY COMPANY

Geographical Layout of 132 KV Bara



132 KV Bara

- 11 KV Abid Foundry
- 11 KV Zahir Strah Steel
- 11 KV Umar Steel Mills
- 11 KV Old Nala
- 11 KV Talha Steel Furnace
- 11 KV Tariq Re-Rolling
- 11 KV Naseeb Steel
- 11 KV Shahid Steel Mills
- 11 KV Speen Qabar
- 11 KV Silk Industry
- 11 KV Salfour Steel Furnace
- 11 KV Saddam Ayoub Steel Mills
- 11 KV Rahmat Shah Steel Mills
- 11 KV Shahzeb Paper Mills
- 11 KV Old Bara
- 11 KV Old Karigar
- 11 KV New Karigar
- 11 KV Amin Shah Steel Furnace
- 11 KV New Bara
- 11 KV New Nala
- 11 KV New Aka Khel
- 11 KV Malik Zahir Shah Steel Mills
- 11 KV My Steel
- 11 KV Muhammad Shafiq Re-Rolling Mills
- 11 KV M. Shafiq Rolling Mills
- 11 KV Shahzeb Paper Mills
- 11 KV Meri Khel
- 11 KV Malik Din Khel
- 11 KV Khyber Foundry
- 11 KV HBK Steel
- 11 KV Kalanga
- 11 KV Javid Steel Mills
- 11 KV Itahi Steel Furnace
- 11 KV New Bara Industrial
- 11 KV National Industry/Khushal Khan Industry
- 11 KV Hassan Shah Paper Mills
- 11 KV Ghee Mills
- 11 KV Ayub Gatta
- 11 KV Frontier Express
- 11 KV Dawood Steel Furnace
- 11 KV Dua Steel Mills
- 11 KV Iqbal Brother
- 11 KV Bara Bazar
- 11 KV Bara City
- 11 KV AG Steel
- 11 KV Iqbal Steel Furnace
- 11 KV Riaz Afridi Steel Furnace
- 11 KV Abid Foundry
- 11 KV Speen Qabar-2





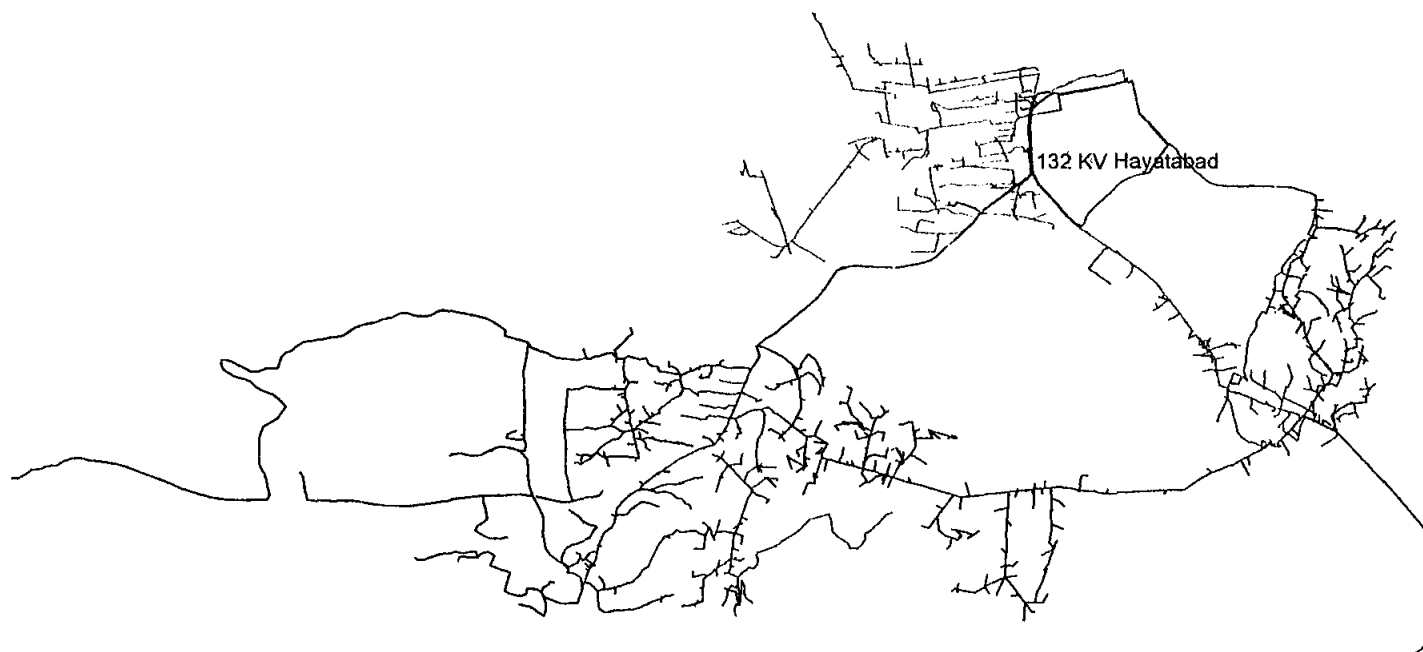
TRIBAL AREA ELECTRIC SUPPLY COMPANY

Geographical Layout of 132 KV Hayatabad (PESCO)



132 KV Hayatabad

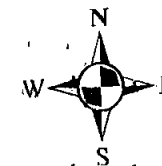
- 11 KV Gul Badshah Steel
- 11 KV Shakeel Steel Furnace
- 11 KV Shakass Garisson
- 11 KV SK2
- 11 KV Royal Fondary
- 11 KV Qambar Khel-2
- 11 KV Qambar Khel-1
- 11 KV Mohmand Molding
- 11 KV Fort Slope
- 11 KV Alamigudar





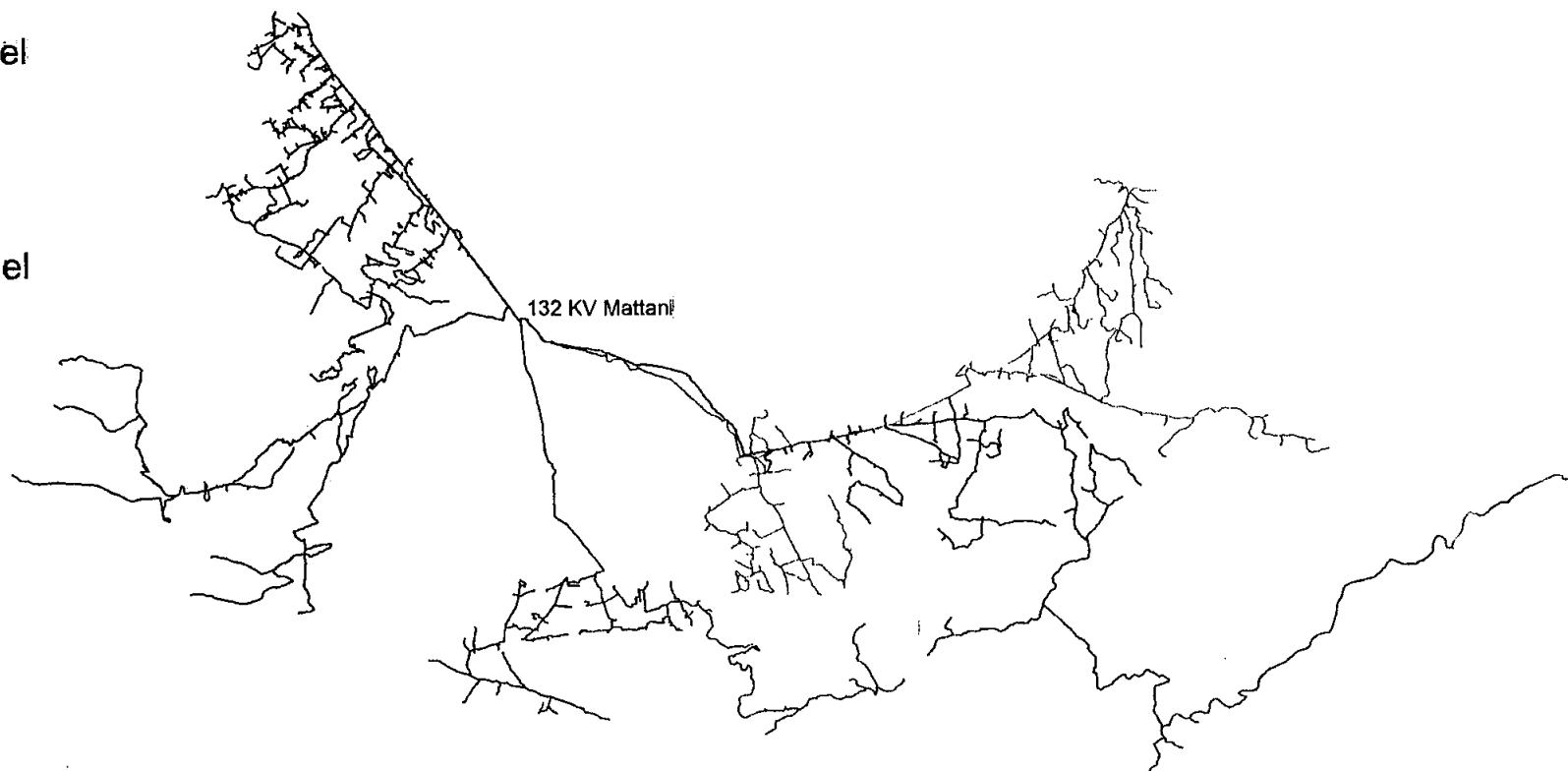
TRIBAL AREA ELECTRIC SUPPLY COMPANY

Geographical Layout of 132 KV Mattani



132 KV Mattani

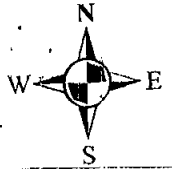
- 11 KV Zawo
- 11 KV Mir Aka Khel
- 11 KV Kalā Khel
- 11 KV Janakor
- 11 KV Hassan Khel
- 11 KV Asho Khel





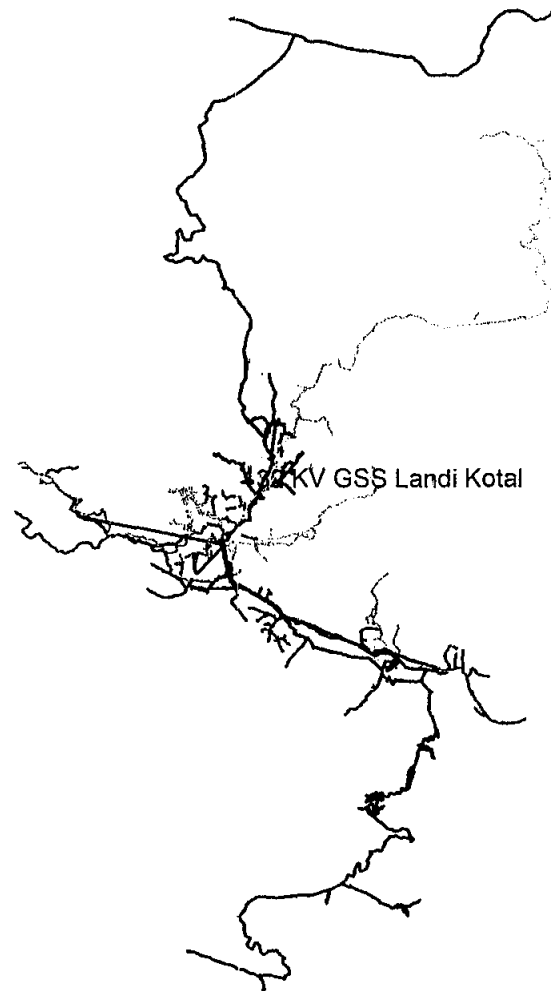
TRIBAL AREA ELECTRIC SUPPLY COMPANY

Geographical Layout 132 KV GSS Landi kotal (0117)



132 KV Landi Kotal

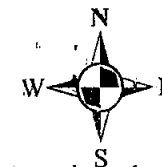
- 11KV Old Khyber
- 11KV Old Shalman
- 11KV Old Sadu Khell
- 11KV New Khyber
- 11KV New Shalman
- 11KV Torkham Border
- 11KV Landikotal Bazar
- 11KV New Sadu Khell
- 11KV Ali Masjid
- 11KV Old Khyber-II
- 11KV Old Shaikhmall Khell
- 11KV Fatmi Khell
- 11KV Khuga Khell
- 11KV New Shaikhmall Khell
- 11KV DHQ
- 11KV Karmna
- 11KV New Army
- 11KV Old Army
- 11KV Mirdad Khell
- 11KV Piro Khell





TRIBAL AREA ELECTRIC SUPPLY COMPANY

Geographical Layout of 132 KV Razmak

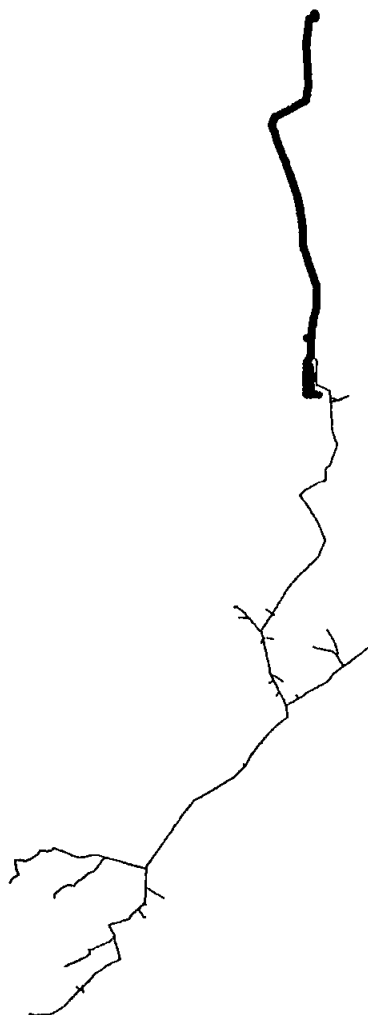


132 KV Razmak

— 11 KV New Makeen

— 11 KV Makeen Market

132 KV Razmak





TRIBAL AREA ELECTRIC SUPPLY COMPANY

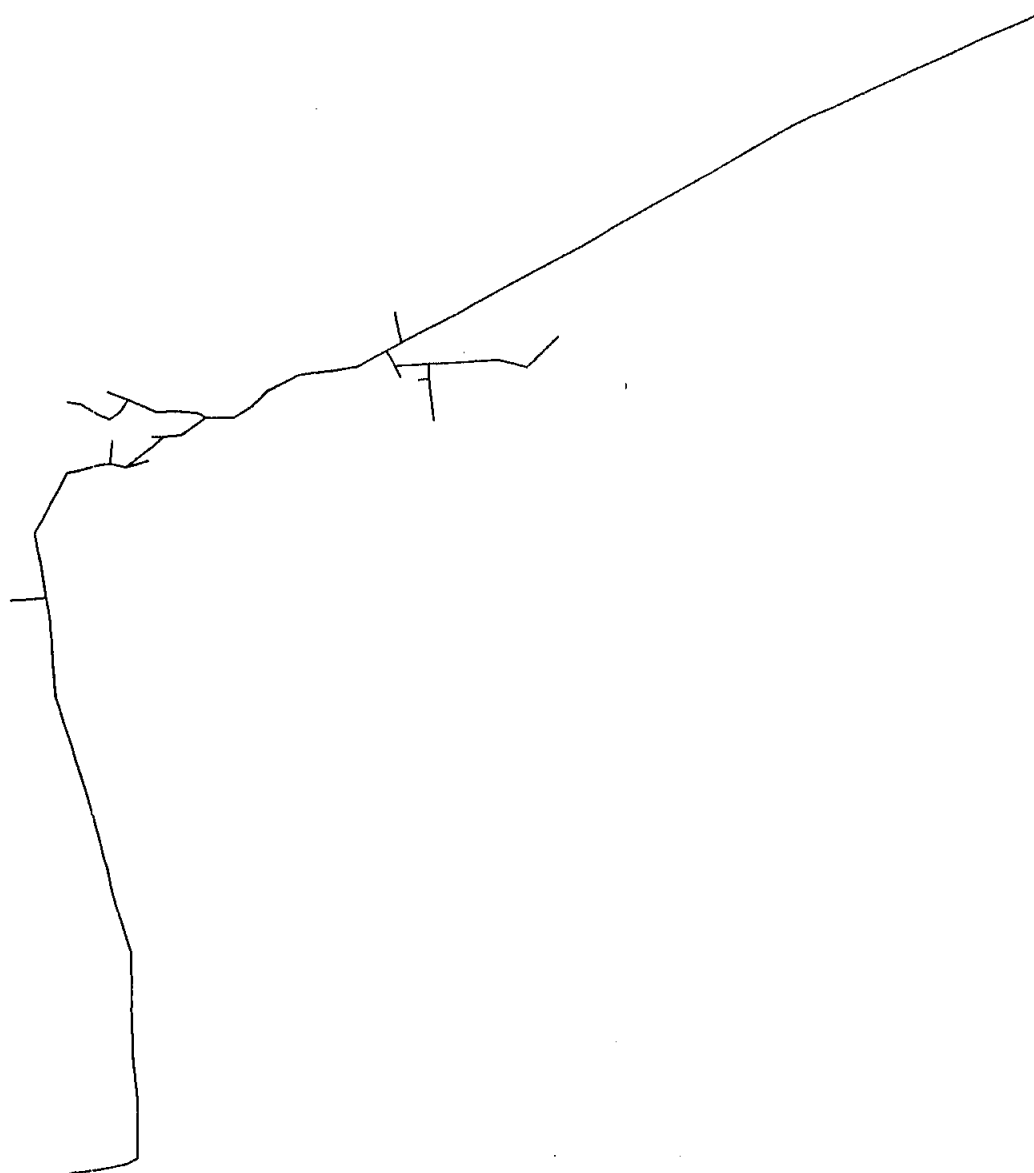
Geographical Layout of 132 KV Parowa

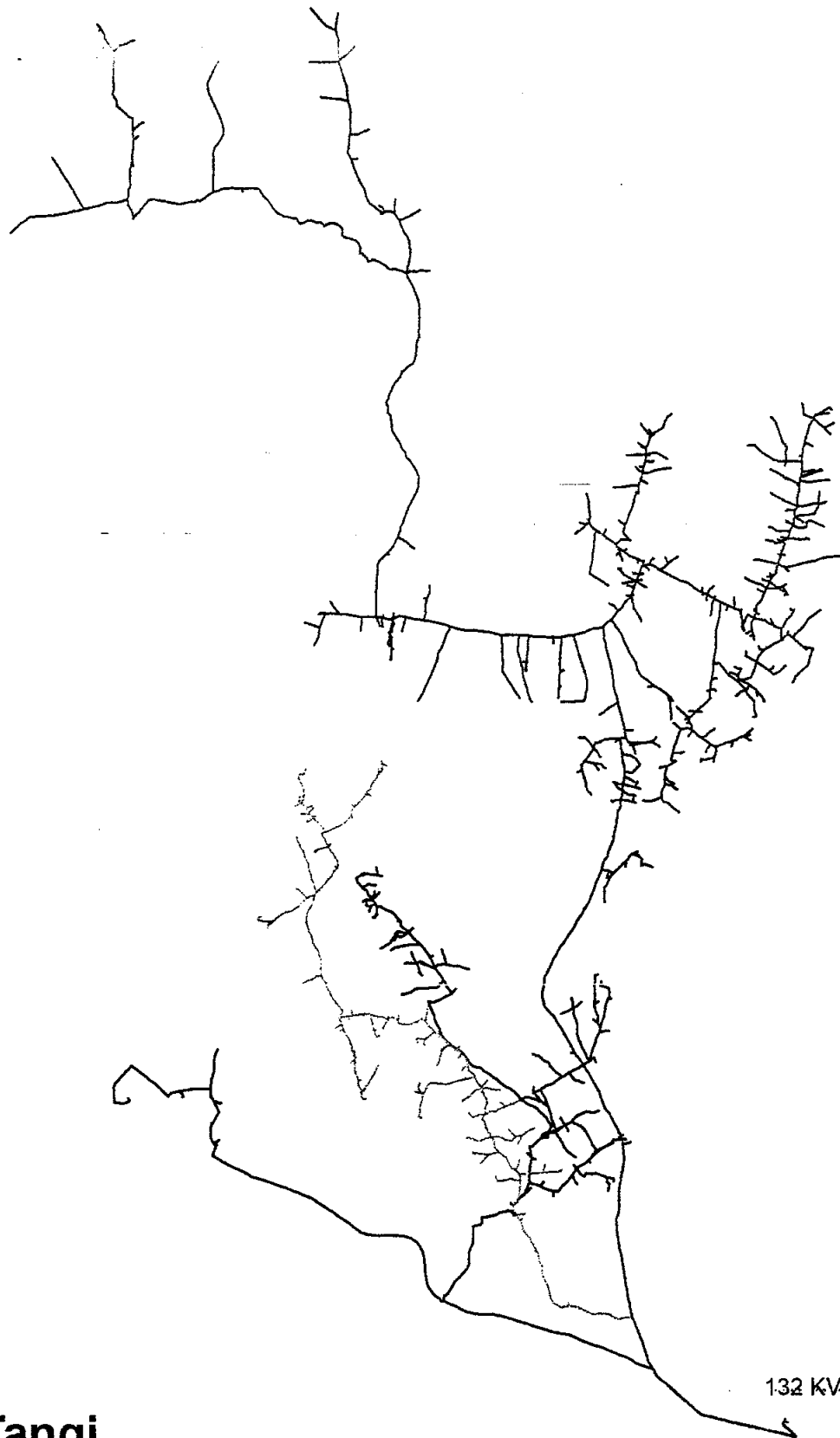


132 KV Parowa (TESCO)

— Karri Shamoza (Mix)

132 KV Parowa



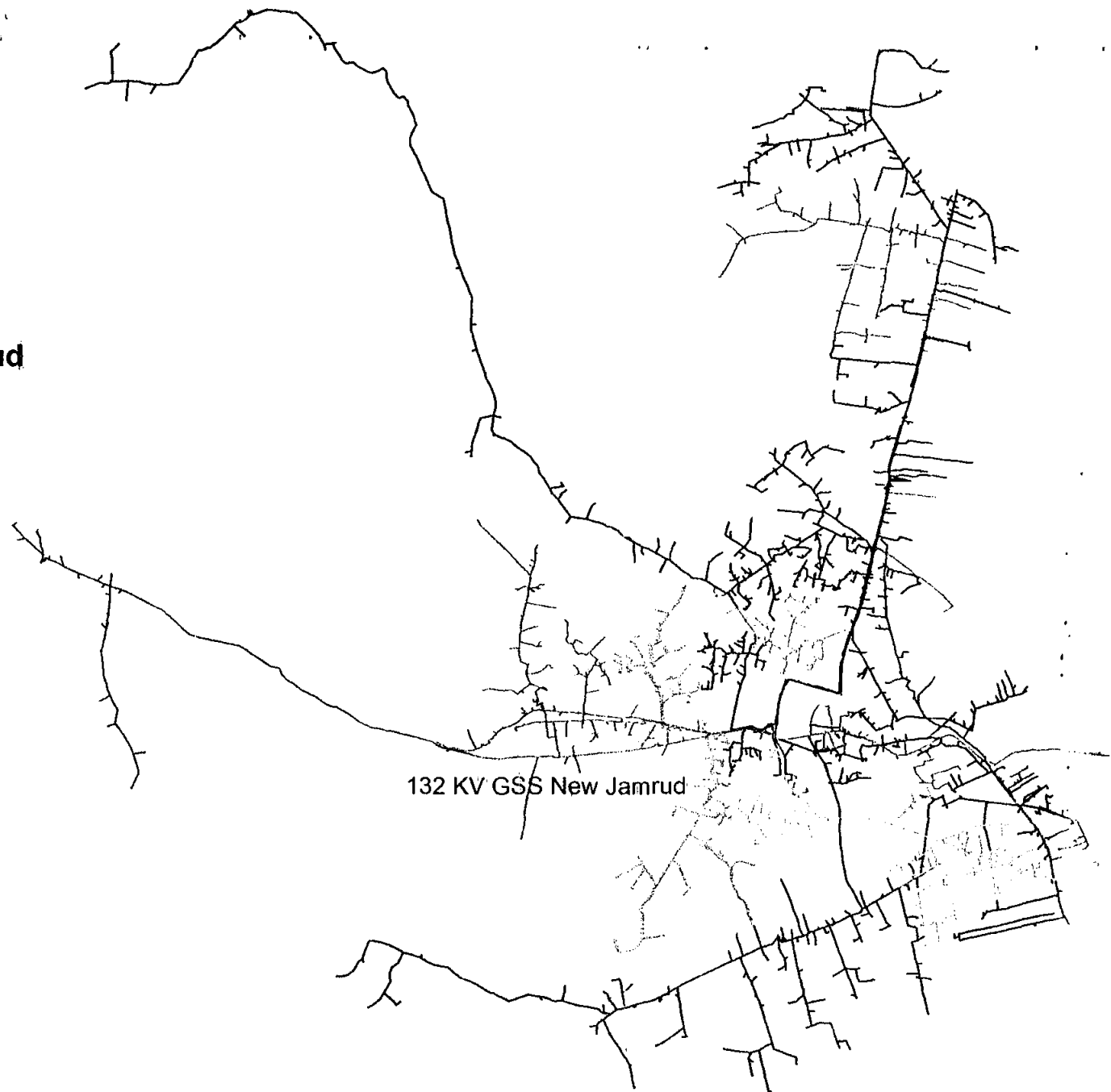


132KV GSS Tangi

- 11 KV Prang ghar
- 11 KV New Fata
- 11 KV Fata Express

132 KV GSS New Jamrud

- New_Yas_Line
- 11 KV Sakhi Pul
- 11 KV Old Pump House
- 11 KV Old Gudar
- 11 KV New Gudar
- 11 KV New Jamrud
- 11 KV Muḷagori
- 11 KV Khalil steel Furnace
- 11 KV Miraj Khalid Steel
- 11 KV Irfan Steel
- 11 KV Iftikhar Steel
- 11 KV Express
- 11 KV Sur kamar-3
- 11 KV Jamrud-3
- 11 KV Sur kamar-2
- 11 KV Jamrud-2
- 11 KV Sur kamar-1
- 11 KV Jamrud-1





