



BAHRIA TOWN

BAHRIA TOWN SERVICES

YOUR LIFESTYLE DESTINATION



Bahria Town Services

Bahria Town (Pvt) Ltd

Rawalpindi / Islamabad

No:786/BTS/NEPRA Tariff-2

Telephone: 5731004

28 Oct 2019

To: **Syed Safeer Hussain** ✓
Registrar, NEPRA Islamabad

Subject: **Revised Tariff Petition for Determination of Revenue Requirements and Distribution Margin for FY 2018~19 & FY 2019~20 in Respect of Bahria Town (Pvt) Ltd**

Ref: NEPRA letter No NEPRA/R/TRF-100/4031 dated 01 Aug 2019 in response to our letter No 786/BTS/NEPRA Tariff dated 15 Jun 2019.

1. As desired, a separate Tariff Petition for Determination of Revenue Requirements & Distribution Margin alongwith following documents is submitted herewith for consideration of honourable National Electric Power Regulatory Authority (NEPRA):

- Copy of resolution passed by the Board of Directors of Bahria Town (Pvt) Ltd.
- An affidavit as required under Rule 3 (8) of NEPRA Tariff Standards and Procedures Rule, 1998.
- Copy of Cross cheque bearing machine No 00006828 amounting to Rs 682,976/- dated 14 Jun 2019 as fee for the Tariff Petition. (Original already submitted vide our above referred letter)
- Complete Tariff Petition alongwith summary and annexures.

2. Favourable consideration is solicited please.

For information & n/a H
DR-1/DR-1

Copies to:

— SA (Tech) — SA (II)
— DG (M&E) — ADG (M)
— LA (K&P) — MF

29 X 19
c. chairman
VC — M (T)
M (CA) — M (G-1)

Engr Muhammad Saleem
Deputy Chief Executive

BAHRIA TOWN SERVICES

Safari Valley Office, Safari Homes, Sector-E-, Phase-VIII Bahria Town, Rawalpindi.

Tel: +92-51-5731004, Fax: +92-51-5731005, E-mail: bahria.services@hotmail.com.

REGISTRAR
Dy. No. 10807
Dated: 29-10-19

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BAHRIA TOWN

BAHRIA TOWN
PRIVATE LIMITED
YOUR LIFESTYLE DESTINATION

Annex - A

کلیئر سپورٹ سنٹر
دجرہ کیلیکس، فیز 8
بجرہ ٹاؤن راولپنڈی

Customer Support Center
Bahria Complex, Phase 8
Bahria Town Rawalpindi.



CERTIFIED TRUE COPY OF THE RESOLUTION PASSED BY THE BOARD OF DIRECTORS OF BAHRIA TOWN (PRIVATE) LIMITED IN ITS BOARD OF DIRECTORS MEETING HELD ON 11th JUNE 2019

The board of director resolved to accord approval as follows:

- i. Filling of Tariff Petition with National Electric Power Regulatory Authority (NEPRA) For determination of consumer end tariff of the company for the period from 01st July 2018 to 30th June 2019 and 01st July 2019 to 30th June 2020
- ii. Following management officers / representatives and as indicated the summary of the petition are hereby authorized to sign individually or jointly the necessary documents, pay the necessary filling fee, appear before the authority as needed, and do all act necessary for completion and procession of the application for the filling of tariff petition.