132 KV GSS Sudda

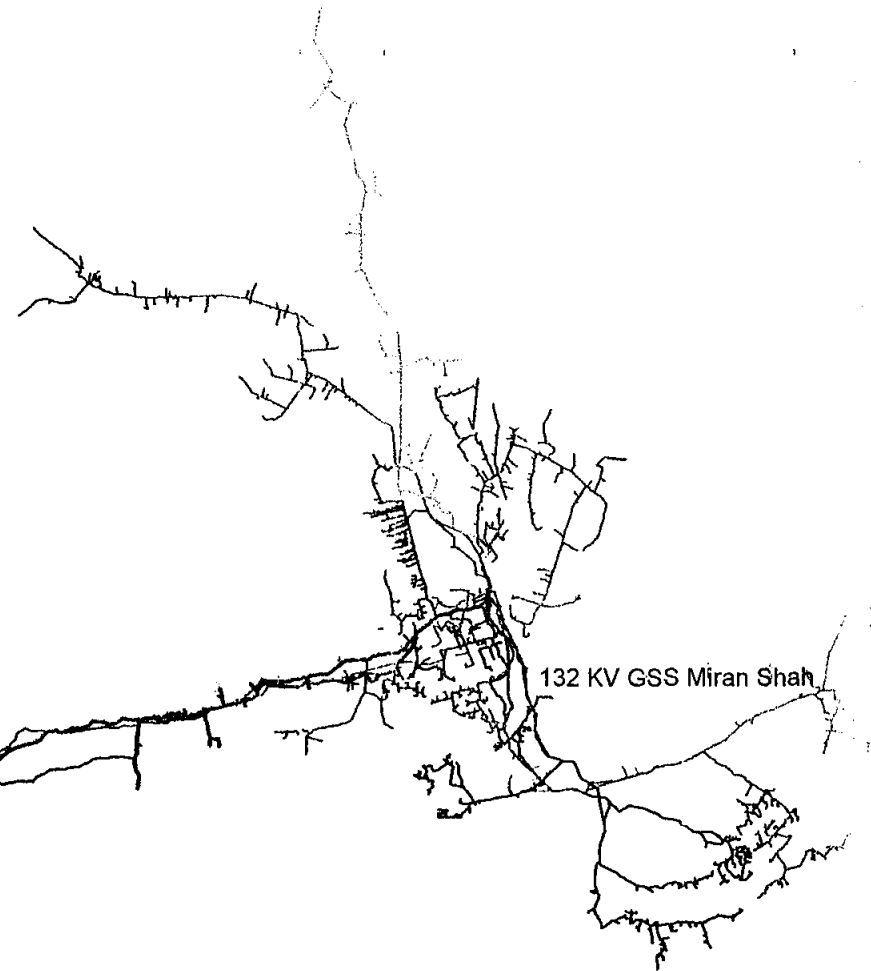
132KV GSS Sudda

—— 11 KV Sameer-2 Feeder

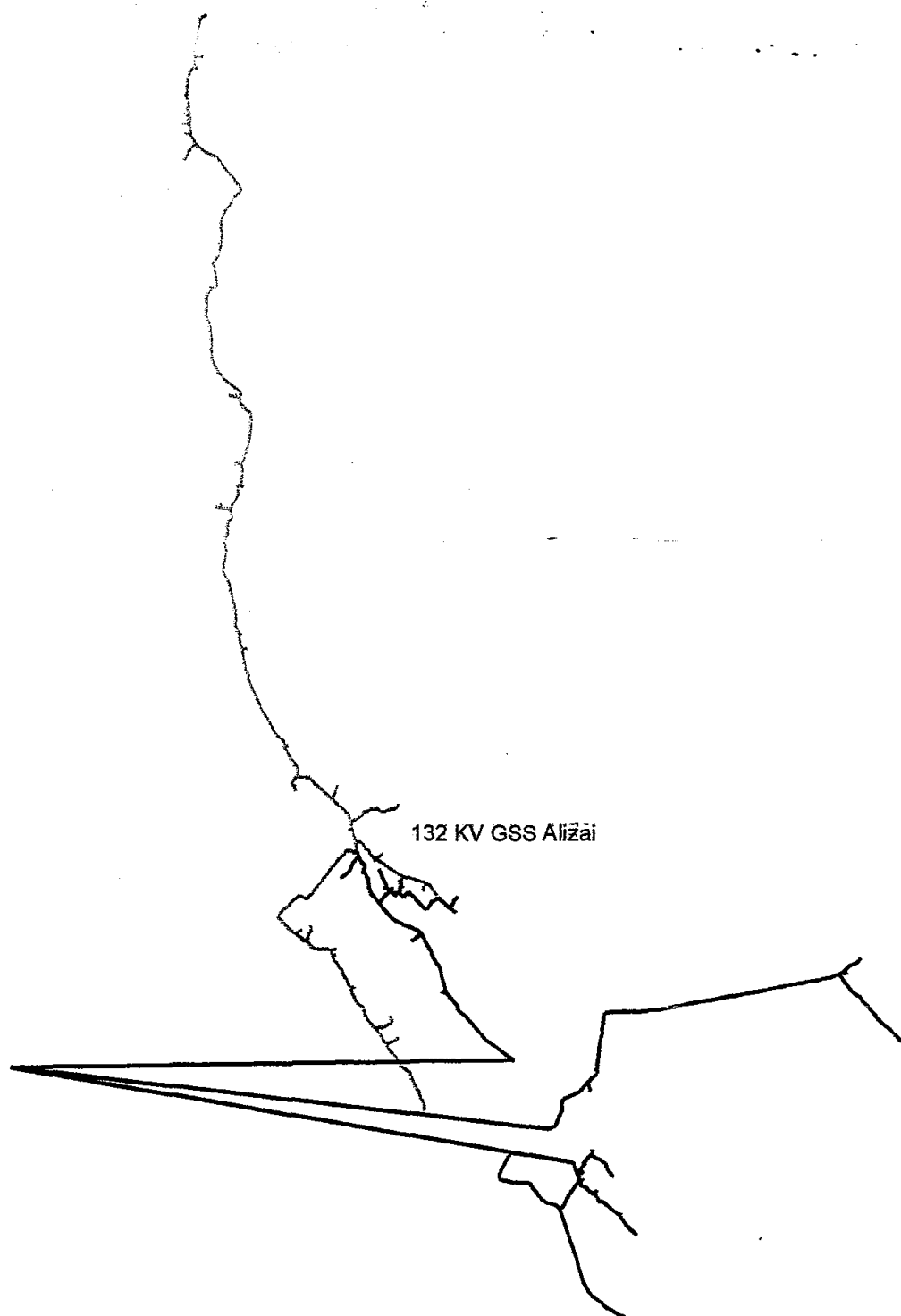
—— 11 KV Dogar-1 Feeder

132KV GSS Miran Shah

- 11 KV City-2
- 11 KV Tappi-2
- 11 KV Spulga
- 11 KV Sherikai Degan
- 11 KV Darpakhel-2
- 11 KV City-II
- 11 KV Ghulam Khan-3
- 11 KV Ghulam Khan-1
- 11 KV M/shah Express
- 11 KV Dattakhel-1
- 11 KV Darpakhel-1
- 11 KV Commercial Market
- 11 KV Anghara Banda
- 11 KV 7 Division Army camp
- 11 KV Dattakhel-4
- 11 KV Tappi-3
- 11 KV City-3
- 11 KV Ghulam Khan-2
- 11 KV Dattakhel-2
- 11 KV Tappi-1



132 KV GSS Miran Shah



132 KV GSS Alizai

132KV GSS ALizai

—— 11 KV Alizai

—— 11 KV Baghzai-1

Tariff categories of
consumer classes to be
served

Tariff Category
Residential -- A1(a)
Residential -- A1(b)
Commercial -- A2(a)
Commercial -- A2(b)
Commercial -- A2(c)
Industrial -- B1(a)
Industrial -- B2(a)
Industrial -- B1(b)
Industrial -- B2(b)
Industrial -- B3
Industrial -- B4
Single Point Supply -- C1(a)
Single Point Supply -- C1(b)
Single Point Supply -- C2(a)
Single Point Supply -- C3(a)
Single Point Supply -- C1(c)
Single Point Supply -- C2(b)
Single Point Supply -- C3(b)
Agricultural -- D1(a)
Agricultural -- D2(a)
Agricultural -- D2(b)
Agricultural -- D1(b)
Temporary Supply -- E1(i)
Temporary Supply -- E1(ii)

Temporary Supply -- E2
Public Lighting -- G
Residential Colonies -- H
Azad Jammu Kashmir - K1a
Azad Jammu Kashmir - K1b

Temporary Supply -- E2
Public Lighting -- G
Residential Colonies -- H
Azad Jammu Kashmir - K1a
Azad Jammu Kashmir - K1b

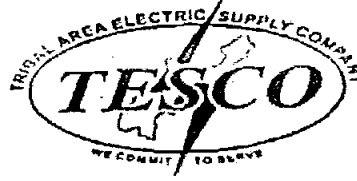
Procurement Plan for
meeting expected loads
(including own
generation and/or long-
term and short-term
PPAs, as the case may
be).

TRIBAL ELECTRIC SUPPLY COMPANY

Tele: 091- 9222809

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No. 2112-14 /TESCO/



Office of CEO
TESCO WAPDA House
Peshawar


Dated: 06/04/2023

Registrar NEPRA,
Islamabad.

Subject: POWER ACQUISITION PROGRAMME (PAP) 2022-23 OF TESCO

Power Acquisition Programme (PAP) 2022-23 of TESCO has been formulated based on section 32(4) of the NEPRA Act. DISCOs, currently carrying out electric power supply business as "deemed licensee" in terms of the amended Act, Clause 12 of the Licensing Regulations.

As per requirement, electric power supplier has to submit its PAP to the Authority on annual basis. Therefore. PAP of TESCO for the base year 2022-23 is submitted for your kind persual please.


Chief Executive Officer
TESCO

Copy to:

- 1) CEO CPPA-G, Islamabad.
- 2) DG MIRAD TESCO Peshawar.

2023

COMBINED POWER ACQUISITION PROGRAMME Of XW-DISCOs (Suppliers of Last Resort)

2022-23 to 2026-27



Islamabad Electric Supply Company (IESCO)



Peshawar Electric Supply Company (PESCO)



Faisalabad Electric Supply Company (FESCO)



Lahore Electric Supply Company (LESCO)



Gujranwala Electric Power Company (GEPCO)



Multan Electric Power Company (MEPCO)



Hyderabad Electric Supply Company (HESCO)



Quetta Electric Supply Company (QESCO)



Tribal Areas Electric Supply Company (TESCO)



Sukkur Electric Power Company (SEPCO)

Pursuant to the Proviso to Regulations 7(3), 6(1), 5(2) including proviso thereof of NEPRA (Electric Power Procurement) Regulations, 2022 read with Regulation 12(1) and 12(3) of NEPRA Licensing (Electric Power Supplier) Regulations, 2022 and Section 32 of Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997.

EXECUTIVE SUMMARY

As per Section-32 of Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (the Act), as amended through Generation, Transmission and Distribution of Electric Power (Amendment) Act, 2018, the Authority was required to specify procedures and standards for the Authority's prior approval of the transmission companies' and distribution companies' investment and power acquisition programmes within eighteen (18) months of the commencement of the Act. The required regulations were promulgated by the Authority as NEPRA (Electric Power Procurement) Regulations, 2022 (Procurement Regulations) notified vide SRO No. 2136(I)/2022 dated December 06, 2022. In line with the amended Act, NEPRA Licensing (Electric Power Supplier) Regulations, 2022 (Licensing Regulations) were also issued by the Authority vide SRO No. 446(I)/2022 dated March 28, 2022.

While the XW-DISCOs, currently carrying out electric power supply business as "deemed licensee" in terms of the amended Act, Regulation 12 of the Licensing Regulations an electric power supplier is required to submit its power acquisition programme (PAP) to the Authority on annual basis. While the competitive supplier does not require approval of the Authority to the submitted PAP, the PAP submitted by the suppliers of the last resort (SOLRs), i.e., the XW-DISCOs, is subjected to the approval of the Authority.

The regulations 6 and 7 of the Procurement Regulations, including the provisos to sub-regulations 6(2) and 7(3), provide high level guidance towards development, submission of and timelines for the "combined power acquisition programme" of all SOLRs. In the absence of clarity on responsibility for combining / compiling and submission of said combined power acquisition programme and the existence of a Independent Auction Administrator for consultation required as per mentioned proviso to sub-regulation 6(2) of the Procurement Regulations; this combined power acquisition programme of the XW-DISCOs, i.e. SOLRs except KE, is developed through a joint collaborative effort of MIRADs of the XW-DISCOs (the SOLRs). The clarifications and disclaimers provided at Section 1.3 of the document form integral part of the combined power acquisition programme.

Besides requirements of the Act, the Licensing Regulations, and the Procurement Regulations, this document is based on Medium Term Load Forecasts (MTLFs) of each SOLR as already submitted with the Authority, the IGCEP-2022 as approved by the Authority and the Report on Compliance with Capacity Obligations 2022-23 ("Capacity Obligation Report 2022-23") prepared by the CPPA-G (as designate Market Operator) under the provisions of the approved Market Commercial Code (MCC).

The above-mentioned Capacity Obligation Report 2022-23 provides systematic calculation of Capacity Obligation of each SOLR determined in accordance with the Market Commercial Code and valuation of existing and future contracted firm capacities of supply for assessment of compliance with the said Capacity Obligation. The document also provides details of contracted capacities and allocation thereof to each SOLR.

The assessment of security of supply reveals that, without prejudice to the individual SOLR level (minor / serious) reported intermittent non-compliances, the SOLRs collectively have adequately sufficient supply for current as well next 4 years. It may be noted that the reported SOLR-wise compliance status for the Year-3 (FY 2025-26) and Year-4 (FY 2026-27) is based on 80% and 60% required compliance, respectively. The results of Capacity Obligation Report 2022-23, prepared by the Market Operator, in terms of the year-wise / SOLR-wise Capacity Obligation (MW), Credited Firm Capacity (MW), %age compliance to the Capacity Obligation and level of compliance, are summarized as below:

Capacity Obligation (MW):

DISCO	Previous Year 2021-22	Current Year 2022-23	Year-1 2023-24	Year-2 2024-25	Year-3 2025-26	Year-4 2026-27
IESCO	2,256	2,834	2,956	3,124	2,628	2,082
PESCO	2,736	2,854	3,019	3,163	2,647	2,050
FESCO	2,969	3,968	4,249	4,456	3,729	2,943
LESCO	5,210	6,302	6,603	6,855	5,720	4,467
GEPCO	2,198	3,106	3,235	3,393	2,840	2,230
MEPCO	3,510	5,432	5,773	6,112	5,160	4,094
HESCO	848	1,333	1,382	1,431	1,186	921
QESCO	835	1,276	1,317	1,363	1,127	881
TESCO	0	590	615	643	539	424
SEPCO	690	1,133	1,150	1,167	947	721
TOTAL	21,252	28,827	30,298	31,707	26,524	20,811

Note: Capacity Obligation(s) for Year-3 and Year-4 are based 80% and 60%, respectively.

Credited Firm Capacity (MW):

DISCO	Previous Year 2021-22	Current Year 2022-23	Year-1 2023-24	Year-2 2024-25	Year-3 2025-26	Year-4 2026-27
IESCO	2,579	3,261	3,092	3,390	3,471	3,690
PESCO	3,718	4,141	3,927	4,305	4,408	4,686
FESCO	3,326	4,205	3,988	4,372	4,477	4,759
LESCO	5,362	6,778	6,428	7,048	7,216	7,671
GEPCO	2,496	3,155	2,992	3,280	3,358	3,570
MEPCO	4,335	5,480	5,198	5,698	5,835	6,202
HESCO	1,217	1,539	1,459	1,600	1,638	1,741
QESCO	1,428	1,805	1,712	1,877	1,922	2,043
TESCO	0	559	530	581	595	633
SEPCO	948	1,198	1,136	1,246	1,276	1,356
TOTAL	25,409	32,121	30,463	33,398	34,197	36,352

As clarified in the Capacity Obligation Report 2022-23, as prepared by the Market Operator, the projects planned to be procured in the future by the EX-WAPDA DISCOs have been considered as those committed projects in the approved IGCEP 2022 for

which procurement process have been initiated at CPPA-G. Those committed projects for which procurement process has not been initiated at CPPA-G and DISCOs have also not provided any information on their procurement on bilateral basis have been excluded from the planned projects.

Compliance Percentage:

DISCO	Previous Year 2021-22	Current Year 2022-23	Year-1 2023-24	Year-2 2024-25	Year-3 2025-26	Year-4 2026-27
IESCO	14%	15%	5%	9%	32%	77%
PESCO	36%	45%	30%	36%	67%	129%
FESCO	12%	6%	-6%	-2%	20%	62%
LESCO	3%	8%	-3%	3%	26%	72%
GEPCO	14%	2%	-8%	-3%	18%	60%
MEPCO	24%	1%	-10%	-7%	13%	52%
HESCO	44%	15%	6%	12%	38%	89%
QESCO	71%	42%	30%	38%	71%	132%
TESCO	0%	-5%	-14%	-10%	10%	49%
SEPCO	37%	6%	-1%	7%	35%	88%
TOTAL	20%	11%	1%	5%	29%	75%

Compliance Status:

DISCO	Previous Year 2021-22	Current Year 2022-23	Year-1 2023-24	Year-2 2024-25	Year-3 2025-26	Year-4 2026-27
IESCO	Compliance	Compliance	Compliance	Compliance	Compliance	Compliance
PESCO	Compliance	Compliance	Compliance	Compliance	Compliance	Compliance
FESCO	Compliance	Compliance	Serious Non-Compliance	Compliance	Compliance	Compliance
LESCO	Compliance	Compliance	Minor Non-Compliance	Compliance	Compliance	Compliance
GEPCO	Compliance	Compliance	Serious Non-Compliance	Minor Non-Compliance	Compliance	Compliance
MEPCO	Compliance	Compliance	Serious Non-Compliance	Serious Non-Compliance	Compliance	Compliance
HESCO	Compliance	Compliance	Compliance	Compliance	Compliance	Compliance
QESCO	Compliance	Compliance	Compliance	Compliance	Compliance	Compliance
TESCO	Compliance	Serious Non-Compliance	Serious Non-Compliance	Serious Non-Compliance	Compliance	Compliance
SEPCO	Compliance	Compliance	Compliance	Compliance	Compliance	Compliance
Total	Compliance	Compliance	Compliance	Compliance	Compliance	Compliance

In view of the fundamental responsibility for ensuring adequate supply for their regulated customers the XW-DISCOs intend to tap in to the committed, not yet contracted, capacities indicated in the approved IGCEP 2022. Recently, after approval of Authority on RFP and benchmark tariff, a 600 MW utility level solar power plant is

also in the process of being offered for competitive bidding, which has been considered for procurement to meet with individual capacity deficiencies in relevant XW-DISCOs. Further as per directions of the Government of Pakistan, the SOLRs have already embarked upon projects for solarization of 11 kV feeder through distribution generation solar parks. Additionally, the KAPCO considered as retired in the Capacity Obligation Report 2022-23, has been retained at 500 MW firm capacity (as per approved IGCEP 2022) in the procurement to meet with transmission constraints. Adjusting for the above additional capacities, the position on compliance with the Capacity Obligation is expected to further improve during the time horizon of this Power Acquisition Programme. The year-wise / SOLR-wise Expected Credited Firm Capacity (MW), %age compliance to the Capacity Obligation and level of compliance, based on the said additional capacities of power generation, are summarized as below:

Expected Credited Firm Capacity (MW):

DISCO	Previous Year 2021-22	Current Year 2022-23	Year-1 2023-24	Year-2 2024-25	Year-3 2025-26	Year-4 2026-27
IESCO	2,579	3,261	3,096	3,394	3,475	3,693
PESCO	3,718	4,141	3,948	4,326	4,429	4,707
FESCO	3,326	4,335	4,206	4,648	4,772	4,956
LESCO	5,362	6,865	6,604	7,261	7,443	7,833
GEPCO	2,496	3,276	3,194	3,535	3,631	3,752
MEPCO	4,335	5,767	5,609	6,235	6,416	6,568
HESCO	1,217	1,539	1,479	1,619	1,658	1,761
QESCO	1,428	1,805	1,713	1,878	1,923	2,044
TESCO	0	601	584	654	674	679
SEPCO	948	1,198	1,148	1,258	1,288	1,368
TOTAL	25,409	32,788	31,580	34,808	35,708	37,362

Compliance Percentage:

DISCO	Previous Year 2021-22	Current Year 2022-23	Year-1 2023-24	Year-2 2024-25	Year-3 2025-26	Year-4 2026-27
IESCO	14%	15%	5%	9%	32%	77%
PESCO	36%	45%	31%	37%	67%	130%
FESCO	12%	9%	-1%	4%	28%	68%
LESCO	3%	9%	0%	6%	30%	75%
GEPCO	14%	5%	-1%	4%	28%	68%
MEPCO	24%	6%	-3%	2%	24%	60%
HESCO	44%	15%	7%	13%	40%	91%
QESCO	71%	42%	30%	38%	71%	132%
TESCO	0%	2%	-5%	2%	25%	60%
SEPCO	0%	6%	0%	8%	36%	90%
TOTAL	0%	14%	4%	10%	35%	80%

DISCO	Previous Year 2021-22	Current Year 2022-23	Year-1 2023-24	Year-2 2024-25	Year-3 2025-26	Year-4 2026-27
IESCO	Compliance	Compliance	Compliance	Compliance	Compliance	Compliance
PESCO	Compliance	Compliance	Compliance	Compliance	Compliance	Compliance
FESCO	Compliance	Compliance	Compliance	Compliance	Compliance	Compliance
LESCO	Compliance	Compliance	Compliance	Compliance	Compliance	Compliance
GEPCO	Compliance	Compliance	Compliance	Compliance	Compliance	Compliance
MEPCO	Compliance	Compliance	Minor Non-Compliance	Compliance	Compliance	Compliance
HESCO	Compliance	Compliance	Compliance	Compliance	Compliance	Compliance
QESCO	Compliance	Compliance	Compliance	Compliance	Compliance	Compliance
TESCO	Compliance	Compliance	Serious Non-Compliance	Compliance	Compliance	Compliance
SEPCO	Compliance	Compliance	Compliance	Compliance	Compliance	Compliance
Total	Compliance	Compliance	Compliance	Compliance	Compliance	Compliance

As a result of proposed procurements, as detailed in Section 5 of this document, and without prejudice to the intermittent individual deficiencies at some DISCOs, the combined position of all DISCOs, considering system as a whole, stands compliant to the capacity obligation determined under the provisions of Market Commercial Code. With suitable adjustments in inter DISCO allocation factors, the said intermittent individual deficiencies at some DISCOs can pragmatically be mitigated with least cost to the system.

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1. INTRODUCTION

This Combined Power Acquisition Programme (PAP) of all XW-DISCOs is prepared pursuant to the requirements of Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (the Act), NEPRA Licensing (Electric Power Supplier) Regulations, 2022 (the Licensing Regulations) and NEPRA (Electric Power Procurement) Regulations, 2022 (the Procurement Regulations) covering the next 5-year time span from 2022-23 as current year and 2023-24 to 2026-27 as plan years. This PAP takes primary inputs from the Capacity Obligation Report 2022-23 prepared by the Market Operator and aims, at all times, demonstrating compliance with the capacity obligations determined in accordance with the Market Commercial Code. While the Capacity Obligation Report 2022-23 prepared by the Market Operator is annexed separately. For the purpose of continuity of these documents and compliance to the requirements of relevant regulations this document includes detailed workings with regard to the Capacity Obligation, Credited Firm Capacity and status of compliance to the said Capacity Obligation. In line with the regulations and said Capacity Obligation Report 2022-23, this document is based on Medium-Term Load Forecasts (MTLF) based upon Power Market Survey (PMS) Model, recently prepared and submitted by all XW-DISCOs, with 2021-22 as base year and forecast horizon covering 10 plan years from 2022-23 to 2031-32. First 5 years of the said latest MTLF of XW-DISCOs have been adopted for assessment of security of supply to their regulated customers over the said time horizon. As per guidance provided in regulation 6 of the Procurement Regulations, besides energy and peak demand requirements over the plan years, this document is aligned with the stipulations of approved Market Commercial Code and the IGCEP 2022 recently approved by NEPRA. In line with the said Capacity Obligation Report 2022-23, in addition to the existing contracted capacities, the projects planned to be procured in the future by the EX-WAPDA DISCOs have been considered as those committed projects in the approved IGCEP 2022 for which procurement process have been initiated at CPPA-G. Those committed projects for which procurement process has not been initiated at CPPA-G and DISCOs have also not provided any information on their procurement on bilateral basis have been excluded from the planned projects. For calculation of DISCOs' shares in total generation capacity, Commercial Allocation Factors as defined in Market Commercial Code (MCC) are used.

The Capacity Obligation calculated based on forecast peak demands of DISCOs are compared with contracted generation firm capacity for the next 5 years to assess the security of supply for their regulated consumers. Any shortfall in contracted capacity, is to be procured in the light of the said Procurement Regulations, 2022.

1.1. Regulatory Compliance:

Relevant provisions of the Act, the Licensing Regulations and the Procurement Regulations are provided below as a matter of record, source of guidance and touchstone to the compliance thereof.

1.1.1. NEPRA Act:

Section 1(3) of The Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (Amended) is reproduced below;

6[1(3) It shall come into force at once, except sections 23A, 23B, 23G and 23H which shall come into force within a period of five years of coming into force of the Regulation of Generation, Transmission and Distribution of Electric Power (Amendment) Act, 2018 or on such earlier date as the Federal Government may, by notification in the official Gazette, appoint.]6

Section 32 of The Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (Amended) is reproduced below;

32. Investment and power acquisition programmes. — (1) The Authority shall, within eighteen months from the commencement of this Act, [specify] procedures and standards for the Authority's prior approval of the transmission companies' and distribution companies' investment and power acquisition programmes.

(2) Any procedures [specified] by the Authority under this section shall advance the goal of minimizing regulatory oversight of contracts entered into by the national grid company [, the provincial grid companies] and distribution companies.

(3) Any investment programme or power acquisition programme, approved by the Authority under this section shall take into account the national energy plans issued by the Federal Government.

(4) Upon the Authority's approval of an investment programmes or a power acquisition programme, the Authority shall, subject to such terms and conditions, including rates and charges of electric power, permit the distribution company to enter into long term contracts for power purchases.6

1.1.2. NEPRA Licensing (Electric Power Supplier) Regulations, 2022:

Section 12 of NEPRA Licensing (Electric Power Supplier) Regulations, 2022 is reproduced as below;

12. Power acquisition programme. - (1) An electric power supplier shall submit to the Authority its power acquisition programme on annual basis in accordance with the Act, power procurement regulations and other applicable documents.

(2) The competitive supplier's power acquisition programme shall be submitted for information of the Authority and other licensees for relevant power systems planning and may not require approval of the Authority.

(3) The supplier of last resort's power acquisition programme shall require approval of the Authority.

(4) The supplier of last resort shall establish adequate communication and information sharing mechanism with the concerned distribution licensee to periodically obtain information about the prospective consumers who have submitted an application for installation of an electricity connection to develop its power acquisition programmes.6

1.1.3. NEPRA Performance Standards (Electric Power Suppliers) Regulations, 2022:

Regulation 3(a) of NEPRA Performance Standards (Electric Power Suppliers) Regulations, 2022 defines **PS 1** reproduced below;

5 * c + " R g t h q t o 6 pCapacityObligations (PS1)' K "

- (i) An electric power supplier shall ensure that it has adequate arrangements either from its own generation or through contracts with electric power traders or generation licensees or generation companies, as the case may be, to fully meet its capacity obligations associated with supply of electric power to its consumers, in accordance with the applicable documents:

Provided that capacity obligations of an electric power supplier supplying to consumers connected, directly or indirectly, with the National Grid shall be determined in accordance with the Market Commercial Code;

- (ii) An electric power supplier shall be considered in compliance with PS 1, if it successfully met its 95% or above capacity obligations in the respective year;ö

1.1.4. NEPRA (Electric Power Procurement) Regulations, 2022:

NEPRA (Electric Power Procurement) Regulations, 2022 obligates an electric power supplier to plan in advance and ensure security of supply for its consumers by planning power procurement in adequate quantity.

Regulation 2(1) of these Regulations defines following terms as;

ö(h) "bidding documents" means the documents including templates of agreement(s), RFP(s), and any other supporting document prepared and submitted by the Independent Auction Administrator or the supplier of last resort conducting the competitive auction, as the case may be, and approved by the Authority;ö

ö(i) "Commercial Code" or "Market Commercial Code" means the commercial code prepared and maintained by the market operator pursuant to sections 23A and 23B of the Act and approved by the Authority; ö

ö(j) "competitive auction" means a competitive process of prequalification, obtaining bids and auction award, organized and carried out by the Independent Auction Administrator or a supplier of last resort, as the case may be, in accordance with these regulations;ö

ö(s) "Independent Auction Administrator" or "IAA" means any entity registered with the Authority to provide the services of organization and administration of competitive auctions for electric power procurement by electric power suppliers;ö

ö(u) "market operator" means a person licensed under section 23A of the Act to perform the functions of the market operator;ö

õ(y) "power acquisition programme" means the electric power procurement needs and plan of an electric power supplier as specified in these regulations;õ

Section 4(2) of the Procurement Regulations is reproduced below;

õ4(2) An electric power supplier shall ensure that it:

(a) procures adequate electric power to meet its capacity obligations with prudent spatial load forecasts while using the best available information, to avoid under or over contracting;

Provided that the capacity obligations of an electric power supplier engaged in supply of electric power through the national grid shall be calculated in accordance with the Market Commercial Code;

(b) adopts efficient and effective power procurement strategy and risk mitigation mechanisms keeping in view the approved IGCEP, TSEP, network expansion plan(s) and power acquisition programme;õ

Regulation 6 of these Regulations states;

õ(6) Power acquisition programme for new electric power procurement. —

(1) A supplier of last resort shall prepare a rolling five-year power acquisition programme on an annual basis which shall include:

(a) its requirements in terms of energy and peak demands, in accordance with the Distribution Code and other applicable documents, during the preceding twelve months on actual basis and projections for the subsequent five years;

(b) existing contracted energy and capacity;

(c) its capacity obligations as determined by the market operator in accordance with the Market Commercial Code;

(d) proposed new and firm power procurement during the next three years and indicative procurement for the subsequent two years in accordance with these regulations;

(2) The power acquisition programme shall be prepared by the supplier of last resort in line with the IGCEP, TSEP, network expansion plan(s) and approved investment programme of the concerned distribution licensee, demonstrating compliance with its capacity obligations determined in accordance with the Market Commercial Code:

Provided that for a period of five years from the date of notification of these regulations or such earlier period as may be directed by the Authority, a combined power acquisition programme shall be developed and submitted by the suppliers of last resort, except KE, in consultation with the Independent Auction Administrator.

(4) The share of respective suppliers of last resort in a project selected to meet their combined capacity obligations shall be allocated on pro rata basis keeping in view their respective capacity obligations.õ

Regulation 7 of these Regulations stipulates:

6(7) (3) The power acquisition programme shall be submitted by 30th September of every year and approved by the Authority within ninety days from its submission in accordance with these regulations and other applicable documents:

Provided that a supplier of last resort shall submit its power acquisition programme to the Authority within three months from the notification of these regulations and thereafter the power acquisition programme shall be submitted to the Authority along with any proposed changes, on an annual basis i.e., 30th September of every year.

(4) The approved power acquisition programme shall be definitive for the initial three years and indicative for the subsequent two years for new electric power procurement.

(5) A supplier of last resort shall ensure that its tariff petition is prepared and submitted in accordance with the power acquisition programme approved by the Authority under these regulations.6

1.2. Input Factors:

1.2.1. Commercial Allocation Factors:

The share of DISCOs in Legacy Generation is calculated based upon commercial allocation factors defined in **Market Commercial Code (MCC)** section 18.2.5.2. Table 8 of this section is reproduced below;

*Table 1-1 Supplier of Last Resort Allocation Factors**

Supplier	Allocation Factor
LESCO	21.10%
GEPCO	9.82%
FESCO	13.09%
IESCO	10.15%
MEPCO	17.06%
PESCO	12.89%
HESCO	4.79%
QESCO	5.62%
TESCO	1.74%
SEPCO	3.73%
KE	As per Bilateral Contract

* These factors may change in future due to surplus supply in national system and basis of these factors may also change to align with co-incidental demand of XW-DISCOs.

1.2.2. Capacity Obligation Percentage:

In line with Capacity Obligation Report 2022-23 prepared by Market Operator the Capacity Obligation Percentage used for preparation of this PAP is **100%** for Current Year, Year-1 and Year-2, whereas the same for Year-3 and Year-4 is taken at **80%** and

60%, respectively, to assess and ensure security of supply for next 5 years and comply with Authority directions to plan in advance the procurement of adequate quantity of electric supply for regulated consumers within the respective Service Territories. However, Procurement Programme for first three years is deterministic while indicative for subsequent two years.

1.2.3. Transmission Losses:

To calculate demand uplifted up to Generation Level, Transmission Losses of **2.639%** are used for next 5 years as per NEPRA's latest determination No. NEPRAIRJADG(TRF)/TRF-533/NTDC-2020/17537-17539 dated September 16, 2022 of NTDCCL tariff for the years 2019-20, 2020-21 and 2021-22.

1.2.4. Firm Capacity Calculation:

For calculation of initial firm capacity of upcoming generation projects, equivalent availability factors listed in Market Commercial Code (MCC) section 8.4.2.1 are used. Table 1 of the said section is reproduced below;

Table 1-2 Equivalent Availability Factors

Sr. No.	Generation Technology	Equivalent Availability Factor
1	Dispatchable Technologies	
1.1	Hydro with reservoir	0.92
1.2	Thermal (either liquid fuels, gas or coal fired)	0.92
1.3	Bagasse	0.92
1.4	Thermal Solar	0.87
1.5	Nuclear	0.87
2	Non-Dispatchable Technologies	
2.1	Hydro run of river	Based on the feasibility study
2.2	Wind	0.30
2.3	Solar PV	0.22

1.2.5. Reserve Margin:

A reserve margin of 10% is used as provided in Market Commercial Code (MCC) section 9.2.4.3.

1.3. CLARIFICATIONS/ DISCLAIMER:

1. This combined Power Acquisition Programme (PAP) has been prepared in compliance of the Regulations without prejudice to the legal status of various essential enablers, e.g., Market Operator, System Operator, Independent Auction Administrator, and final Market Commercial Code.

2. In the absence of any one designate entity responsible for combining of PAP of DISCOs, the combined PAP in hand has been prepared and finalized through coordinated efforts amongst DISCOs.
3. Although this document is prepared with collective efforts of all DISCOs, decision to approach the Authority in this matter is to be made by each DISCO individually, without changing fundamentals hereof. Accordingly, each DISCO may have its own recommendations/ conclusions while submitting the document to the Authority, individually.
4. In the absence of any registered Independent Auction Administrator, the consultation indicated in the proviso to regulation 6(2) of the NEPRA (Electric Power Procurement) Regulations, 2022 was dispensed with.
5. Firm Capacities of Existing and Planned projects have been considered as per Capacity Obligation Report 2022-23 issued by CPPA-G in their role as designate Market Operation (MO).
6. Retirement of Generation Projects has been considered as per IGCEP-2022.
7. Timelines of Planned generation projects, for this PAP, are adopted as per IGCEP-2022, availability thereof, for the purpose of firm capacity, is considered in the year of commissioning.
8. Accuracy of Demand Forecast and, therefore, the Capacity Obligation is dependent upon economic stability of the country. Due to current economic situation in the country, the future demand may vary from demand forecast, with corresponding effect on the Capacity Obligation determined as per MCC.
9. In line with the Capacity Obligation Report 2022-23, the Commercial Allocation Factors of Legacy Generation are considered as per Market Commercial Code (MCC).
10. Reserve Margin is considered as per MCC.
11. In compliance of Ministry of Energy (Power Division)'s directions to undertake solarization of 11 KV feeders, DISCOs have identified a number of 11 KV feeders for solarization through 3rd party Solar Parks ranging from 1 to 4 MW each with an overall aggregate estimated capacity of 1224 MW. Based on the methodology for calculation of initial firm capacity as per Market Commercial Code clause 8.4.2.1, the initial firm capacity is assessed at 269 MW. Subject to realization of the timelines of the project, the said additional Solar PV Distributed Generation capacity will be available by end of September, 2023. Accordingly, the minor non-compliances are expected to be mitigated.
12. As a result of dry-run implementation of approved Market Commercial Code, a number of changes may be required in the said MCC. Major changes are suggested as below:
 - a. The capacity allocation factors may be updated in accordance with co-incident demand of XW-DISCOs.

- b. The capacity obligation in this PAP is as per current methodology provided in the MCC; which adds Reserve Margin to arrive at capacity obligation of each XW-DISCO. Noting that demand forecast of each DISCO provides non-coincident peak load requirements thereof. Accordingly, the Reserve Margin may have to be dispensed with for the time beings.
13. The available capacity for future solar power generation projects is taken with factors of 0.22. Considering that the peak solar generation coincides with identified critical hours, the factor may have to be adjusted suitably.
14. Due to this activity being exercised by DISCOs for the first time, errors and omissions are expected.

2. DEMAND FORECAST RESULTS

As already mentioned, that this PAP is based on Medium Term Load Forecasts (MTLFs) for the period 2022-23 to 2031-32 recently prepared and submitted by DISCOs to the NEPRA. These forecasts are based upon Power Market Survey (PMS) model which utilized historical database of sale and demand for each grid station of a DISCO, input factors such as load factors, coincidence factors and loss reduction plan to calculate expected sale and demand for next ten (10) years. This forecast is performed for each grid station level as well as DISCO level. The demand forecasts (energy and capacity) for each XW-DISCO are provided in below:

2.1. Historical Demand and Future Forecasts:

2.1.1. IESCO:

Table 2-1 IESCO's Historical Demand and Forecast

IESCO					
Year		Energy (GWh)		Peak Demand (MW)	
2021-22	Months	Actual	Projected	Actual	Projected
	July	1,493	-	2,369	-
	Aug	1,499	-	2,481	-
	Sep	1,344	-	2,165	-
	Oct	970	-	1,781	-
	Nov	738	-	1,333	-
	Dec	827	-	1,435	-
	Jan	857	-	1,468	-
	Feb	721	-	1,404	-
	Mar	841	-	1,410	-
	Apr	1,110	-	1,671	-
	May	1,309	-	2,124	-
	Jun	1,318	-	2,404	-
	Total	13,027	-	2,481	-
2022-23	-	-	13,027	-	2,508
2023-24	-	-	13,749	-	2,616
2024-25	-	-	14,556	-	2,765
2025-26	-	-	15,327	-	2,908
2026-27	-	-	16,199	-	3,071
Total			72,858		

2.1.2. PESCO:

Table 2-2 PESCO's Historical Demand and Forecast

PESCO					
Year		Energy (GWh)		Peak Demand (MW)	
2022	Months	Actual	Projected	Actual	Projected
	July	1,831	-	2,274	-
	Aug	1,766	-	2,211	-
	Sep	1,643	-	2,117	-
	Oct	1,217	-	1,918	-
	Nov	1,056	-	1,529	-
	Dec	1,236	-	1,936	-
	Jan	1,243	-	1,686	-
	Feb	1,080	-	1,707	-
	Mar	1,110	-	1,555	-
	Apr	1,357	-	2,002	-
	May	1,518	-	2,180	-
	Jun	1,505	-	2,369	-
	Total	16,560	-	2,369	-
2023			17,676		2,526
2024			18,808		2,672
2025			19,735		2,800
2026			20,645		2,929
2027			21,302		3,024
Total			98,166		

2.1.3. FESCO:

Table 2-3 FESCO's Historical Demand and Forecast

FESCO					
Year		Energy (GWh)		Peak Demand (MW)	
2022	Months	Actual	Projected	Actual	Projected
	July	1,890	-	3,292	-
	Aug	1,995	-	3,234	-
	Sep	1,729	-	3,158	-
	Oct	1,421	-	2,734	-
	Nov	999	-	1,762	-
	Dec	1,009	-	1,794	-
	Jan	978	-	1,674	-
	Feb	934	-	1,881	-
	Mar	1,341	-	2,274	-
	Apr	1,640	-	2,553	-
	May	1,860	-	3,179	-
	Jun	1,716	-	3,136	-
	Total	17,512	-	3,292	-
2023	-	-	18,479	-	3,512
2024	-	-	19,597	-	3,761
2025	-	-	20,448	-	3,944
2026	-	-	21,343	-	4,126
2027	-	-	22,362	-	4,342
Total			102,229		

2.1.4. LESCO:-

Table 2-4 LESCO's Historical Demand and Forecast

LESCO					
Year		Energy (GWh)		Peak Demand (MW)	
2022	Months	Actual	Projected	Actual	Projected
	July	3,012	-	4,499	-
	Aug	3,141	-	4,571	-
	Sep	2,657	-	4,282	-
	Oct	2,238	-	3,758	-
	Nov	1,602	-	2,876	-
	Dec	1,716	-	3,245	-
	Jan	1,819	-	3,110	-
	Feb	1,554	-	2,974	-
	Mar	2,092	-	3,212	-
	Apr	2,618	-	4,497	-
	May	2,949	-	4,435	-
	Jun	2,937	-	5,205	-
	Total	28,334	-	5,205	-
2023			30,268		5,578
2024			31,709		5,844
2025			32,649		6,067
2026			33,994		6,329
2027			35,302		6,589
Total			163,922		

2.1.5. GEPCO:

Table 2-5 GEPCO's Historical Demand and Forecast

GEPCO					
Year		Energy (GWh)		Peak Demand (MW)	
2022	Months	Actual	Projected	Actual	Projected
	July	1,456	-	2,668	-
	Aug	1,602	-	2,695	-
	Sep	1,328	-	2,523	-
	Oct	1,004	-	2,111	-
	Nov	678	-	1,335	-
	Dec	685	-	1,411	-
	Jan	663	-	1,357	-
	Feb	589	-	1,276	-
	Mar	882	-	1,707	-
	Apr	1,148	-	1,979	-
	May	1,332	-	2,117	-
	Jun	1,311	-	2,365	-
	Total	12,678	-	2,695	-
2023			12,951		2,749
2024			13,744		2,863
2025			14,460		3,003
2026			15,172		3,142
2027			15,935		3,290
Total			72,263		

2.1.6. MEPCO:

Table 2-6 MEPCO's Historical Demand and Forecast

MEPCO					
Year		Energy (GWh)		Peak Demand (MW)	
202122	Months	Actual	Projected	Actual	Projected
	July	2,710	-	4,501	-
	Aug	2,802	-	4,427	-
	Sep	2,335	-	4,180	-
	Oct	1,788	-	3,456	-
	Nov	1,157	-	2,102	-
	Dec	1,133	-	2,080	-
	Jan	1,094	-	2,208	-
	Feb	1,113	-	2,323	-
	Mar	1,637	-	2,782	-
	Apr	2,214	-	3,408	-
	May	2,627	-	4,027	-
	Jun	2,123	-	4,313	-
	Total	22,734	-	4,501	-
202223			24,014		4,808
202324			25,436		5,110
202425			26,762		5,410
202526			28,122		5,709
202627			29,533		6,039
Total			133,867		

2.1.7. HESCO:

Table 2-7 HESCO's Historical Demand and Forecast

HESCO					
Year		Energy (GWh)		Peak Demand (MW)	
2022	Months	Actual	Projected	Actual	Projected
	July	621	-	1,034	-
	Aug	590	-	1,065	-
	Sep	572	-	1,084	-
	Oct	492	-	954	-
	Nov	336	-	659	-
	Dec	294	-	458	-
	Jan	295	-	479	-
	Feb	269	-	510	-
	Mar	406	-	772	-
	Apr	551	-	1,134	-
	May	618	-	1,136	-
	Jun	567	-	1,018	-
	Total	5,611	-	1,136	-
2023	-	-	5,828	-	1,180
2024	-	-	6,041	-	1,223
2025	-	-	6,277	-	1,267
2026	-	-	6,520	-	1,312
2027	-	-	6,758	-	1,358
Total			31,424		

2.1.8. - QESCO:

Table 2-8 QESCO's Historical Demand and Forecast

QESCO					
Year		Energy (GWh)		Peak Demand (MW)	
2022	Months	Actual	Projected	Actual	Projected
	July	639	-	1,070	-
	Aug	643	-	1,049	-
	Sep	579	-	1,020	-
	Oct	526	-	921	-
	Nov	513	-	996	-
	Dec	531	-	961	-
	Jan	461	-	940	-
	Feb	472	-	995	-
	Mar	549	-	966	-
	Apr	590	-	979	-
	May	627	-	999	-
	Jun	586	-	967	-
	Total	6,716	-	1,070	-
2023	-	-	6,934	-	1,129
2024	-	-	7,131	-	1,166
2025	-	-	7,327	-	1,206
2026	-	-	7,556	-	1,247
2027	-	-	7,861	-	1,299
Total			36,809		

2.1.9. TESCO:

Table 2-9 TESCO's Historical Demand and Forecast

TESCO					
Year		Energy (GWh)		Peak Demand (MW)	
2021/22	Months	Actual	Projected	Actual	Projected
	July	175	-	383	-
	Aug	187	-	373	-
	Sep	185	-	365	-
	Oct	192	-	403	-
	Nov	207	-	419	-
	Dec	206	-	498	-
	Jan	186	-	417	-
	Feb	195	-	421	-
	Mar	207	-	403	-
	Apr	188	-	470	-
	May	167	-	392	-
	Jun	189	-	430	-
	Total	2,284	-	498	-
2022/23	-	-	2,384	-	522
2023/24	-	-	2,488	-	544
2024/25	-	-	2,595	-	569
2025/26	-	-	2,735	-	596
2026/27	-	-	2,883	-	625
Total			13,085		

2.1.10. SEPCO:

Table 2-10 SEPCO's Historical Demand and Forecast

SEPCO					
Year		Energy (GWh)		Peak Demand (MW)	
2021-22	Months	Actual	Projected	Actual	Projected
	July	561	-	961	-
	Aug	559	-	942	-
	Sep	505	-	778	-
	Oct	361	-	693	-
	Nov	226	-	391	-
	Dec	209	-	330	-
	Jan	195	-	312	-
	Feb	181	-	294	-
	Mar	268	-	390	-
	Apr	415	-	667	-
	May	527	-	811	-
	Jun	483	-	961	-
	Total	4,490	-	961	-
2022-23			5,058		1,003
2023-24			5,117		1,018
2024-25			5,282		1,033
2025-26			5,434		1,048
2026-27			5,708		1,063
Total			26,599		

2.2. Capacity Obligation of DISCOs:

The individual and combined Capacity Obligation (in terms of MW) of XW-DISCOs, in the light of approved MCC, is tabulated below;

Table 2-11 Capacity Obligation of XW-DISCOs

SoLR	Previous Year 2021-22	Current Year 2022-23	Year-1 2023-24	Year-2 2024-25	Year-3 2025-26 (80%)	Year-4 2026-27 (60%)
IESCO	2,256	2,834	2,956	3,124	2,629	2,082
PESCO	2,736	2,854	3,019	3,163	2,647	2,050
FESCO	2,969	3,968	4,249	4,456	3,730	2,944
LESCO	5,210	6,302	6,603	6,855	5,721	4,466
GEPCO	2,198	3,106	3,235	3,393	2,840	2,230
MEPCO	3,510	5,432	5,773	6,112	5,160	4,094
HESCO	848	1,333	1,382	1,431	1,186	920
QESCO	835	1,276	1,317	1,363	1,127	881
TESCO	0	590	615	643	538	424
SEPCO	690	1,133	1,150	1,167	947	721
Total	21,252	28,828	30,299	31,707	26,525	20,812

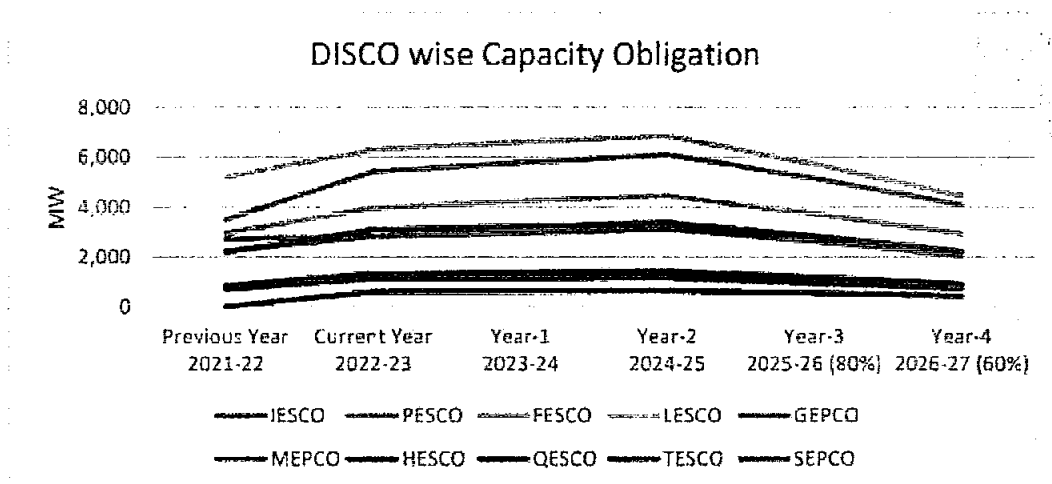


Figure 2-1 Capacity Obligations of XW-DISCOs for next 5 years

Detailed Medium-Term Load Forecast (MTLF) Reports forming basis for this Power Acquisition Programme have already been submitted by DISCOs for consideration of the Authority.