Mr. Malik Riaz Hussain

Mr. Shabbar Hussain

Engr. Muhammad Saleem

Engr. Ahmad Kamal

Engr. Azhar Mahmood

Mr. Masoom Akhtar, FCA

Mr. Qaiser Qadeer Qureshi

Chairman/ Chief Executive

Company Secretary /

Chief Financial Officer

Deputy Chief Executive

General Manager Elect Development

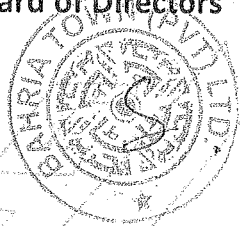
General Manager Grid Stations

Financial Consultant

Legal Advisor

For and on behalf of board of Directors


Company Secretary



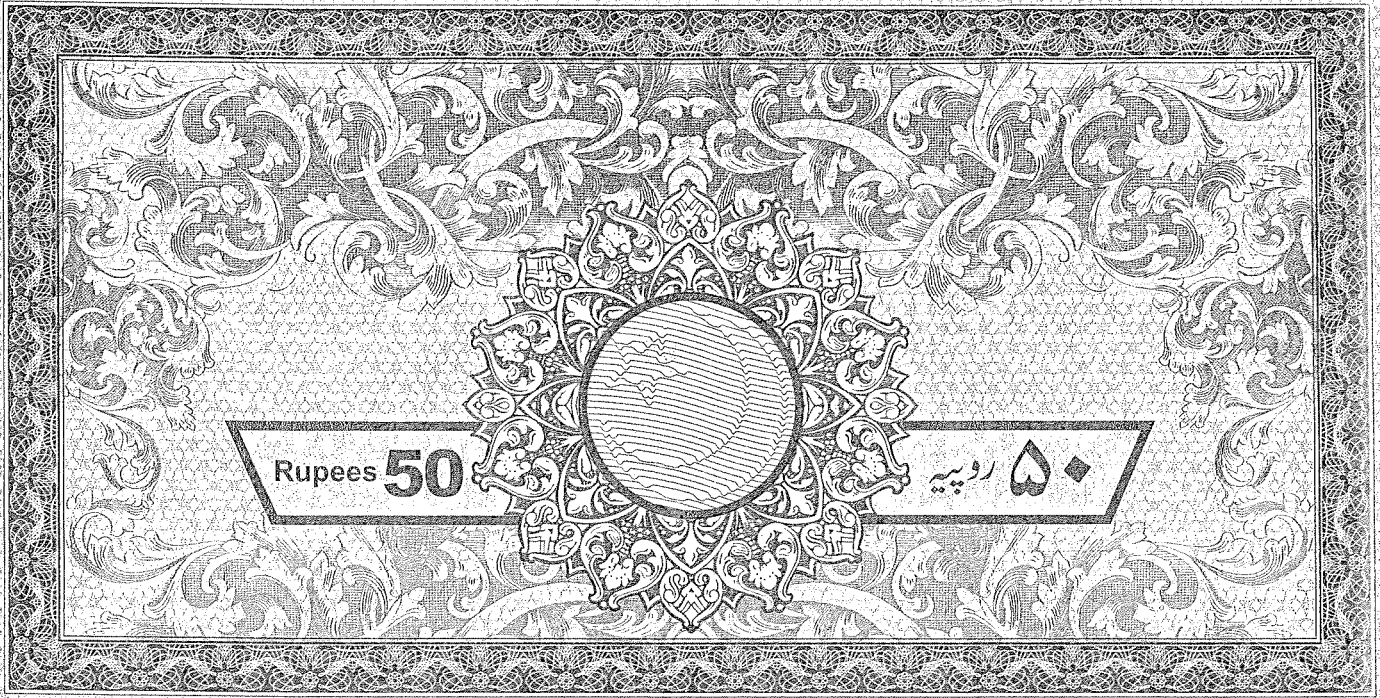
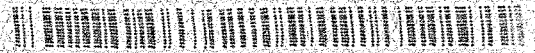
POWER OF ATTORNEY

24/7 Toll Free
0800 00100

T: 92 51 111 333 888
F: 92 51 5705821

csrwpho@bahriatown.com.pk
www.bahriatown.com





AFFIDAVIT

I, Muhammad Saleem S/o Ch. Ghulam Muhammad, Deputy Chief Executive Officer, Bahria Town (Private) Limited holding CNIC No. 37405-9868765-9 being duly appointed Attorney of Bahria Town (Private) Limited do hereby solemnly affirm and declare that the contents of the Tariff Petition for the Financial Year 2018-2019 & 2019-2020 including all supporting documents are true and correct to the best of my knowledge and belief and that nothing has been concealed.

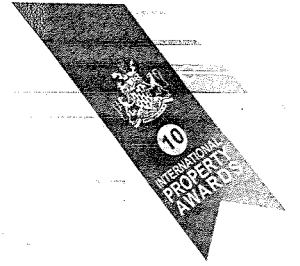
Verified on this 25th day of Oct 2019.