3. CONTRACTED FIRM CAPACITY

DISCOs existing contracts for generation capacity consist entirely of Legacy Generation allocated to DISCOs as per commercial allocation factors already discussed in 1.2.1. Apart from existing installed generation, several generation projects are planned/ committed for future years as provided in IGCEP 2022, approved by the Authority. Similarly, a few generation projects are retiring during next 5 years as provided in IGCEP 2022. Detail of firm capacities of existing/ planned generation has been communicated by CPPA-G (Market Operator) vide CPPA-G/CEO/MOD/2022/1241-50 dated November 29, 2022.

3.1. IGCEP 2022:

The Authority has recently approved IGCEP 2022 which enlists committed / contracted projects as well as candidate projects for next 10 years. The IGCEP forms, besides the mentioned MTLFs, another fundamental source for this Power Acquisition Programme (PAP) as, in line with the regulations, future procurement is to be made as per candidate projects enumerated in the IGCEP. Summary of Generation in next 10 years is tabulated below;

Table 3-1 Summary of Generation as per IGCEP

Fiscal Year	Local Coal	Imported Coal	HPP	Solar	Wind	Bagasse	Cross Border	RLNG	Nuclear	Committed Capacity Addition	Candidate Capacity Addition			Cumulative Capacity Addition
											Solar	Hydro	Wind	
2022-23	1,980	660	237	520	0	0	0	1,263	0	4,660	0	0	0	4,660
2023-24	0	0	342	653	100	0	0	0	0	1,095	500	0	0	1,595
2024-25	0	0	2,365	370	0	32	1,000	0	0	3,767	3,870	10	500	8,147
2025-26	300	0	654	370	0	0	0	0	0	1,324	750	13	500	2,587
2026-27	0	0	2,558	370	0	0	0	0	0	2,928	0	0	0	2,928
2027-28	0	0	545	370	0	0	0	0	0	915	0	0	2,403	3,318
Total	2,280	660	6,701	2,653	100	32	1,000	1,263	0	14,689	5,120	23	3,403	23,235

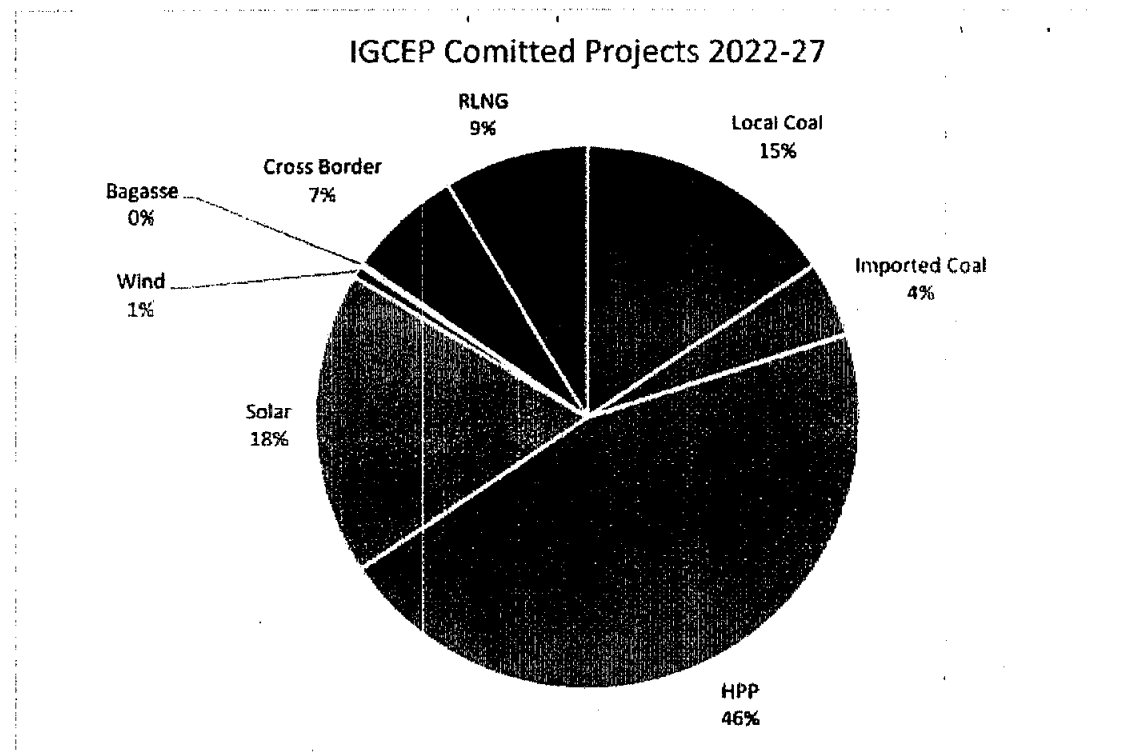


Figure 3-1 Technology Mix of Committed Generation

3.2. Existing Installed/ Commissioned Generation Plants:

Summary of Existing Generation Plants and DISCO-wise allocation thereof is tabulated below;

Table 3-2 Detail of Existing Generation and allocation to XW-DISCOs

Contracted Capacity under Legacy Contracts & Commissioned								
1	2	3	4	5	6	7	8	9
SoLR	No. of Total Legacy Contracts	Total Installed Capacity (MW)	Total Net Dependable Capacity (MW)	Total Firm Capacity (MW)	Firm Capacity (MW) for Capacity Obligation of KE	Firm Capacity (MW) for Capacity Obligation of DISCOs	Allocation Factor	Contracted Firm Capacity (MW) (7*8)
IESCO	151	38,010	22,430	31,040	1,200	29,840	10.15%	3,029
PESCO							12.89%	3,846
FESCO							13.09%	3,906
LESCO							21.10%	6,296
GEPCO							9.82%	2,930
MEPCO							17.06%	5,091
HESCO							4.79%	1,429
QESCO							5.62%	1,677
TESCO							1.74%	519
SEPCO							3.73%	1,113

Complete List of Existing Power Plants is provided at Annex-I.

3.3. Projects to be Retired in Plan Period

Detail of Projects to be retired during plan period (2022-23 to 2026-27) as per IGCEP 2022 is tabulated below;

Table 3-3 Retirement of Projects as per IGCEP

Sr#	Projects	Technology	Installed Capacity (MW)	Initial Firm Capacity (MW)	Retirement
1	KAPCO 3	RLNG	300	273	2022
2	KAPCO 1	RLNG	400	365	2022
3	KAPCO 2	RLNG	900	820	2022
4	Guddu-II U (5-10)	Gas	620	379	2023
5	Jamshoro-I U1	RFO	250	163	2023
6	Jamshoro-II U4	RFO	200	131	2023
7	Muzaffargarh-I U1	RFO	210	94	2023
8	Muzaffargarh-I U2	RFO	210	94	2023
9	Muzaffargarh-I U3	RFO	210	94	2023
10	Muzaffargarh-II U4	RFO	320	143	2023
11	Anoond	SPP	10	10	2024
12	Omni	SPP	13	13	2025
13	Lucky cement	SPP	20	20	2025
14	Thatta Cement	SPP	19	19	2026

* KAPCO 1 &2 are to be retired in 2022-23, however, the relevant PPA is to be extended due to transmission constraints.

3.4. Summary of Committed Generation projects as per IGCEP:

Year wise total Legacy Generation as per IGCEP-2022 and DISCO-wise allocation thereof is tabulated below;

Table 3-4 Committed Generation for 2022-23 and allocation to DISCOs

Existing Contracted Capacity under Legacy Contracts Approved/Committed (Not Commissioned) (FY 2022-23)						
1	2	4	5	6	7	8
SoLR Name	Expected Installed Capacity (MW)	Total Firm Capacity (MW)	Firm Capacity (MW) for Capacity Obligation of KE	Firm Capacity (MW) for Capacity Obligation of DISCOs	Allocation Factor	Contracted Firm Capacity (MW) (6*7)
IESCO	4,203	3,743	0	3,743	10.15%	380
PESCO					12.89%	482
FESCO					13.09%	490
LESCO					21.10%	790
GEPCO					9.82%	368
MEPCO					17.06%	639
HESCO					4.79%	179
QESCO					5.62%	210
TESCO					1.74%	65
SEPCO					3.73%	140

Table 3-5 Committed Generation for 2023-24 and allocation to DISCOs

Existing Contracted Capacity under Legacy Contracts & Approved/Committed (Not Commissioned) (FY 2023-24)						
1	2	4	5	6	7	8
SoLR Name	Expected Installed Capacity (MW)	Total Firm Capacity (MW)	Firm Capacity (MW) for Capacity Obligation of KE	Firm Capacity (MW) for Capacity Obligation of DISCOs	Allocation Factor	Contracted Firm Capacity (MW) (6*7)
IESCO	397	290	850	-560	10.15%	-57
PESCO					12.89%	-72
FESCO					13.09%	-73
LESCO					21.10%	-118
GEPCO					9.82%	-55
MEPCO					17.06%	-96
HESCO					4.79%	-27
QESCO					5.62%	-31
TESCO					1.74%	-10
SEPCO					3.73%	-21

Table 3-6 Committed Generation for 2024-25 and allocation to DISCOs

Existing Contracted Capacity under Legacy Contracts & Approved/Committed (Not Commissioned) (FY 2024-25)						
1	2	4	5	6	7	8
SoLR Name	Expected Installed Capacity (MW)	Total Firm Capacity (MW)	Firm Capacity (MW) for Capacity Obligation of KE	Firm Capacity (MW) for Capacity Obligation of DISCOs	Allocation Factor	Contracted Firm Capacity (MW) (6*7)
IESCO	3,303	2,945	0	2,945	10.15%	299
PESCO					12.89%	380
FESCO					13.09%	386
LESCO					21.10%	621
GEPCO					9.82%	289
MEPCO					17.06%	502
HESCO					4.79%	141
QESCO					5.62%	166
TESCO					1.74%	51
SEPCO					3.73%	110

Table 3-7 Committed Generation for 2025-26 and allocation to DISCOs

Existing Contracted Capacity under Legacy Contracts ó Approved/Committed (Not Commissioned) (FY 2025-26)						
1	2	4	5	6	7	8
SoLR Name	Expected Installed Capacity (MW)	Total Firm Capacity (MW)	Firm Capacity (MW) for Capacity Obligation of KE	Firm Capacity (MW) for Capacity Obligation of DISCOs	Allocation Factor	Contracted Firm Capacity (MW) (6*7)
IESCO	930	812	0	812	10.15%	82
PESCO					12.89%	105
FESCO					13.09%	106
LESCO					21.10%	171
GEPCO					9.82%	80
MEPCO					17.06%	138
HESCO					4.79%	39
QESCO					5.62%	46
TESCO					1.74%	14
SEPCO					3.73%	30

Table 3-8 Committed Generation for 2026-27 and allocation to DISCOs

Existing Contracted Capacity under Legacy Contracts & Approved/Committed (Not Commissioned) (FY 2026-27)						
1	2	4	5	6	7	8
SoLR Name	Expected Installed Capacity (MW)	Total Firm Capacity (MW)	Firm Capacity (MW) for Capacity Obligation of KE	Firm Capacity (MW) for Capacity Obligation of DISCOs	Allocation Factor	Contracted Firm Capacity (MW) (6*7)
IESCO	2,558	2,174	0	2,174	10.15%	221
PESCO					12.89%	280
FESCO					13.09%	285
LESCO					21.10%	459
GEPCO					9.82%	214
MEPCO					17.06%	371
HESCO					4.79%	104
QESCO					5.62%	122
TESCO					1.74%	38
SEPCO					3.73%	81

Complete List of Committed Projects considered for Capacity Obligation Report are given at Annex-II.

4. SECURITY OF SUPPLY

Security of Supply for regulated consumers of XW-DISCOs is assessed on the basis of total capacity obligation of DISCOs as per Section 2.2. of this PAP and DISCOs allocated firm capacity as per Sections 3.1. and 3.4. . This, however, does not include any future candidate project as per IGCEP-2022 or individual procurement initiatives of each XW-DISCO at their own or under directions from the Government of Pakistan. For clarity of understanding it may be mentioned that the positive (+) means the surplus capacity over the determined capacity obligation and that the negative (-) figures mean the deficiency against the determined capacity obligation.

4.1. Security of Supply Position:

DISCO-Wise security of supply position tabulated below through depicted below

4.1.1. IESCO:

Table 4-1 IESCO's security of supply position

		IESCO					
	Supply Demand	Actual		Forecasted			
		Previous Year 2021-22	Current Year 2022-23	Year-1 2023-24	Year-2 2024-25	Year-3 2025-26	Year-4 2026-27
1	Capacity Obligations (MW)	2,256	2,834	2,956	3,124	2,628	2,082
2	Contracted/commissioned (MW)	2,579	2,881	2,769	2,768	2,767	2,765
3	Committed/ Contracted (MW)	0	380	323	622	704	925
4	Total Credited Capacity (MW) (2+3)	2,579	3,261	3,092	3,390	3,471	3,690
5	Shortage of Supply (MW)(4	323	427	137	266	843	1,608
6	CO Compliance (%)	14%	15%	5%	9%	32%	77%

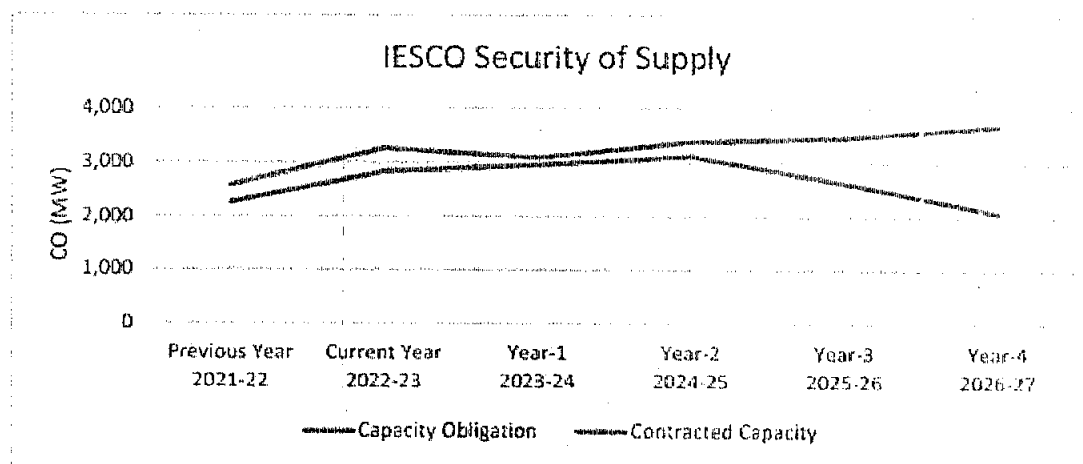


Figure 4-1 IESCO Security of Supply

4.1.2. PESCO:

Table 4-2 PESCO's security of supply position

	Supply Demand	PESCO					
		Actual		Forecasted			
		Previous Year 2021-22	Current Year 2022-23	Year-1 2023-24	Year-2 2024-25	Year-3 2025-26	Year-4 2026-27
1	Capacity Obligations (MW)	2,736	2,854	3,019	3,163	2,647	2,050
2	Contracted Commissioned (MW)	3,718	3,658	3,517	3,516	3,514	3,512
3	Committed/ Contracted (MW)	0	482	410	790	894	1,175
4	Total Credited Capacity (MW) (2+3)	3,718	4,141	3,927	4,305	4,408	4,686
5	Shortage of Supply (MW))(4	982	1,287	908	1,142	1,761	2,636
6	CO Compliance (%)	36%	45%	30%	36%	67%	129%

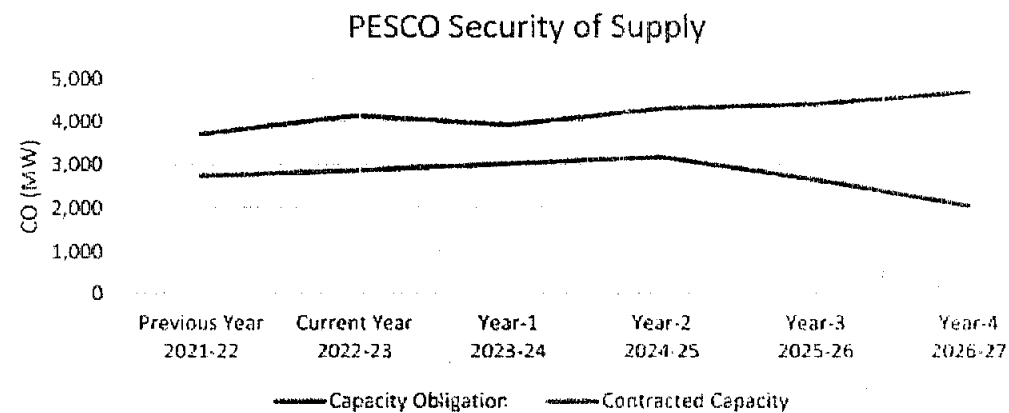


Figure 4-2 PESCO Security of Supply

4.1.3. FESCO:

Table 4-3 FESCO's security of supply position.

FESCO							
	Supply Demand	Actual		Forecasted			
		Previous Year 2021-22	Current Year 2022-23	Year-1 2023-24	Year-2 2024-25	Year-3 2025-26	Year-4 2026-27
1	Capacity Obligations (MW)	2,969	3,968	4,249	4,456	3,729	2,943
2	Contracted/commissioned (MW)	3,326	3,715	3,571	3,570	3,568	3,566
3	Committed/ Contracted (MW)	0	490	417	802	908	1,193
4	Total Credited Capacity (MW) (2+3)	3,326	4,205	3,988	4,372	4,477	4,759
5	Shortage of Supply (MW)(4	357	237	-261	-84	748	1,816
6	CO Compliance (%)	12%	6%	-6%	-2%	20%	62%

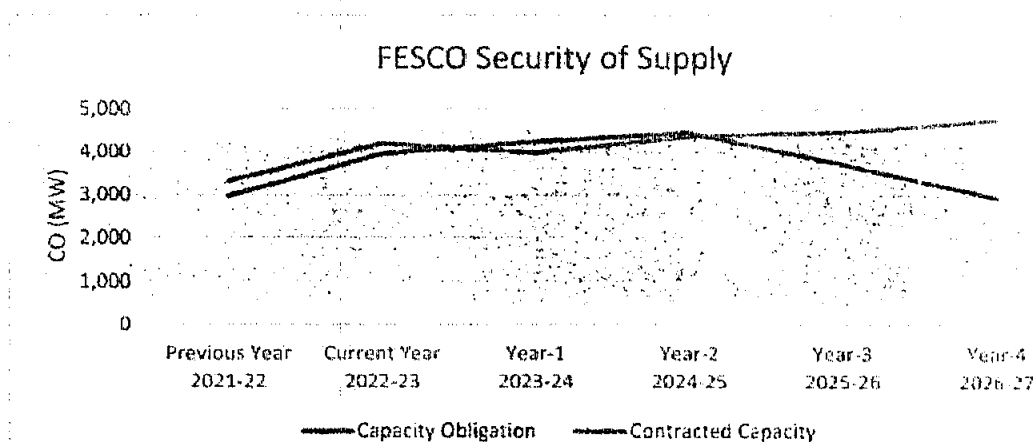


Figure 4-3 FESCO Security of Supply

4.1.4. LESCO:

Table 4-4 LESCO's security of supply position

		LESCO					
	Supply Demand	Actual		Forecasted			
		Previous Year 2021-22	Current Year 2022-23	Year-1 2023-24	Year-2 2024-25	Year-3 2025-26	Year-4 2026-27
1	Capacity Obligations (MW)	5,210	6,302	6,603	6,855	5,720	4,467
2	Contracted Commissioned (MW)	5,362	5,989	5,757	5,755	5,752	5,748
3	Committed/ Contracted (MW)	0	790	672	1,293	1,464	1,923
4	Total Credited Capacity (MW) (2+3)	5,362	6,778	6,428	7,048	7,216	7,671
5	Shortage of Supply (MW)(4	152	476	-174	193	1,496	3,204
6	CO Compliance (%)	3%	8%	-3%	3%	26%	72%

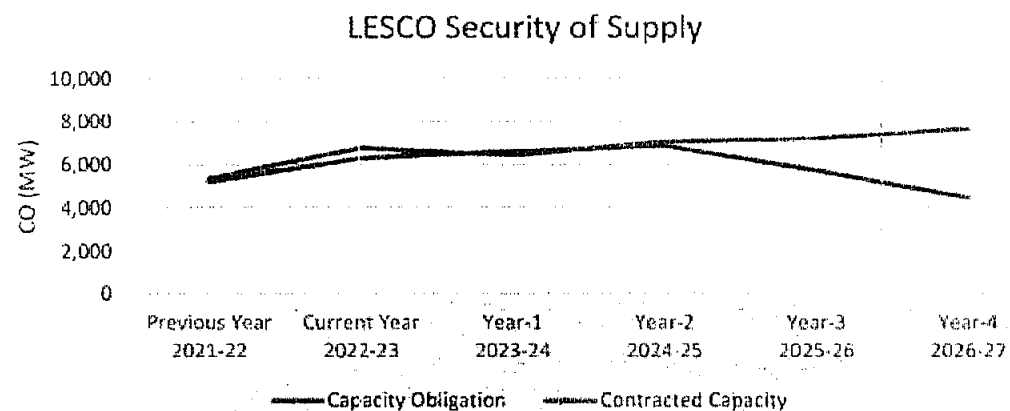


Figure 4-4 LESCO Security of Supply

4.1.5. GEPCO:

Table 4-5 GEPCO's security of supply position

GEPCO							
	Supply Demand	Actual		Forecasted			
		Previous Year 2021-22	Current Year 2022-23	Year-1 2023-24	Year-2 2024-25	Year-3 2025-26	Year-4 2026-27
1	Capacity Obligations (MW)	2,198	3,106	3,235	3,393	2,840	2,230
2	Contracted Commissioned (MW)	2,496	2,787	2,679	2,678	2,677	2,675
3	Committed/ Contracted (MW)	0	368	313	602	681	895
4	Total Credited Capacity (MW) (2+3)	2,496	3,155	2,992	3,280	3,358	3,570
5	Shortage of Supply (MW)	298	49	-243	-113	519	1,340
6	CO Compliance (%)	14%	2%	-8%	-3%	18%	60%

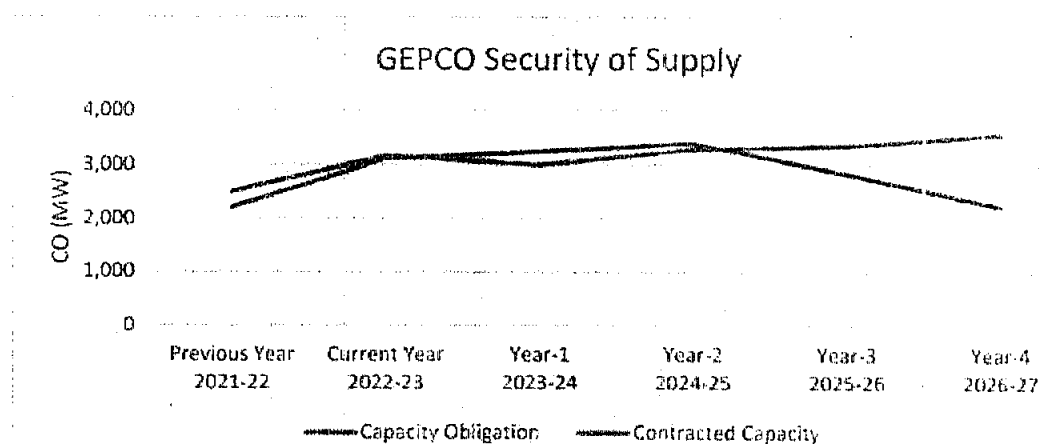


Figure 4-5 GEPCO Security of Supply

4.1.6. MEPCO:

Table 4-6 MEPCO's security of supply position

	Supply Demand	MEPCO					
		Actual		Forecasted			
		Previous Year 2021-22	Current Year 2022-23	Year-1 2023-24	Year-2 2024-25	Year-3 2025-26	Year-4 2026-27
1	Capacity Obligations (MW)	3,510	5,432	5,773	6,112	5,160	4,094
2	Contracted Commissioned (MW)	4,335	4,842	4,655	4,653	4,651	4,648
3	Committed/ Contracted (MW)	0	639	543	1,045	1,184	1,555
4	Total Credited Capacity (MW) (2+3)	4,335	5,480	5,198	5,698	5,835	6,202
5	Shortage of Supply (MW) (1)	825	48	-576	-414	675	2,109
6	CO Compliance (%)	24%	1%	-10%	-7%	13%	52%

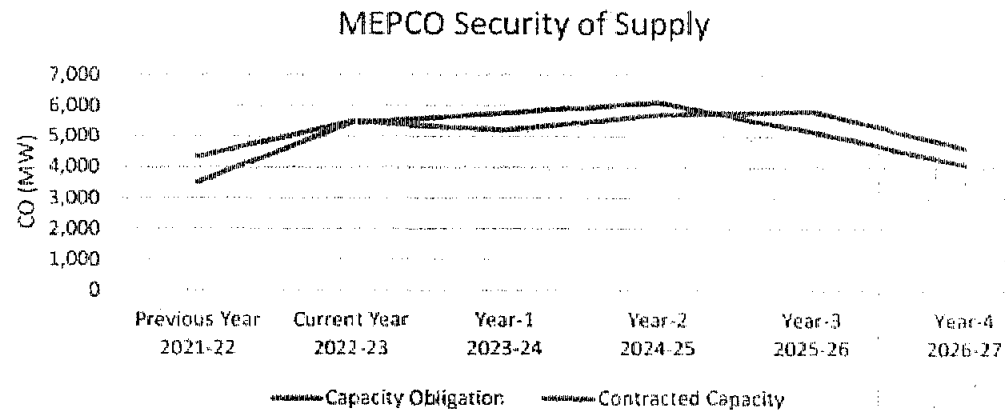


Figure 4-6 MEPCO Security of Supply

4.1.7. HESCO:

Table 4-7 HESCO's security of supply position

		HESCO					
	Supply Demand	Actual		Forecasted			
		Previous Year 2021-22	Current Year 2022-23	Year-1 2023-24	Year-2 2024-25	Year-3 2025-26	Year-4 2026-27
1	Capacity Obligations (MW)	848	1,333	1,382	1,431	1,186	921
2	Contracted Commissioned (MW)	1,217	1,359	1,307	1,306	1,306	1,305
3	Committed/ Contracted (MW)	0	179	152	294	332	437
4	Total Credited Capacity (MW) (2+3)	1,217	1,539	1,459	1,600	1,638	1,741
5	Shortage of Supply (MW) (4-3)	369	206	78	168	452	821
6	CO Compliance (%)	44%	15%	6%	12%	38%	89%

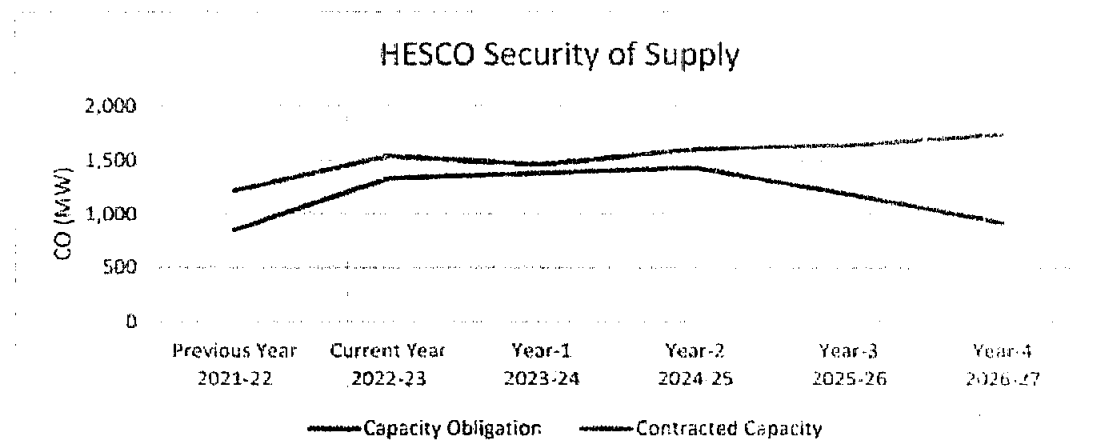


Figure 4-7 HESCO Security of Supply

4.1.8. QESCO:

Table 4-8 QESCO's security of supply position

	Supply Demand	QESCO					
		Actual		Forecasted			
		Previous Year 2021-22	Current Year 2022-23	Year-1 2023-24	Year-2 2024-25	Year-3 2025-26	Year-4 2026-27
1	Capacity Obligations (MW)	835	1,276	1,317	1,363	1,127	881
2	Contracted Commissioned (MW)	1,428	1,595	1,533	1,533	1,532	1,531
3	Committed/ Contracted (MW)	0	210	179	344	390	512
4	Total Credited Capacity (MW) (2+3)	1,428	1,805	1,712	1,877	1,922	2,043
5	Shortage of Supply (MW)(4	593	530	395	515	795	1,163
6	CO Compliance (%)	71%	42%	30%	38%	71%	132%

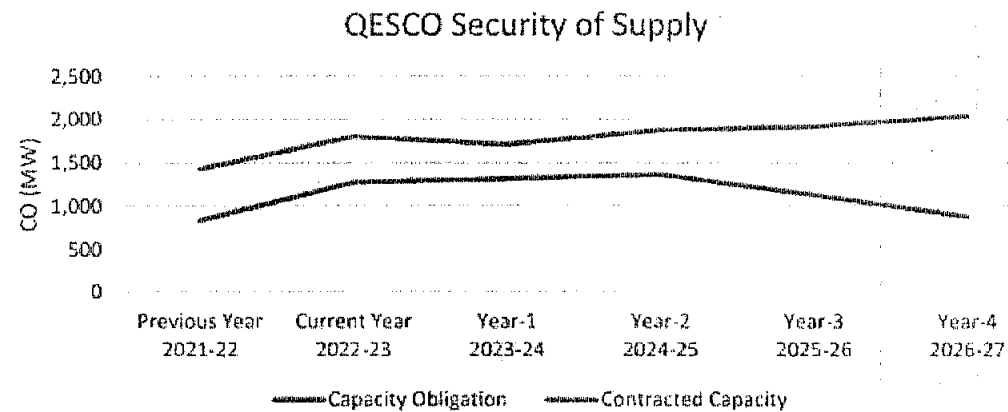


Figure 4-8 QESCO Security of Supply

4.1.9. TESCO:

Table 4-9 TESCO's security of supply position

TESCO							
	Supply Demand	Actual		Forecasted			
		Previous Year 2022-23	Current Year 2023-24	Year-1 2024-25	Year-2 2025-26	Year-3 2026-27	Year-4 2027-28
1	Capacity Obligations (MW)	0	590	615	643	539	424
2	Contracted Commissioned (MW)	0	494	475	475	474	474
3	Committed/ Contracted (MW)	0	65	55	107	121	159
4	Total Credited Capacity (MW) (2+3)	0	559	530	581	595	633
5	Shortage of Supply (MW) (4)	0	-31	-85	-62	56	209
6	CO Compliance (%)	0%	-5%	-14%	-10%	10%	49%

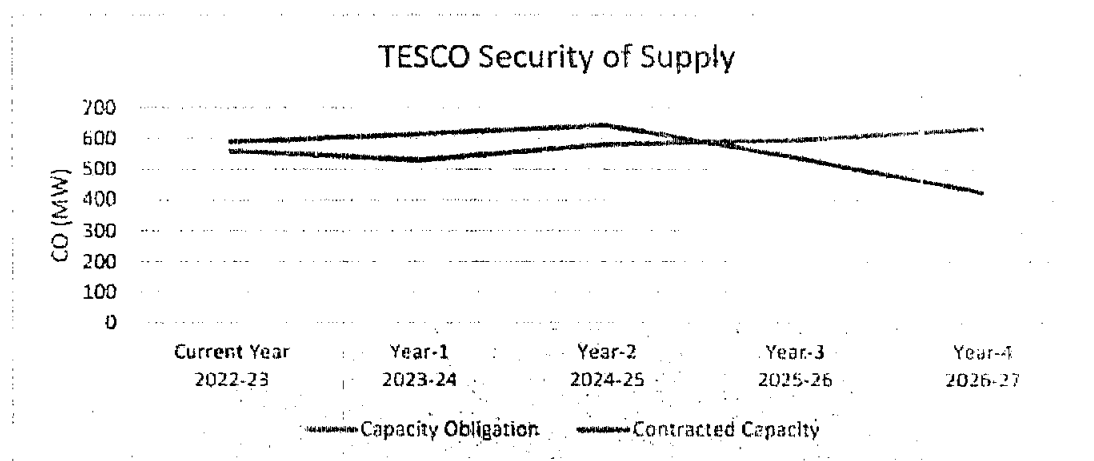


Figure 4-9 TESCO Security of Supply

4.1.10. SEPCO:

Table 4-10 SESPO's security of supply position

	Supply Demand	SEPCO					
		Actual		Forecasted			
		Previous Year 2021-22	Current Year 2022-23	Year-1 2023-24	Year-2 2024-25	Year-3 2025-26	Year-4 2026-27
1	Capacity Obligations (MW)	690	1,133	1,150	1,167	947	721
2	Contracted Commissioned (MW)	948	1,059	1,018	1,017	1,017	1,016
3	Committed/ Contracted (MW)	0	140	119	229	259	340
4	Total Credited Capacity (MW) (2+3)	948	1,198	1,136	1,246	1,276	1,356
5	Shortage of Supply (MW)(4	258	65	-14	79	328	635
6	CO Compliance (%)	37%	6%	-1%	7%	35%	88%

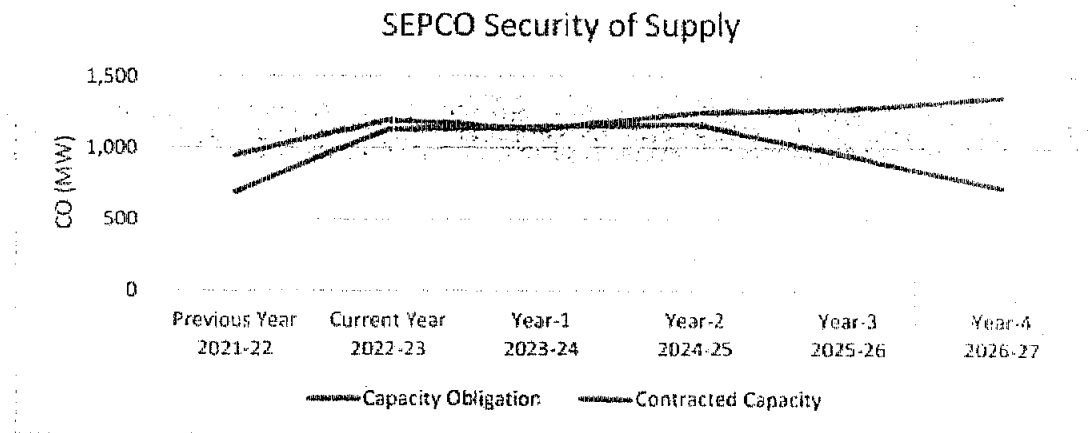


Figure 4-10 SEPCO Security of Supply

4.1.11. Total:

Table 4-11 XW-DISCOs cumulative security of supply position

	Supply Demand	Total					
		Actual		Forecasted			
		Previous Year 2024/22	Current Year 2022/23	Year-1 2023/24	Year-2 2024/25	Year-3 2025/26	Year-4 2026/27
1	Capacity Obligations (MW)	21,252	28,827	30,298	31,707	26,524	20,811
2	Contracted Commissioned (MW)	25,409	28,379	27,281	27,271	27,258	27,240
3	Committed/ Contracted (MW)	0	3,742	3,182	6,127	6,939	9,113
4	Total Credited Capacity (MW) (2+3)	25,409	32,121	30,463	33,398	34,197	36,352
5	Shortage of Supply (MW))(4	4,157	3,294	165	1,691	7,673	15,541
6	CO Compliance (%)	20%	11%	1%	5%	29%	75%

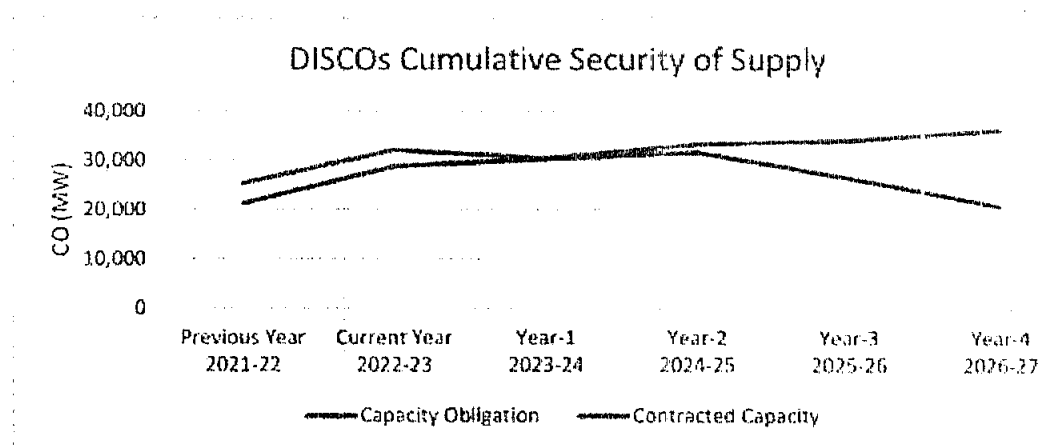


Figure 4-11 XW-DISCOs cumulative Security of Supply

5. POWER PROCUREMENT

DISCOs, in the role of Supplier of Last Resort (SOLR), are required to ensure security of supply for their regulated consumers by planning in advance and securing adequately sufficient capacity to meet the demand of their consumers. Any future power procurement is strictly planned in accordance with consumer demand and any difference between supply and demand, to ensure economical investment in the best interest of consumers.

5.1. Power Procurement Requirement:

5.1.1. Power Procurement to meet Capacity Obligation:

Table 5-1 DISCO's power procurement requirement for 2022-23

Year 2022-2023							
Sr No.	Generation Technology	Mode of Procurement	Installed Capacity (MW)	Firm Capacity (MW)	Cumulative Firm Capacity (MW)	% Allocation to SoLR wrt to Additional Capacity Requirements	
1	Hydro	Competitive Bidding	89	75	166	IESCO	0
						PESCO	0
2	Solar	Competitive Bidding	370	81		FESCO	32
						LESCO	22
						GEPCO	30
						MEPCO	71
3	Bagasse	Competitive Bidding	10	9		HESCO	0
						QESCO	0
						TESCO	10
						SEPCO	0

Table 5-2 DISCO's power procurement requirement for 2023-24

Year 2023-2024							
Sr No.	Generation Technology	Mode of Procurement	Installed Capacity (MW)	Firm Capacity (MW)	Cumulative Firm Capacity (MW)	% Allocation to SoLR wrt to Additional Capacity Requirements	
1	Hydro	Competitive Bidding	27	23	175	IESCO	0
						PESCO	0
						FESCO	34
2	Solar	Competitive Bidding	620	136		LESCO	23
						GEPCO	32
						MEPCO	75
3	Wind	Competitive Bidding	50	15		HESCO	0
						QESCO	0
						TESCO	11
						SEPCO	0

Table 5-3 DISCO's power procurement requirement for 2024-25

Year 2024-2025							
Sr No.	Generation Technology	Mode of Procurement	Installed Capacity (MW)	Firm Capacity (MW)	Cumulative Firm Capacity (MW)	% Allocation to SoLR wrt to Additional Capacity Requirements	
1	Hydel	Competitive Bidding	94	80	293	IESCO	0
						PESCO	0
						FESCO	57
						LESCO	38
2	Solar	Competitive Bidding	970	213		GEPCO	53
						MEPCO	126
						HESCO	0
						QESCO	0
3	Wind	Competitive Bidding	0	0		TESCO	19
						SEPCO	0

Table 5-4 DISCO's power procurement requirement for 2025-26

Year 2025-2026							
Sr No.	Generation Technology	Mode of Procurement	Installed Capacity (MW)	Firm Capacity (MW)	Cumulative Firm Capacity (MW)	% Allocation to SoLR wrt to Additional Capacity Requirements	
1	Hydel	Competitive Bidding	24	20	101	IESCO	0
						PESCO	0
						FESCO	20
						LESCO	13
						GEPCO	18
						MEPCO	44
						HESCO	0
						QESCO	0
						TESCO	6
						SEPCO	0
2	Solar	Competitive Bidding	370	81	101		
3	Wind	Competitive Bidding	0	0			

Table 5-5 DISCO's power procurement requirement for 2026-27

Year 2026-2027							
Sr No.	Generation Technology	Mode of Procurement	Installed Capacity (MW)	Firm Capacity (MW)	Cumulative Firm Capacity (MW)	% Allocation to SoLR wrt to Additional Capacity Requirements	
1	Hydel	Competitive Bidding	0	0	81	IESCO	0
						PESCO	0
						FESCO	0
2	Solar	Competitive Bidding	370	81		LESCO	0
						GEPCO	0
						MEPCO	0
3	Wind	Competitive Bidding	0	0		HESCO	0
						QESCO	0
						TESCO	0
						SEPCO	0

Complete list of Committed and Candidate Projects for future Procurement is provided at Annex-III.

5.1.2. Power Procurement for Cost Reduction:

Under directions from the Government of Pakistan, Ministry of Energy, the XW-DISCOs have undertaken initiative for Solarization of selected 11 kV feeders. This initiative is aimed at displacement of costly imported fuel-based power generation with the cheap and environment friendly electricity generation based on solar parks of different (1-4 MW) capacities. For this purpose, the XW-DISCOs have already submitted requests for approval of RFP and determination of benchmark tariff with NEPRA.

Table 5-6 DISCO's power procurement requirement (cost reduction) for 2022-23

Year 2022-2023							
Sr No.	Generation Technology	Mode of Procurement	Installed Capacity (MW)	Firm Capacity (MW)	Cumulative Firm Capacity (MW)	% Allocation to SoLR wrt to Additional Capacity Requirements	
1	Solar DG	Competitive Bidding	0	0	0	IESCO	0
						PESCO	0
						FESCO	0
2	Solar Utility	Competitive Bidding	0	0		LESCO	0
						GEPCO	0
						MEPCO	0
3	Wind	Competitive Bidding	0	0		HESCO	0
						QESCO	0
						TESCO	0
						SEPCO	0

Table 5-7 DISCO's power procurement requirement (cost reduction) for 2023-24

Year 2023-2024							
Sr No.	Generation Technology	Mode of Procurement	Installed Capacity (MW)	Firm Capacity (MW)	Cumulative Firm Capacity (MW)	% Allocation to SoLR wrt to Additional Capacity Requirements	
1	Solar DG	Competitive Bidding	1,224	269	275	IESCO	3
						PESCO	21
						FESCO	54
2	Bagasse	Competitive Bidding [HESCO]	6.5	5.98		LESCO	66
						GEPCO	49
						MEPCO	50
3	Wind	Competitive Bidding	0	0		HESCO	19
						QESCO	1
						TESCO	0
						SEPCO	12

The additional capacity mentioned against each DISCO are based on the projects at individual XW-DISCO.

Table 5-8 DISCO's power procurement requirement (cost reduction) for 2024-25

Year 2024-2025							
Sr No.	Generation Technology	Mode of Procurement	Installed Capacity (MW)	Firm Capacity (MW)	Cumulative Firm Capacity (MW)	% Allocation to SoLR wrt to Additional Capacity Requirements	
1	Solar DG	Competitive Bidding	0	0	0	IESCO	0
						PESCO	0
						FESCO	0
2	Solar Utility	Competitive Bidding	0	0		LESCO	0
						GEPCO	0
						MEPCO	0
3	Wind	Competitive Bidding	0	0		HESCO	0
						QESCO	0
						TESCO	0
						SEPCO	0

Table 5-9 DISCO's power procurement requirement (cost reduction) for 2025-26

Year 2025-2026							
Sr No.	Generation Technology	Mode of Procurement	Installed Capacity (MW)	Firm Capacity (MW)	Cumulative Firm Capacity (MW)	% Allocation to SoLR wrt to Additional Capacity Requirements	
1	Solar DG	Competitive Bidding	0	0	0	IESCO	0
						PESCO	0
						FESCO	0
2	Solar Utility	Competitive Bidding	0	0		LESCO	0
						GEPCO	0
						MEPCO	0
3	Wind	Competitive Bidding	0	0		HESCO	0
						QESCO	0
						TESCO	0
						SEPCO	0

Table 5-10 DISCO's power procurement requirement (cost reduction) for 2026-27

Year 2026-2027							
Sr No.	Generation Technology	Mode of Procurement	Installed Capacity (MW)	Firm Capacity (MW)	Cumulative Firm Capacity (MW)	% Allocation to SoLR wrt to Additional Capacity Requirements	
1	Solar DG	Competitive Bidding	0	0	0	IESCO	0
						PESCO	0
						FESCO	0
2	Solar Utility	Competitive Bidding	0	0		LESCO	0
						GEPCO	0
						MEPCO	0
3	Wind	Competitive Bidding	0	0		HESCO	0
						QESCO	0
						TESCO	0
						SEPCO	0

5.1.3. Power Procurement for Removal of Constraints:

Table 5-11 DISCO's power procurement requirement (Constraint Removal) for 2022-23

Year 2022-2023							
Sr No.	Generation Technology	Mode of Procurement	Installed Capacity (MW)	Firm Capacity (MW)	Cumulative Firm Capacity (MW)	% Allocation to SoLR wrt to Additional Capacity Requirements	
1	Solar DG	Competitive Bidding	0	0	500	IESCO	0
						PESCO	0
						FESCO	98
2	Solar Utility	Competitive Bidding	0	0		LESCO	65
						GEPCO	91
						MEPCO	215
3	RLNG (KAPCO)	Contract Extension	1300	500		HESCO	0
						QESCO	0
						TESCO	32
						SEPCO	0

DISCO-wise allocation of firm capacity is based on prorated allocation against the shortage of supply vis-à-vis the determined capacity obligation.

Table 5-12 DISCO's power procurement requirement (Constraint Removal) for 2023-24

Year 2023-2024							
Sr No.	Generation Technology	Mode of Procurement	Installed Capacity (MW)	Firm Capacity (MW)	Cumulative Firm Capacity (MW)	% Allocation to SoLR wrt to Additional Capacity Requirements	
1	Solar DG	Competitive Bidding		0	0	IESCO	0
						PESCO	0
						FESCO	0
2	Solar Utility	Competitive Bidding		0		LESCO	0
						GEPCO	0
						MEPCO	0
3	RLNG (KAPCO)	Contract Extension		0		HESCO	0
						QESCO	0
						TESCO	0
						SEPCO	0

Table 5-13 DISCO's power procurement requirement (Constraint Removal) for 2024-25

Year 2024-2025							
Sr No.	Generation Technology	Mode of Procurement	Installed Capacity (MW)	Firm Capacity (MW)	Cumulative Firm Capacity (MW)	% Allocation to SoLR wrt to Additional Capacity Requirements	
1	Solar DG	Competitive Bidding		0	0	IESCO	
						PESCO	
						FESCO	
2	Solar Utility	Competitive Bidding		0		LESCO	
						GEPCO	
						MEPCO	
3	Wind	Competitive Bidding		0		HESCO	
						QESCO	
						TESCO	
						SEPCO	

Table 5-14 DISCO's power procurement requirement (Constraint Removal) for 2025-26

Year 2025-2026							
Sr No.	Generation Technology	Mode of Procurement	Installed Capacity (MW)	Firm Capacity (MW)	Cumulative Firm Capacity (MW)	% Allocation to SoLR wrt to Additional Capacity Requirements	
1	Solar DG	Competitive Bidding		0	0	IESCO	
						PESCO	
						FESCO	
2	Solar Utility	Competitive Bidding		0		LESCO	
						GEPCO	
						MEPCO	
3	Wind	Competitive Bidding		0		HESCO	
						QESCO	
						TESCO	
						SEPCO	

Table 5-15 DISCO's power procurement requirement (Constraint Removal) for 2026-27

Year 2026-2027							
Sr No.	Generation Technology	Mode of Procurement	Installed Capacity (MW)	Firm Capacity (MW)	Cumulative Firm Capacity (MW)	% Allocation to SoLR wrt to Additional Capacity Requirements	
1	Solar DG	Competitive Bidding	0	0	81	IESCO	0
						PESCO	0
						FESCO	0
2	Solar Utility	Competitive Bidding	370	81		LESCO	0
						GEPCO	0
						MEPCO	0
3	Wind	Competitive Bidding	0	0		HESCO	0
						QESCO	0
						TESCO	0
						SEPCO	0

5.2. Capacity Obligation Compliance Including Proposed Procurements:

5.2.1. IESCO:

Table 5-16 IESCO's compliance with CO including proposed procurement

IESCO							
	Supply Demand	Actual		Forecasted			
		Previous Year 2021-22	Current Year 2022-23	Year-1 2023-24	Year-2 2024-25	Year-3 2025-26	Year-4 2026-27
1	Capacity Obligations (MW)	2,256	2,834	2,956	3,124	2,628	2,082
2	Contracted Commissioned (MW)	2,579	2,881	2,769	2,768	2,767	2,765
3	Committed/ Contracted (MW)	0	380	323	622	704	925
4	Uncontracted (MW) ((2+3)-1)	323	427	137	266	843	1,608
5	Future Procurement (MW)	0	0	0	0	0	0
6	Cost Reduction Projects (MW)	0	0	3	3	3	3
7	Constraints Removal (MW)	0	0	0	0	0	0
8	Total Credited Capacity (MW) (2+3+5+6+7)	2,579	3,261	3,096	3,394	3,475	3,693
9	Net Uncontracted (MW) (8-1)	323	427	140	270	846	1,612
10	CO Compliance	14%	15%	5%	9%	32%	77%

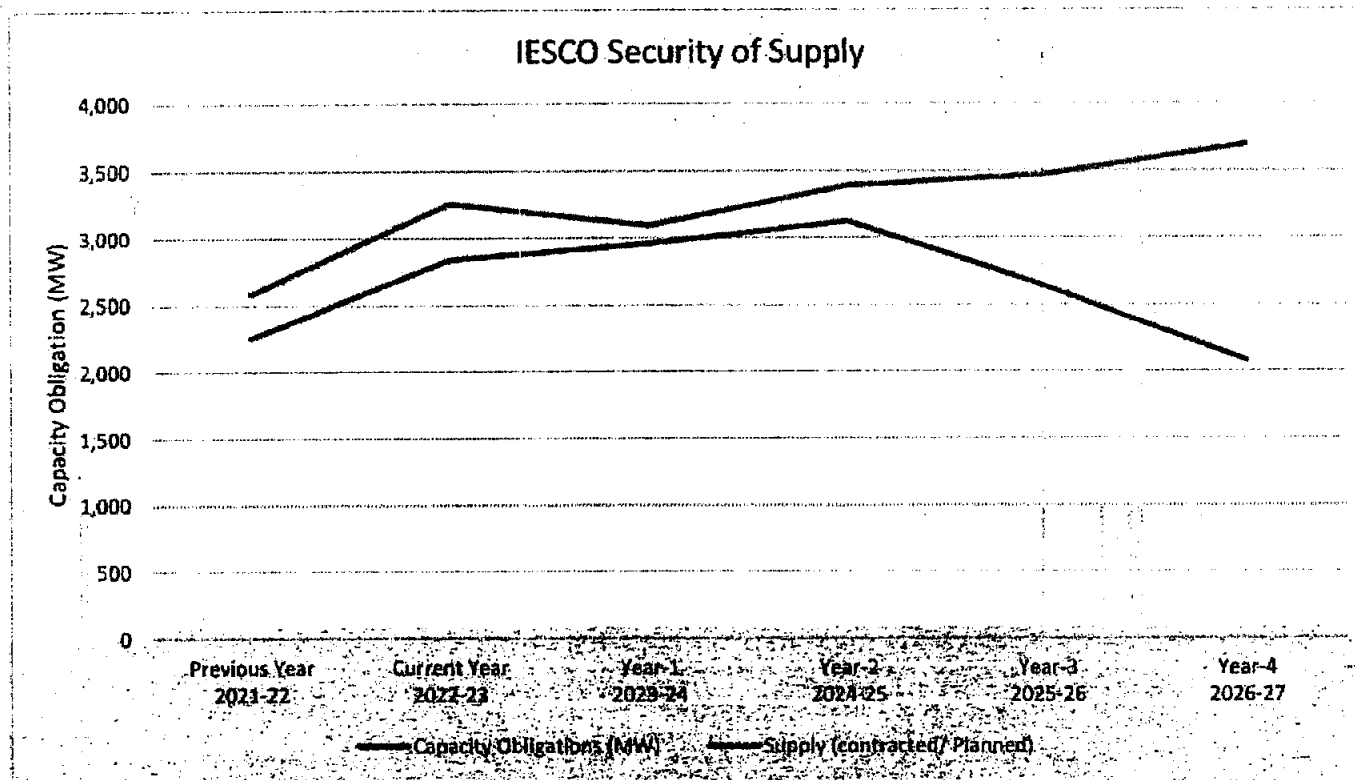


Figure 5-1 IESCOs Security of Supply including Proposed Procurement

5.2.2. PESCO:

Table 5-17 PESCO's compliance with CO including proposed procurement

	Supply Demand	PESCO					
		Actual		Forecasted			
		Previous Year 2021-22	Current Year 2022-23	Year-1 2023-24	Year-2 2024-25	Year-3 2025-26	Year-4 2026-27
1	Capacity Obligations (MW)	2,736	2,854	3,019	3,163	2,647	2,050
2	Contracted Commissioned (MW)	3,718	3,658	3,517	3,516	3,514	3,512
3	Committed/ Contracted (MW)	0	482	410	790	894	1,175
4	Uncontracted (MW) ((2+3)-1)	982	1,287	908	1,142	1,761	2,636
5	Future Procurement (MW)	0	0	0	0	0	0
6	Cost Reduction Projects (MW)	0	0	21	21	21	21
7	Constraints Removal (MW)	0	0	0	0	0	0
8	Total Credited Capacity (MW) (2+3+5+6+7)	3,718	4,141	3,948	4,326	4,429	4,707
9	Net Uncontracted (MW) (8-1)	982	1,287	929	1,163	1,782	2,657
10	CO Compliance	36%	45%	31%	37%	67%	130%

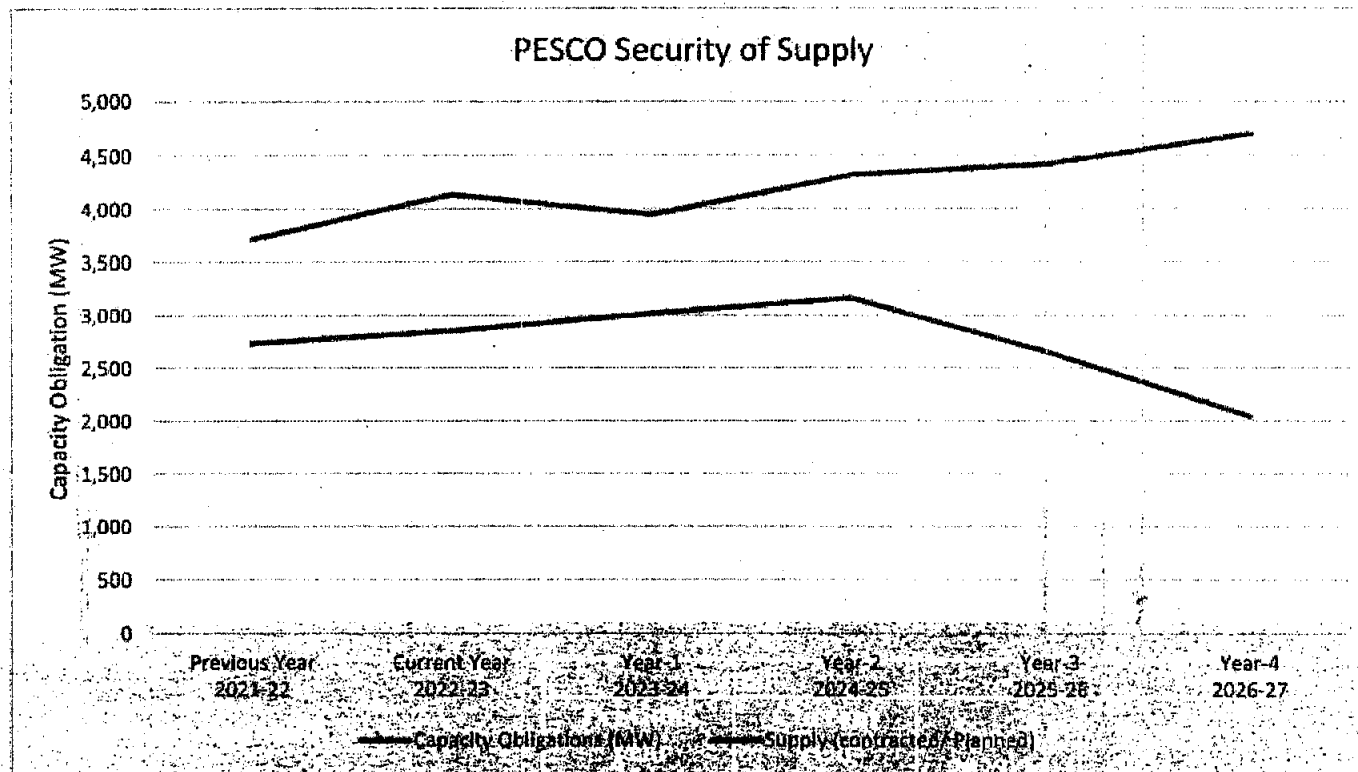


Figure 5-2 PESCOs Security of Supply including Proposed Procurement

5.2.3. FESCO:

Table 5-18 FESCO's compliance with CO including proposed procurement

	Supply Demand	FESCO					
		Actual		Forecasted			
		Previous Year 2021-22	Current Year 2022-23	Year-1 2023-24	Year-2 2024-25	Year-3 2025-26	Year-4 2026-27
1	Capacity Obligations (MW)	2,969	3,968	4,249	4,456	3,729	2,943
2	Contracted Commissioned (MW)	3,326	3,715	3,571	3,570	3,568	3,566
3	Committed/ Contracted (MW)	0	490	417	802	908	1,193
4	Uncontracted (MW) ((2+3)-1)	357	237	-261	-84	748	1,816
5	Future Procurement (MW)	0	32	66	123	143	143
6	Cost Reduction Projects (MW)	0	0	54	54	54	54
7	Constraints Removal (MW)	0	98	98	98	98	0
8	Total Credited Capacity (MW) (2+3+5+6+7)	3,326	4,335	4,206	4,648	4,772	4,956
9	Net Uncontracted (MW) (8-1)	357	368	-43	192	1,043	2,013
10	CO Compliance	12%	9%	-1%	4%	28%	68%

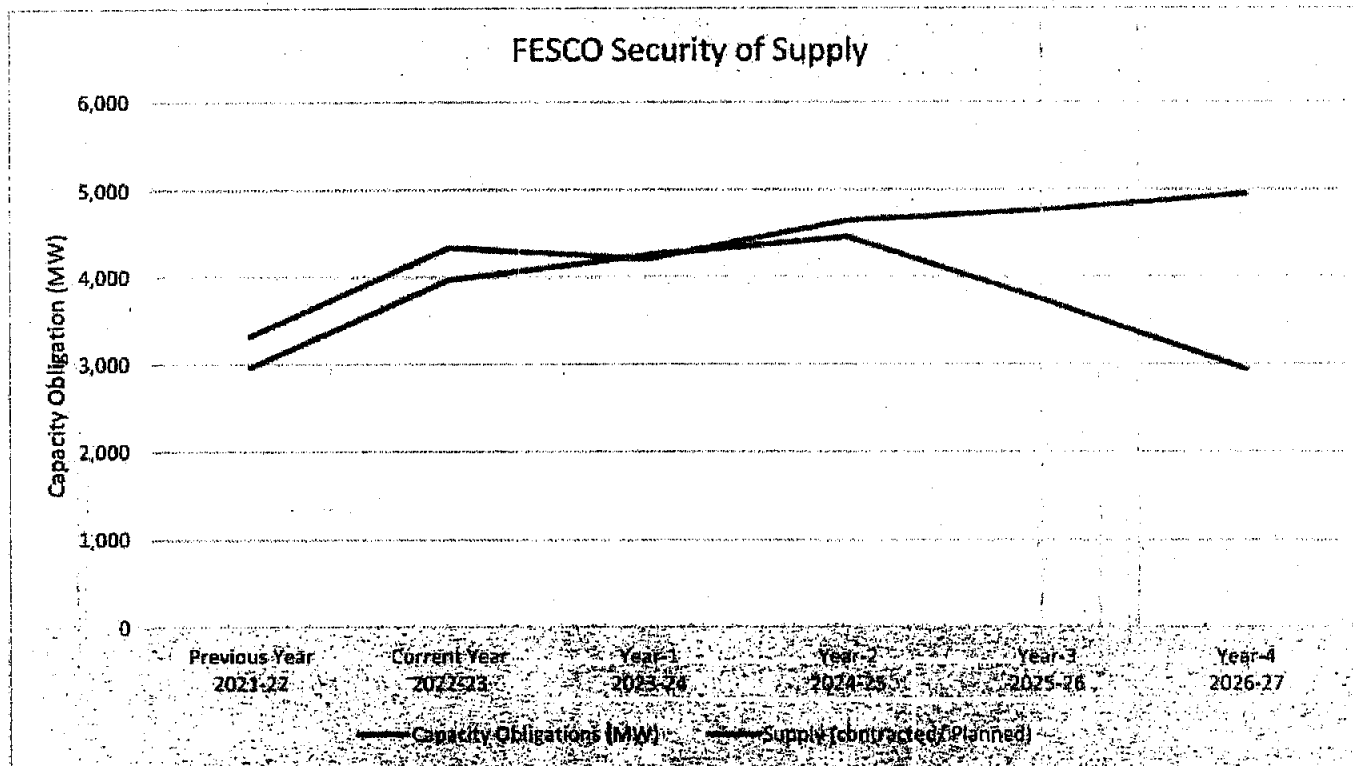


Figure 5-3 FESCOs Security of Supply including Proposed Procurement

5.2.4. LESCO:

Table 5-19 LESCO's compliance with CO including proposed procurement

	Supply Demand	LESCO					
		Actual		Forecasted			
		Previous Year 2021-22	Current Year 2022-23	Year-1 2023-24	Year-2 2024-25	Year-3 2025-26	Year-4 2026-27
1	Capacity Obligations (MW)	5,210	6,302	6,603	6,855	5,720	4,467
2	Contracted Commissioned (MW)	5,362	5,989	5,757	5,755	5,752	5,748
3	Committed/ Contracted (MW)	0	790	672	1,293	1,464	1,923
4	Uncontracted (MW) ((2+3)-1)	152	476	-174	193	1,496	3,204
5	Future Procurement (MW)	0	22	45	83	96	96
6	Cost Reduction Projects (MW)	0	0	66	66	66	66
7	Constraints Removal (MW)	0	65	65	65	65	0
8	Total Credited Capacity (MW) (2+3+5+6+7)	5,362	6,865	6,604	7,261	7,443	7,833
9	Net Uncontracted (MW) (8-1)	152	563	1	407	1,722	3,366
10	CO Compliance	3%	9%	0%	6%	30%	75%

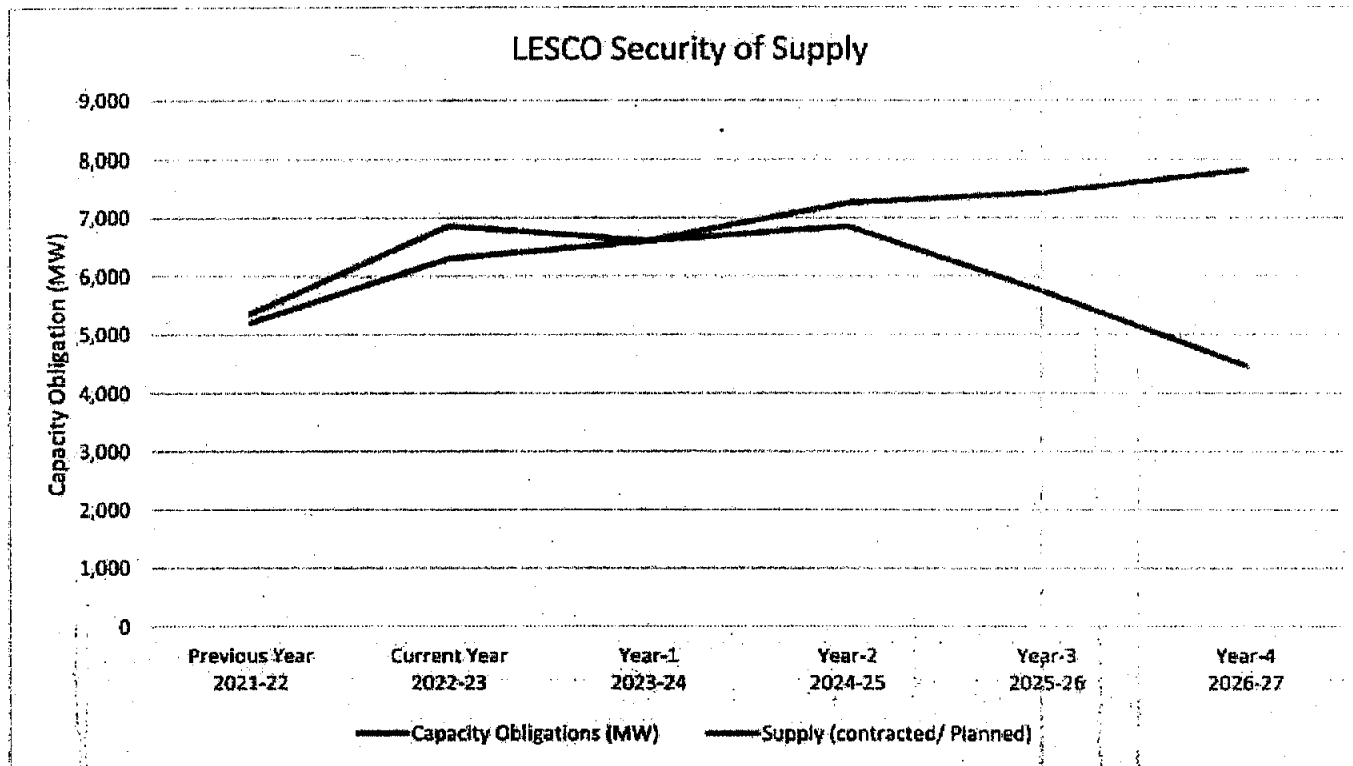


Figure 5-4 LESCOs Security of Supply including Proposed Procurement

5.2.5. GEPCO:

Table 5-20 GEPCO's compliance with CO including proposed procurement

	Supply Demand	GEPCO					
		Actual		Forecasted			
		Previous Year 2021-22	Current Year 2022-23	Year-1 2023-24	Year-2 2024-25	Year-3 2025-26	Year-4 2026-27
1	Capacity Obligations (MW)	2,198	3,106	3,235	3,393	2,840	2,230
2	Contracted Commissioned (MW)	2,496	2,787	2,679	2,678	2,677	2,675
3	Committed/ Contracted (MW)	0	368	313	602	681	895
4	Uncontracted (MW) ((2+3)-1)	298	49	-243	-113	519	1,340
5	Future Procurement (MW)	0	30	62	115	133	133
6	Cost Reduction Projects (MW)	0	0	49	49	49	49
7	Constraints Removal (MW)	0	91	91	91	91	0
8	Total Credited Capacity (MW) (2+3+5+6+7)	2,496	3,276	3,194	3,535	3,631	3,752
9	Net Uncontracted (MW) (8-1)	298	170	-41	142	791	1,522
10	CO Compliance	14%	5%	-1%	4%	28%	68%

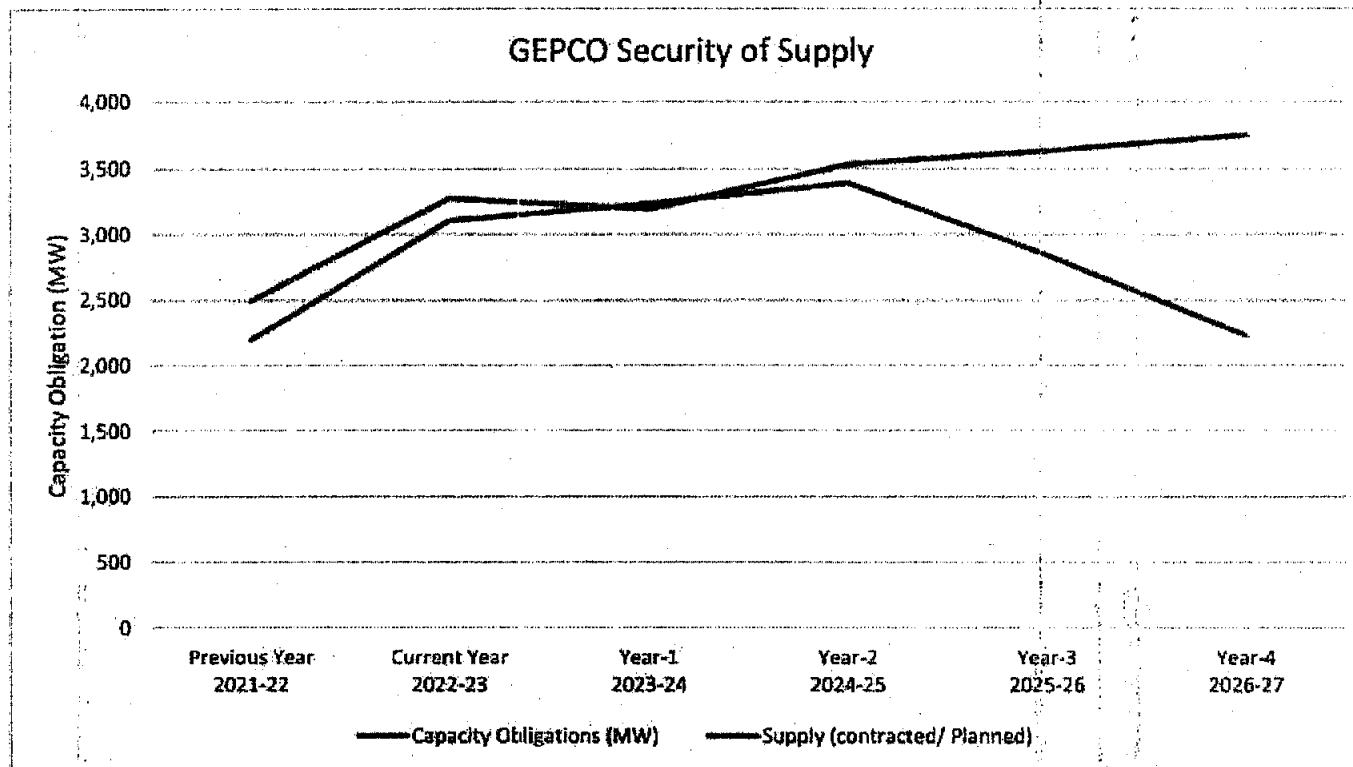


Figure S-5 GEPCOs Security of Supply including Proposed Procurement

5.2.6. MEPCO:

Table 5-21 MEPCO's compliance with CO including proposed procurement

MEPCO							
	Supply Demand	Actual		Forecasted			
		Previous Year 2021-22	Current Year 2022-23	Year-1 2023-24	Year-2 2024-25	Year-3 2025-26	Year-4 2026-27
1	Capacity Obligations (MW)	3,510	5,432	5,773	6,112	5,160	4,094
2	Contracted Commissioned (MW)	4,335	4,842	4,655	4,653	4,651	4,648
3	Committed/ Contracted (MW)	0	639	543	1,045	1,184	1,555
4	Uncontracted (MW) ((2+3)-1)	825	48	-576	-414	675	2,109
5	Future Procurement (MW)	0	71	146	272	316	316
6	Cost Reduction Projects (MW)	0	0	50	50	50	50
7	Constraints Removal (MW)	0	215	215	215	215	0
8	Total Credited Capacity (MW) (2+3+5+6+7)	4,335	5,767	5,609	6,235	6,416	6,568
9	Net Uncontracted (MW) (8-1)	825	335	-165	123	1,256	2,475
10	CO Compliance	24%	6%	-3%	2%	24%	60%

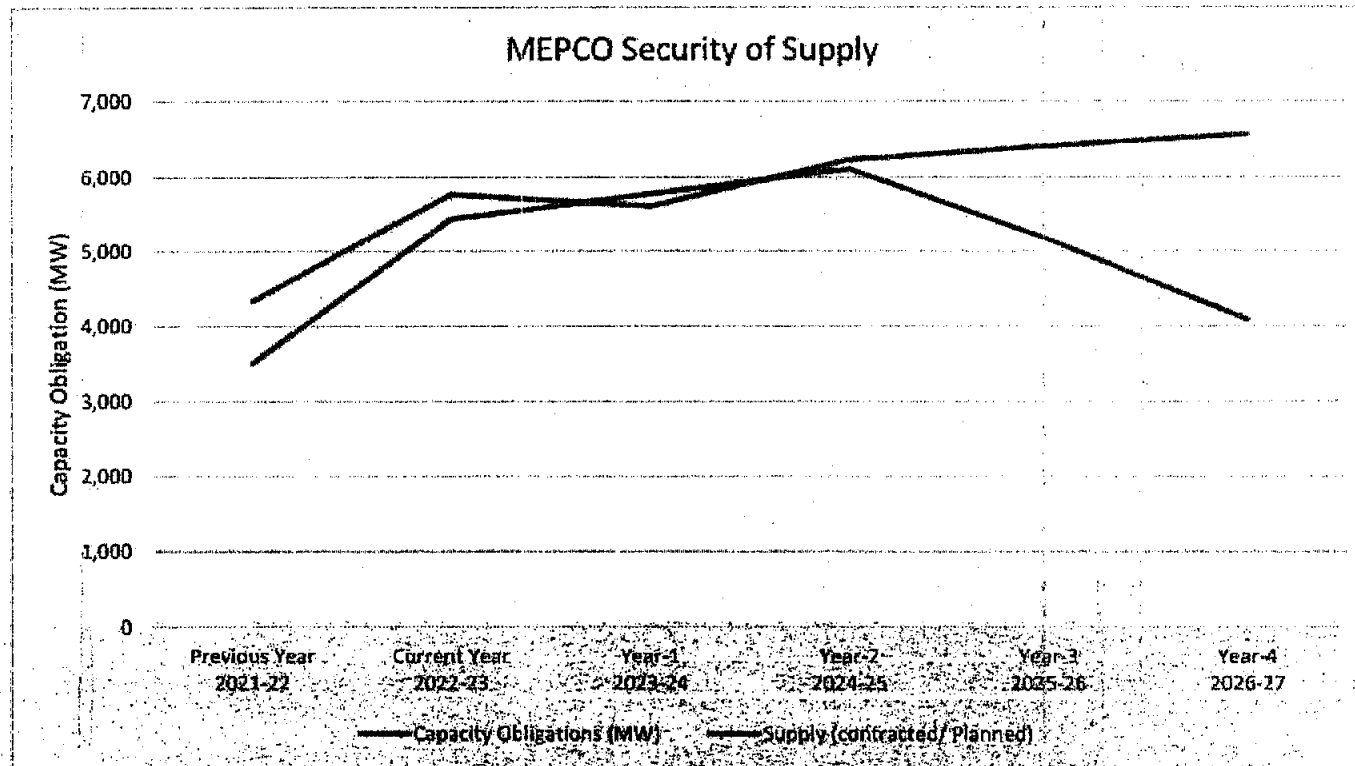


Figure 5-6 MEPCO's Security of Supply including Proposed Procurement

5.2.7. HESCO:

Table 5-22 HESCO's compliance with CO including proposed procurement

	Supply Demand	HESCO					
		Actual		Forecasted			
		Previous Year 2021-22	Current Year 2022-23	Year-1 2023-24	Year-2 2024-25	Year-3 2025-26	Year-4 2026-27
1	Capacity Obligations (MW)	848	1,333	1,382	1,431	1,186	921
2	Contracted Commissioned (MW)	1,217	1,359	1,307	1,306	1,306	1,305
3	Committed/ Contracted (MW)	0	179	152	294	332	437
4	Uncontracted (MW) ((2+3)-1)	369	206	78	168	452	821
5	Future Procurement (MW)	0	0	0	0	0	0
6	Cost Reduction Projects (MW)	0	0	19	19	19	19
7	Constraints Removal (MW)	0	0	0	0	0	0
8	Total Credited Capacity (MW) (2+3+5+6+7)	1,217	1,539	1,479	1,619	1,658	1,761
9	Net Uncontracted (MW) (8-1)	369	206	97	188	472	840
10	CO Compliance	44%	15%	7%	13%	40%	91%

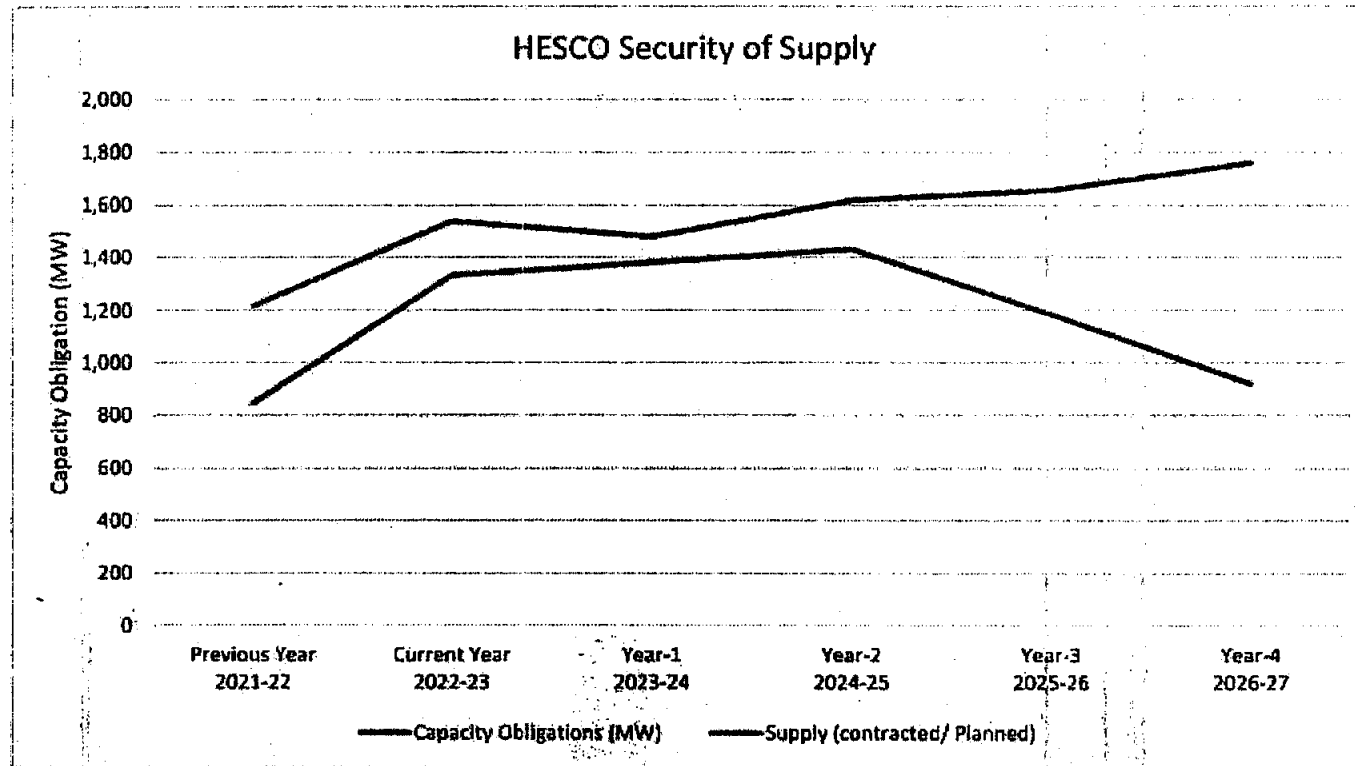


Figure 5-7 HESCOs Security of Supply including Proposed Procurement

5.2.8. QESCO:

Table 5-23 QESCO's compliance with CO including proposed procurement

	Supply Demand	QESCO					
		Actual		Forecasted			
		Previous Year 2021-22	Current Year 2022-23	Year-1 2023-24	Year-2 2024-25	Year-3 2025-26	Year-4 2026-27
1	Capacity Obligations (MW)	835	1,276	1,317	1,363	1,127	881
2	Contracted Commissioned (MW)	1,428	1,595	1,533	1,533	1,532	1,531
3	Committed/ Contracted (MW)	0	210	179	344	390	512
4	Uncontracted (MW) ((2+3)-1)	593	530	395	515	795	1,163
5	Future Procurement (MW)	0	0	0	0	0	0
6	Cost Reduction Projects (MW)	0	0	1	1	1	1
7	Constraints Removal (MW)	0	0	0	0	0	0
8	Total Credited Capacity (MW) (2+3+5+6+7)	1,428	1,805	1,713	1,878	1,923	2,044
9	Net Uncontracted (MW) (8-1)	593	530	396	516	796	1,164
10	CO Compliance	71%	42%	30%	38%	71%	132%

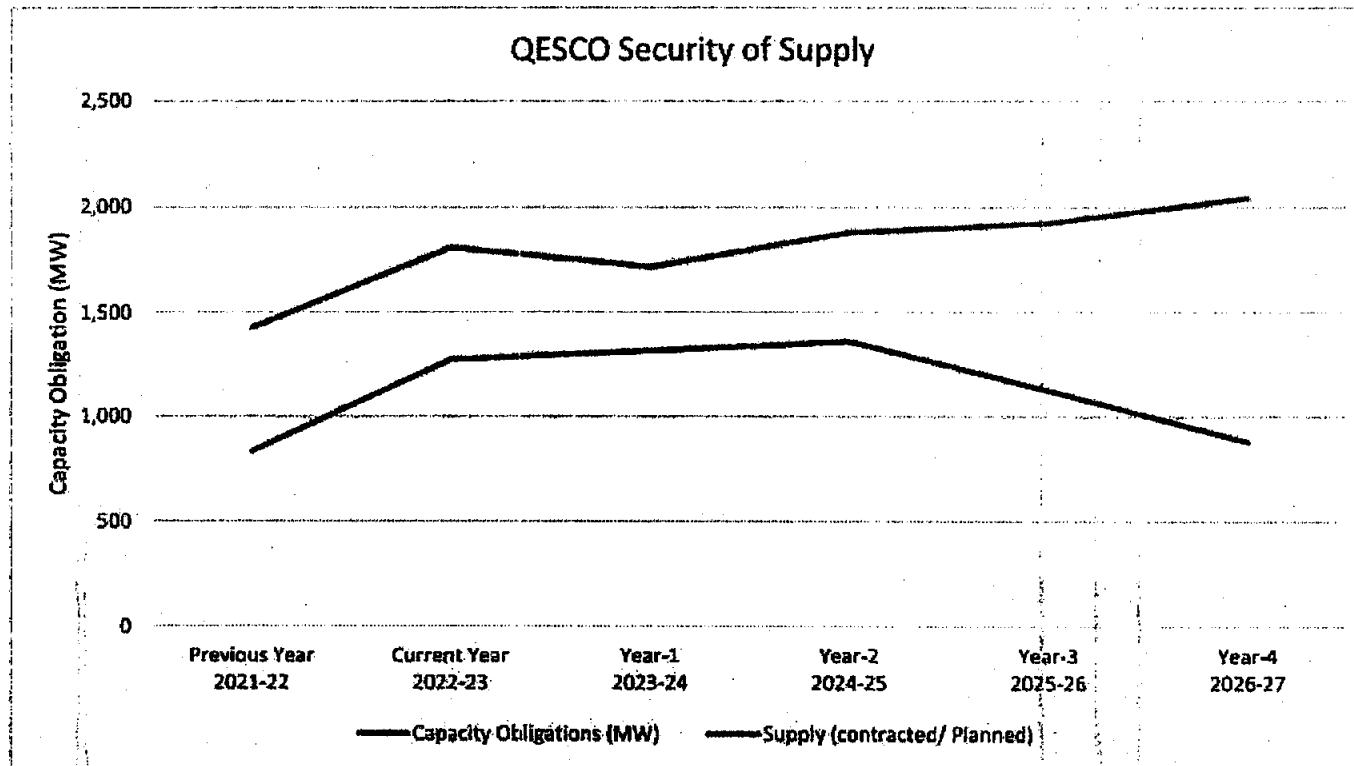


Figure S-8 QESCO's Security of Supply including Proposed Procurement

5.2.9. TESCO:

Table 5-24 TESCO's compliance with CO including proposed procurement

	Supply Demand	TESCO					
		Actual		Forecasted			
		Previous Year 2021-22	Current Year 2022-23	Year-1 2023-24	Year-2 2024-25	Year-3 2025-26	Year-4 2026-27
1	Capacity Obligations (MW)	0	590	615	643	539	424
2	Contracted Commissioned (MW)	0	494	475	475	474	474
3	Committed/ Contracted (MW)	0	65	55	107	121	159
4	Uncontracted (MW) ((2+3)-1)	0	-31	-85	-62	56	209
5	Future Procurement (MW)	0	10	21	40	46	46
6	Cost Reduction Projects (MW)	0	0	0	0	0	0
7	Constraints Removal (MW)	0	32	32	32	32	0
8	Total Credited Capacity (MW) (2+3+5+6+7)	0	601	584	654	674	679
9	Net Uncontracted (MW) (8-1)	0	12	-31	11	135	255
10	CO Compliance	0%	2%	-5%	2%	25%	60%

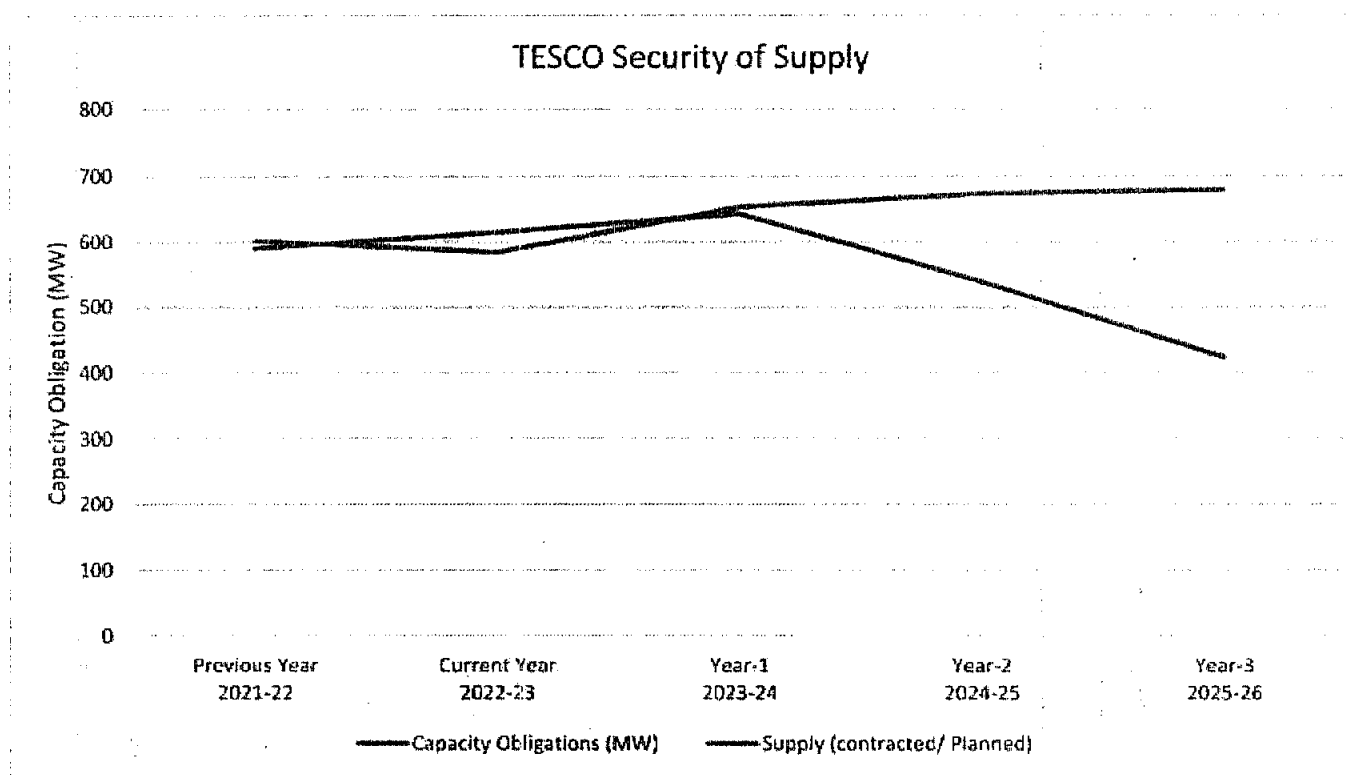


Figure 5-9 (a) TESCOs Security of Supply including Proposed Procurement

Note: TESCO doesn't need any further procurement as, Capacity Obligation will be reduced through demand side management. In this regard Hourly load profile of TESCO was examined and it was found that the peak demand 498 MW during the year 2021-22 had occurred only for 01 hour out of 8760 hours. Through peak reduction of one hour from 498 MW to 469 MW can result in demand drop of 29 MW. The below mentioned figure 5-9 (b) shows the no. of operation hours vs peak demand of TESCO for FY 2021-22.

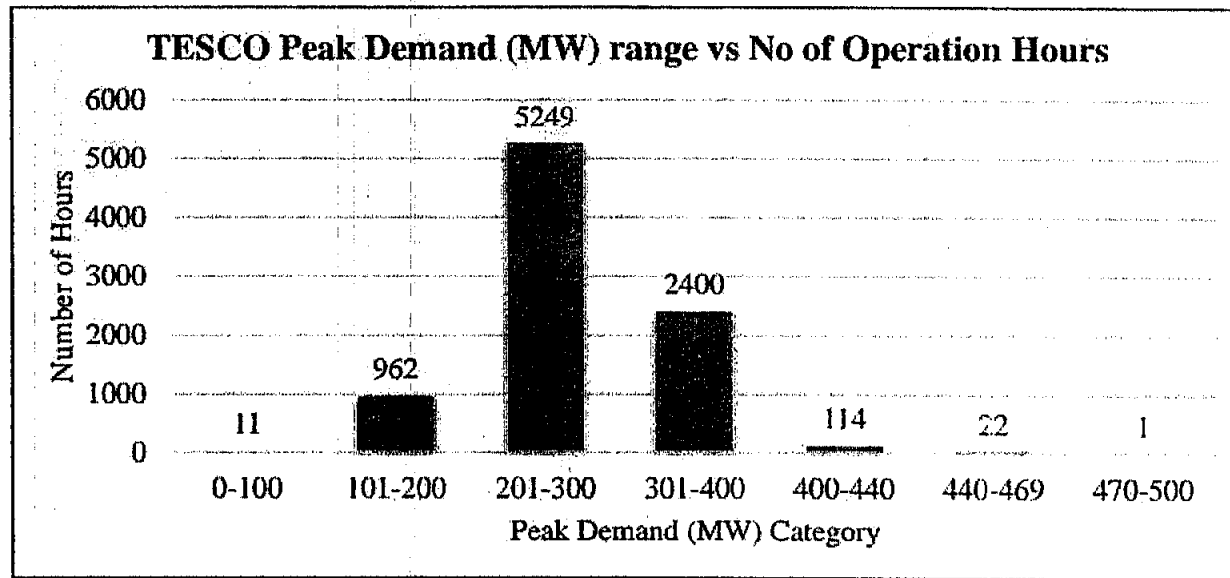


Figure 5-9(b): TESCO Peak Demand (MW) vs NO. of Operation Hours

5.2.10. SEPCO:

Table 5-25 SEPCO's compliance with CO including proposed procurement

	Supply Demand	SEPCO					
		Actual		Forecasted			
		Previous Year 2021-22	Current Year 2022-23	Year-1 2023-24	Year-2 2024-25	Year-3 2025-26	Year-4 2026-27
1	Capacity Obligations (MW)	690	1,133	1,150	1,167	947	721
2	Contracted Commissioned (MW)	948	1,059	1,018	1,017	1,017	1,016
3	Committed/ Contracted (MW)	0	140	119	229	259	340
4	Uncontracted (MW) ((2+3)-1)	258	65	-14	79	328	635
5	Future Procurement (MW)	0	0	0	0	0	0
6	Cost Reduction Projects (MW)	0	0	12	12	12	12
7	Constraints Removal (MW)	0	0	0	0	0	0
8	Total Credited Capacity (MW) (2+3+5+6+7)	948	1,198	1,148	1,258	1,288	1,368
9	Net Uncontracted (MW) (8-1)	258	65	-2	91	341	648
10	CO Compliance	0%	6%	0%	8%	36%	90%

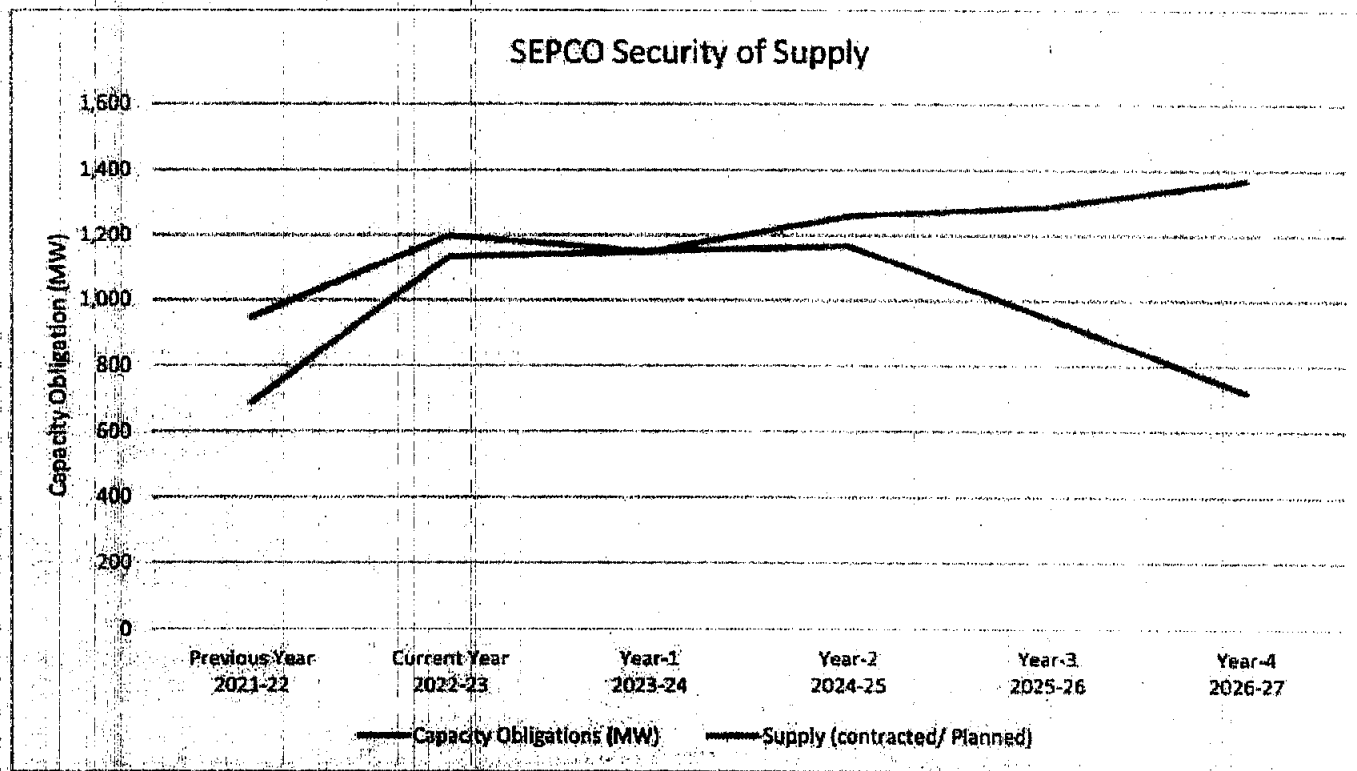


Figure 5-10 SEPCOs Security of Supply including Proposed Procurement

5.2.11. Total:

Table 5-26 XW-DISCOs' cumulative compliance with CO including proposed procurement

	Supply Demand	Total					
		Actual		Forecasted			
		Previous Year 2021-22	Current Year 2022-23	Year-1 2023-24	Year-2 2024-25	Year-3 2025-26	Year-4 2026-27
1	Capacity Obligations (MW)	21,252	28,827	30,298	31,707	26,524	20,811
2	Contracted Commissioned (MW)	25,409	28,379	27,281	27,271	27,258	27,240
3	Committed/ Contracted (MW)	0	3,742	3,182	6,127	6,939	9,113
4	Uncontracted (MW) ((2+3)-1)	4,157	3,294	165	1,691	7,673	15,541
5	Future Procurement (MW)	0	166	341	634	735	735
6	Cost Reduction Projects (MW)	0	0	275	275	275	275
7	Constraints Removal (MW)	0	501	501	501	501	0
8	Total Credited Capacity (MW) (2+3+5+6+7)	25,409	32,788	31,580	34,808	35,708	37,362
9	Net Uncontracted (MW) (8-1)	4,157	3,961	1,282	3,101	9,184	16,551
10	CO Compliance	0%	14%	4%	10%	35%	80%

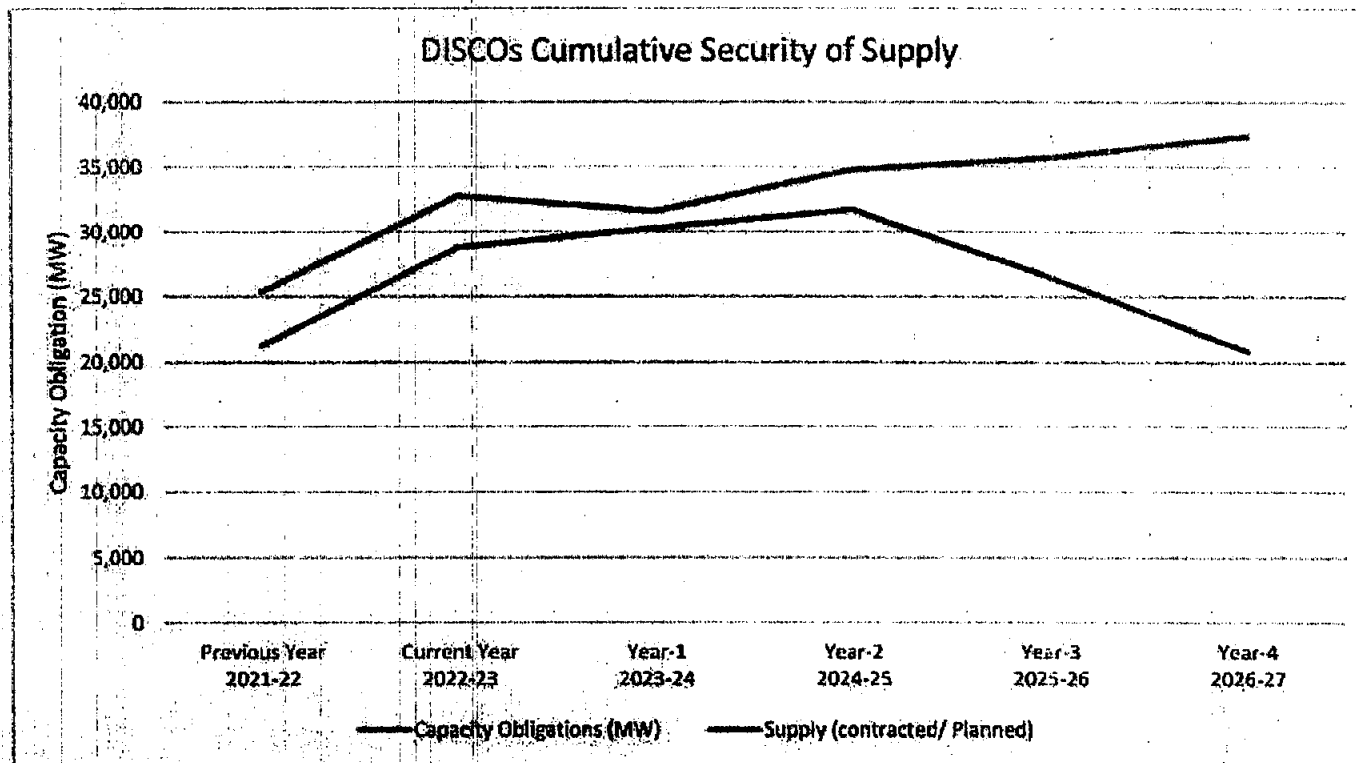


Figure 5-11 XW-DISCOs Cumulative Security of Supply including Proposed Procurement

CONCLUSIONS

1. In the scenario of considering only the existing and contracted committed capacities as per IGCEP-2022, 5 DISCOs (Namely; FESCO, LESCO, GEPCO, MEPCO and TESCO) are faced with, ranging from minor to serious, non-compliance to the respective capacity obligations over the programme horizon (FY 2022-23 to FY 2026-27). The other 5 DISCOs (Namely; IESCO, PESCO, HESCO, QESCO and SEPCO) are sufficiently, in some cases exorbitantly, above in compliance to the respective capacity obligations.
2. Without prejudice to the above individual assessment, the system as a whole is expected to remain compliant to the combined capacity obligation during the programme horizon.
3. The envisaged power procurement plans of DISCOS, comprising of localized solarization of 11 kV feeders, the utility level 600 MW solar plant and continuation of retiring plants in view of transmission constraints, provides reasonable relief with regard to compliance with respective capacity obligations of individual DISCOS besides improvising system level compliance to the combined capacity obligation of the system.
4. The overall system-based compliance to the combined capacity obligation expected through power procurement envisaged during the programme period can be balanced down to mitigate individual non-compliances expected at relevant DISCOs by suitably adjusting the inter-DISCO commercial allocation factors provided at Section 18.2.5.2 of the Market Commercial Code. This allows best utilization of capacities within system on least-cost basis.
5. Considering that the capacity obligation is a derivative of non-coincident peak-demands of individual DISCOs, applying Reserve Margin of 10% over and above the said non-coincident peaks; compared with firm capacity estimations based on equivalent availability factors, is an apparent mismatch between the two parameters (i.e., the capacity obligation vs. the firm capacity) of the desired equilibrium. Accordingly, till the commercial allocation factors are changed on the basis of coincident demands of DISCOS, it would be pragmatic, for the time beings, to dispense with the application of the Reserve Margin or at-least lowering the %age of Reserve Margin. This will reduce undue pressure on capacity obligation requirements and compliance thereof.
6. While arriving at the firm capacities vis-à-vis the compliance to the capacity obligation(s), a sizeable quantum (2050 MW) pertaining to KE is subtracted from the available capacities thus correspondingly compromising the compliance to the capacity obligation of XW-DISCOs. This needs attention.
7. The proviso to the sub-regulation 6(2) of Procurement Regulations provides that for a period of five years from the date of notification of these regulations or such earlier period as may be directed by the Authority, a combined power acquisition programme shall be developed and submitted by suppliers of last resort (except KE). Clarity on responsible entity for combining of the programme shall provide alignment of actions and compliance to the timelines.

8. The proviso to the sub-regulation 6(7), further stipulates for consultation with Independent Auction Administrator (IAA), in the absence of legal existence of IAA, the said consultation was dispensed with for the purposes of this document. Further, as per provisions of the Procurement Regulations, the very success of any Power Acquisition Programme highly depends on legal existence of IAA. An expeditious registration of IAA, in line with the Act, the Rules, the Regulations and approved CTBCM design is of high priority.
9. This combined power acquisition programme provides a balanced approach for meeting the demonstrated and expected demand of regulated consumers of XW-DISCOs, therefore, merits consideration and approval of the Authority.

P R A Y E R

1. The combined Power Acquisition Programme for the period from FY 2022-23 to FY 2026-27, representing the joint and collaborative efforts and collective wisdom of all XW-DISCO, i.e., Suppliers of Last Resort, provides a balanced approach for meeting the demonstrated and expected demand of regulated consumer adequately demonstrating the compliance with the combined capacity obligation of XW-DISCO (as SOLRs); may kindly be considered and approved by the honorable Authority.
2. The processing of other multiple requests of XW-DISCOs, pertaining to Multi-Year Tariffs (MYTs), integrated investment plans, approval of RFPs and benchmark tariffs for solarization of 11 kV feeders, licensing as electric power supplier(s), Use of System Charges and draft Use of System Agreement(s) as per NEPRA Open Access (Interconnection and Wheeling of Electric Power) Regulations, 2022, may kindly be continued or, as applicable, reconvened.

ANNEX-I: EXISTING GENERATION PLANTS

Generators under Legacy Contracts & Commissioned till date				
Sr No	Generator Name	Installed Capacity (MW)	Firm Capacity (MW)	Fuel Type
1	Atlas (APL)	219	200	RFO
2	AGL	163	150	RFO
3	China HUBCO (CPH)	1,320	1,038	Imp. Coal
4	Engro (EPQL)	217	194	Gas
5	Engro Thar (EPTL)	660	527	Local Coal
6	Foundation (FPCDL)	184	158	Gas
7	Halmore (HPGCL)	225	162	RLNG
8	Sahiwal Coal (HSR)	1,320	1,158	Imp. Coal
9	Liberty Tech (LPTL)	202	184	RFO
10	HuB N (NEL)	225	197	RFO
11	Balloki	1,223	1,001	RLNG
12	Haveli (HBS)	1,230	1,076	RLNG
13	Nishat C (NCPL)	209	171	RFO
14	Nishat P (NPL)	202	177	RFO
15	Orient (OPCL)	225	188	RLNG
16	Port Qasim (PQEPC)	1,320	1,225	Imp. Coal
17	Bhikki (QATPL)	1,180	1,033	RLNG
18	Saif (SPL)	225	189	RLNG
19	Sapphire (SECL)	225	186	RLNG
20	UCH-II	393	336	Gas
21	KAPCO 1	400	365	RLNG
22	KAPCO 2	900	820	RLNG
23	KAPCO 3	300	273	RLNG
24	Altern (AEL)	0	0	Gas
25	SABA	136	102	RFO
26	HUBCO	1,291	1,158	RFO
27	LIBERTY	225	201	Gas
28	FKPCL	172	114	RLNG
29	ROUSCH	450	411	RLNG
30	Kohinoor (KEL)	131	118	RFO
31	AES Lalpir	362	302	RFO
32	AES Pakgen	365	304	RFO
33	HCPC	0	0	Gas
34	GTPS Block#4	0	0	Gas
35	UCH	586	577	Gas
36	Guddu-I U(11-13)	415	129	Gas
37	Guddu-II U(5-10)	620	379	Gas
38	Guddu 747	747	559	Gas
39	Jamshoro-I U1	250	163	RFO
40	Jamshoro-II U4	200	131	RFO
41	Jamshoro-II U2	0	0	RFO
42	Jamshoro-II U3	0	0	RFO

Generators under Legacy Contracts & Commissioned till date				
Sr No	Generator Name	Installed Capacity (MW)	Firm Capacity (MW)	Fuel Type
43	Nandipur	525	446	RLNG
44	Muzaffargarh-I U1	210	94	RFO
45	Muzaffargarh-I U2	210	94	RFO
46	Muzaffargarh-I U3	210	94	RFO
47	Muzaffargarh-II U4	320	143	RFO
48	Muzaffargarh-II U5	-	0	RFO
49	Muzaffargarh-II U6	-	0	RFO
50	Davis	14	0	RLNG
51	Lucky Coal	660	607	Local Coal
52	Punjab Thermal	0	0	RLNG
53	Agar textile	12	12	SPP
54	Lucky cement	20	20	SPP
55	Thatta Cement	19	19	SPP
56	Al-noor sugar mill	36	36	SPP
57	Anoond	10	10	SPP
58	Omni	13	13	SPP
59	kumhariwala	3	3	SPP
60	Noon Sugar	14	14	SPP
61	Tarbela 1-14	3,478	3,478	Hydel
62	Tarbela Ext 4	1,410	1,410	Hydel
63	Mangla	1,140	1,000	Hydel
64	Ghazi Brotha	1,450	1,081	Hydel
65	Warsak	243	180	Hydel
66	Chashma	184	98	Hydel
67	Jinnah	96	19	Hydel
68	Allai khwar	121	80	Hydel
69	Khan khwar	130	31	Hydel
70	Dubair Khwar	72	112	Hydel
71	Neelam jehlam	969	802	Hydel
72	Golen Gole	108	14	Hydel
73	Gomal Zam	17	8	Hydel
74	Rasul	22	8	Hydel
75	Dargai	20	15	Hydel
76	Nandipur	14	6	Hydel
77	Shadiwal	14	3	Hydel
78	Chichoki	13	4	Hydel
79	Kuram Garhi	4	3	Hydel
80	Renala	1	1	Hydel
81	Chitral	1	1	Hydel
82	Shishi	2	2	Hydel
83	Jabban	22	20	Hydel
84	Ranolia	18	14	Hydel
85	Jagran-1	30	27	Hydel
86	Malakand III	81	75	Hydel

Generators under construction / Commissioned till date				
Sr No	Generator Name	Installed Capacity (MW)	Firm Capacity (MW)	Fuel Type
87	New Bong Escape	84	68	Hydel
88	Patrind	150	129	Hydel
89	Daral khwar	37	2	Hydel
90	Gul pur	103	93	Hydel
91	Karot	720	612	Hydel
92	Jhing	14	12	Hydel
93	Marala HPP	8	6	Hydel
94	Pakpattan HPP	3	2	Hydel
95	ACT/Tapal Wind	30	15	Wind
96	Artistic Wind	50	25	Wind
97	Artistic Wind-2	50	15	Wind
98	Din Wind Energy	50	15	Wind
99	FFC(EL)	50	19	Wind
100	FWEL-1	50	20	Wind
101	FWEL-2	50	22	Wind
102	Gul Ahmad	50	18	Wind
103	Gul Ahmad-II	50	15	Wind
104	Hawa	50	26	Wind
105	Indus	50	15	Wind
106	Jhimpir	50	27	Wind
107	Lakeside Wind	50	15	Wind
108	Liberty Wind-I	50	15	Wind
109	Master	50	23	Wind
110	Metro	50	18	Wind
111	Metro Wind-II	60	18	Wind
112	NASDA Green Wind	50	15	Wind
113	Sachal	50	20	Wind
114	Sapphire	50	22	Wind
115	Three Gorges First (TGF)	50	21	Wind
116	Three Gorges Second (TGS)	50	23	Wind
117	Three Gorges Third (TGT)	50	22	Wind
118	Tricon-A	50	28	Wind
119	Tricon-B	50	27	Wind
120	Tricon-C	50	27	Wind
121	UEP	99	41	Wind
122	Yunus	50	21	Wind
123	ZEPL	56	22	Wind
124	Tenaga	50	27	Wind
125	Dawood	50	27	Wind
126	Zephyr	50	27	Wind
127	Tricom	50	15	Wind
128	Master Green	50	15	Wind
129	Liberty Wind-II	50	15	Wind
130	Tapal Wind-II (ACT-2)	50	15	Wind

Generators under Legacy Contracts & Commissioned till date				
Sr No	Generator Name	Installed Capacity (MW)	Firm Capacity (MW)	Fuel Type
131	JDW-II	26	26	Bagasse
132	JDW-III	27	27	Bagasse
133	RYKML	30	30	Bagasse
134	Chiniot Power	63	63	Bagasse
135	Hamza Sugar	15	15	Bagasse
136	Thall Power Layyah	25	25	Bagasse
137	Almoiz Industries	36	36	Bagasse
138	Chanar Energy	22	22	Bagasse
139	Chashnupp-I	325	312	Nuclear
140	Chashnupp-II	325	303	Nuclear
141	Chashnupp-III	340	311	Nuclear
142	Chashnupp-IV	340	305	Nuclear
143	K-2	1,145	996	Nuclear
144	K-3	1,145	996	Nuclear
145	Harappa	18	4	Solar
146	Quaid e Azam	100	29	Solar
147	AJ Power	12	3	Solar
148	Apollo	100	29	Solar
149	Best Green	100	28	Solar
150	Crest Energy	100	29	Solar
151	Zhenfa	100	22	Solar
Total		38,010	31,040	

**ANNEA-II: COMMITTED GENERATION PLANTS
CONSIDERED IN CAPACITY OBLIGATION REPORT**

Generators under Legacy Contracts ó Not Commissioned					
Sr No	Generator Name	Expected COD	Installed Capacity (MW)	Firm Capacity (MW)	Fuel Type
1	Jabori	Jun-2023	10	9	Hydro
2	Thar TEL	Jul-2022	330	304	Local Coal
3	Trimmu	Jul-2022	1,263	1,162	CCGT_RLNG
4	Mangla (U #5-6)	Sep-2022	70	60	Hydro
5	Thar-I (SSRL)	Dec-2022	1,320	1,214	Local Coal
6	Thal Nova	Dec-2022	330	304	Local Coal
7	Jamshoro Coal (Unit I)	Dec-2022	660	607	Imported Coal
8	Helios	Apr-2023	50	11	Solar
9	HNDS	Apr-2023	50	11	Solar
10	Meridian	Apr-2023	50	11	Solar
11	Mangla (U #3-4)	May-2023	70	60	Hydro
2022-23			4,203	3,743	
12	Access_Electric	Sep-2023	10	2	Solar
13	Access_Solar	Sep-2023	12	3	Solar
14	Kurram Tangi	Oct-2023	18	15	Hydro
15	Riali-II	Dec-2023	7	6	Hydro
16	Lawi	Apr-2024	69	59	Hydro
17	Suki Kinari (U #1)	May-2024	221	188	Hydro
18	Safe	Jun-2024	10	2	Solar
19	Western	Jun-2024	50	15	Wind
2023-24			397	290	
20	Suki Kinari (U #2)	Jul-2024	221	188	Hydro
21	Tarbela_Ext_5 (U #1)	Jul-2024	510	434	Hydro
22	Mangla (U #1-2)	Jul-2024	70	60	Hydro
23	Tarbela_Ext_5 (U #2)	Aug-2024	510	434	Hydro
24	CASA	Aug-2024	1,000	1,000	Cross Border Interconnection
25	Suki Kinari (U #3)	Sep-2024	221	188	Hydro
26	Tarbela_Ext_5 (U #3)	Sep-2024	510	434	Hydro
27	Suki Kinari (U #4)	Nov-2024	221	188	Hydro
28	Kathai-II	Dec-2024	8	7	Hydro
29	Shahtaj	Aug-2024	32	15.0	Bagasse
2024-25			3,303	2,945	
30	Gwadar	Aug-2025	300	276	Local Coal
31	Mangla (U #9-10)	Sep-2025	70	60	Hydro
32	Dasu_1 (U #1)	May-2026	360	306	Hydro
33	Mohmand (U #1)	May-2026	200	170	Hydro
2025-26			930	812	
34	Dasu_1 (U #2)	Jul-2026	360	306	Hydro
35	Mohmand (U #2)	Jul-2026	200	170	Hydro
36	Dasu_1 (U #3)	Aug-2026	360	306	Hydro
37	Mohmand (U #3)	Sep-2026	200	170	Hydro

Generators under Legacy Contracts Not Commissioned					
Sr No	Generator Name	Expected COD	Installed Capacity (MW)	Firm Capacity (MW)	Fuel Type
38	Mangla (U #7-8)	Nov-2026	30	26	Hydro
39	Mohmand (U #4)	Nov-2026	200	170	Hydro
40	Dasu (U #4)	Nov-2026	360	306	Hydro
41	Dasu (U #5)	Feb-2027	360	306	Hydro
42	Keyal Khwar (U #1)	Feb-2027	64	54	Hydro
43	Dasu (U #6)	May-2027	360	306	Hydro
44	Keyal Khwar (U #2)	May-2027	64	54	Hydro
2026-27			2,558	2,174	
Grand Total			11,391	9,964	

246 = 8

ANNEX-III: COMMITTED/ CANDIDATE GENERATION PLANTS CONSIDERED FOR FUTURE PROCUREMENT

Generators under Legacy Contracts o Not Commissioned					
Sr No	Generator Name	Expected COD	Installed Capacity (MW)	Firm Capacity (MW)	Fuel Type
1	Chianwali HPP	Jun-2023	5	5	Hydro
2	Deg Outfall	Jun-2023	4	3	Hydro
3	Karora	Aug-2022	12	10	Hydro
4	Koto	Sep-2022	41	35	Hydro
5	Jagran-II (U #1)	Apr-2023	12	10	Hydro
6	Jagran-II (U #2)	May-2023	12	10	Hydro
7	Faran Sugar Mills (HESCO)	Mar-2023	3	3	SPP
8	Bandhi Sugar Mills (HESCO)	Mar-2023	4	4	SPP
9	Habib Sugar Mills (HESCO)	Mar-2023	3	3	SPP
10	Machai (PESCO)	Jun-2023	3	2	Hydro
11	Net-Metering	-	370	81	Solar
2022-23			469	166	
12	Jagran-II (U #3-4)	Jul-2023	24	20	Hydro
13	Chamfall	Aug-2023	3	3	Hydro
14	Siachen	Sep-2023	100	22	Solar
15	Manjhand	Sep-2023	50	11	Solar
16	Zorlu	Dec-2023	100	22	Solar
17	Trans Atlantic	Jun-2024	50	15	Wind
18	Net-Metering	-	370	81	Solar
2023-24			697	175	
19	Gorkin Matiltan	Jul-2024	84	71	Hydro
20	Daral Khwar-II	Jul-2024	10	9	Hydro
21	Kot Addu/ Muzafargarh	2024-25	600	132	Solar
22	Net-Metering	-	370	81	Solar
2024-25			1,064	293	
23	Chapari Charkhel	Sep-2025	11	9	Hydro
24	Balkani	Jul-2025	8	7	Hydro
25	Batdara	Jul-2025	5	4	Hydro
26	Net-Metering	-	370	81	Solar
2025-26			394	101	
27	Net-Metering	-	370	81	Solar
2026-27			370	81	
Grand Total			2,993	817	

TRIBAL ELECTRIC SUPPLY COMPANY

Tele: 091- 9222809

Email: ceotesco@gmail.com



Office of
Chief Executive Officer
TESCO

No. /MIRAD/CEO/TESCO/ 2456-61

Dated: 26/04/2023

The Registrar,

National Electric Power Regulatory Authority (NEPRA),
NEPRA Tower, Ataturk Avenue (East), G5/1, Islamabad.

**Subject:- APPLICATION FOR GRANT OF AN ELECTRIC POWER SUPPLY LICENCE TO TRIBAL
ELECTRIC SUPPLY COMPANY (TESCO) LIMITED AS SUPPLIER OF LAST RESORT**

It is to inform that the TESCO is Deemed Licensee for Supply of Electric Power as per provision to Sub-Section (1) of Section 23E of Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997, amended up to date for period of five (05) years which will expire on May 01, 2023.

Under the clause (1) of Section 23E of the Act "No person shall, unless licensed by the Authority under this Act, engage in the supply of electric power to a consumer". As per Regulation 3(2)(b) of NEPRA Licensing (Electric Power Supplier) Regulations, 2022 notified as per SRO No. 466(1)/2022 dated March 28th, 2022, a Deemed Licensee (TESCO) has to make an application before expiry of the license to the Authority for grant of Electric Power Supply License.

Accordingly, in pursuance of Regulation 3(1) of NEPRA Licensing (Electric Power Supplier) Regulations, 2022 and in accordance with Regulation 3 of the NEPRA Licensing (Application, Modification, Extension, and Cancellation) Procedure Regulations, 2021, find attached herewith the application for kind consideration of the Authority for grant of Electric Power Supply License to TESCO.

The BoD TESCO has authorized the undersigned in its 45th BoD meeting held on 18-04-2023 vide item No. 06 to sign the application and take all the necessary actions regarding thereto.

Consequently, I Engr. Qazi Muhammad Tahir, Chief Executive Officer TESCO do hereby request the honorable Authority for grant of an Electric Power Supply License to Tribal Electric Supply Company (TESCO) limited as Supplier of Last Resort for 20 years or more, as deemed appropriate.

For any clarification of additional information or any other matter relating to this application Engr. Hammad Amer Hashmi (Director General MIRAD) TESCO (0330-5059090, email: dgmiradtesco@gmail.com) is designated as focal person.

Documents Attached: As per checklist.

Chief Executive Officer
TESCO

Copy to: -

1. DG MIRAD, TESCO Peshawar.
2. Chief Engineer (PMU/Dev) TESCO.
3. Director C/A TESCO Peshawar.
4. Dy. Director Legal TESCO.
5. Master File.

Forwarded please:

☒ For nec action ☐ for information

1. DG (Lic.)	2. DG (Admn./HR)
3. DG (M&E)	4. DG (CAD)
5. DG (Trf.)	6. Dir. (Fin.)
7. Dir. (Tech.)	8. Consultant
9. LA	10. Addl. Dir. (IT)

For kind information please

1. Chairman
2. M (Tech.)
3. M (Lic.)
4. M (Trf. & Fin)
5. M (Law)

with cheque of Rs 2519538/-

DG (CEO)

REGISTRAR OFFICE
Copy No. 5447
Date: 03-05-23

TRIBAL ELECTRIC SUPPLY COMPANY

Tele: 091- 9222809.

Email: ceotesco@gmail.com



Office of
Chief Executive Officer
TESCO

No. /MIRAD/CEO /TESCO/ 2456-61

Dated: 26/04/2023

The Registrar,

National Electric Power Regulatory Authority (NEPRA),
NEPRA Tower, Ataturk Avenue (East), G5/1, Islamabad.

Subject:- APPLICATION FOR GRANT OF AN ELECTRIC POWER SUPPLY LICENCE TO TRIBAL ELECTRIC SUPPLY COMPANY (TESCO) LIMITED AS SUPPLIER OF LAST RESORT

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For any clarification of additional information or any other matter relating to this application Engr. Hammad Amer Hashmi (Director General MIRAD) TESCO (0330-5059090, email: dgmiradtesco@gmail.com) is designated as focal person.

Documents Attached: As per checklist.

Chief Executive Officer
TESCO

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1. DG MIRAD, TESCO Peshawar.
2. Chief Engineer (PMU/Dev) TESCO.
3. Director C/A TESCO Peshawar.
4. Dy. Director Legal TESCO.
5. Master File.

Forwarded please:

<input checked="" type="checkbox"/> For nec action	<input type="checkbox"/> for information
1. DG (Lic.)	2. DG (Admn./HR)
3. DG (M&E)	4. DG (CAD)
5. DG (Trf.)	6. Dir. (Fin.)
7. Dir. (Tech.)	8. Consultant
9. LA	10. Addl. Dir. (IT)

For kind information please

1. Chairman
2. M (Tech.)
3. M (Lic.)
4. M (Trf. & Fin)
5. M (Law)

with cheque of Rs 2510538/-

DG CHD

REGISTRAR OFFICE
Date No. 5447
03-05-23