DEPONENT:

Muhammad Saleem



BAHRIA TOWN SERVICES
YOUR LIFESTYLE DESTINATION

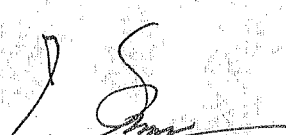


BAHRIA TOWN

POWER OF ATTORNEY
BEFORE THE NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
ISLAMABAD

Appearance for the Tariff Petitions

We, Bahria Town (Pvt) Ltd, the Petitioner/Responded/Respondent/ Intervener hereby appoint **Mr. Masoom Akhtar of Masoom Akhtar & Company, Chartered Accountants** to appear and handle the above mentioned proceedings and conduct, prosecute and/or defend us and or withdraw the same and any other proceedings that may arise out of or in connection with the same with power and authority to sign all necessary petitions, application, papers/documents and pay to all fee and cost and to file and withdraw documents and to apply for and receive payments of all money(s) that may be or become payable by or due to us during the course of or after the conclusion of the said proceedings.


Engr Muhammad Saleem
Deputy Chief Executive
For and on behalf of
Bahria Town (Pvt) Ltd

No: 786/BTS/NEPRA Tariff dated 25 Oct 2019



BAHRIA TOWN SERVICES

Safari Valley Office, Safari Homes, Sector-E-, Phase-VIII Bahria Town, Rawalpindi.
Tel: +92-51-5731004, Fax: +92-51-5731005, E-mail: bahria.services@hotmail.com.

A/C Payee Only



(5569) IBG Bahria Town Branch
Islamabad

Amount not over PKR 682,976.00

Pay to

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY

or order

Rupees

SIX HUNDRED EIGHTY TWO THOUSAND NINE HUNDRED SEVENTY SIX ONLY

BC No. BC 1BTISL 00006828

Ref No. FT1916501RDY6V50

Date 14-06-2019

only

PKR

682,976.00

Payable at any Bank Alfalah Branch in Pakistan

Please do not write below this line

⑈00006828⑈0539989⑈0000000000005569⑈010⑈



Authorized Signatory
PA/Attorney No. 110

Authorized Signatory
PA/Attorney No.

**BEFORE
THE NATIONAL ELECTRIC POWER REGULATORY AUTHORITY (NEPRA)**

TARIFF PETITION

PURSUANT TO NEPRA (TARIFF STANDARDS AND PROCEDURE) RULES, 1998
READ WITH THE PROVISIONS OF
THE REGULATION FOR GENERATION, TRANSMISSION AND DISTRIBUTION
OF ELECTRIC POWER ACT (XL OF) 1997 AND SUBSEQUENT AMMENDMENTS & THE
RULES AND REGULATIONS MADE THERE UNDER

ON BEHALF OF

BAHRIA TOWN (PRIVATE) LIMITED (BTPL)

FOR DETERMINATION OF REVENUE REQUIREMENTS
AND DISTRIBUTION MARGIN FOR THE FINANCIAL
YEAR 2018-2019 & 2019-2020
FOR BAHRIA TOWN (PRIVATE) LIMITED (BTPL)

DATED: OCTOBER 25, 2019

Bahria Town (Private) Limited

Address: Bahria Town Services, Safari Valley Office,
Bahria Homes, Sector-E, Phase-VIII, Bahria Town
Rawalpindi.

PHONE # 92-51-5731004, 92-51-5731006

FAX #: 92-51-5731005



1. DETAILS OF THE PETITIONER

1.1 Name of Address

Bahria Town (Private) Limited

Address: Bahria Town Services, Safari Valley Office, Safari Homes,
Sector-E Phase-VIII, Bahria Town

Rawalpindi

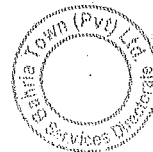
Phone #: 92-51-5731004, 5731006

Fax #: 92-51-5731005

1.2 Petitioner Details

Petitioner, a bona fide power distribution licensee, is a Private Limited Company incorporated under the Companies Ordinance, 1984 replaced with the enactment of the Companies Act, 2017. The petitioner is principally engaged in real estate development. The petitioner was awarded distribution license # 20/DL/2010 on November 24, 2010 by the National Power Regulatory Authority (NEPRA) for its distribution system in the locations developed by it located at Bahria Town, Rawalpindi/Islamabad, in the Province of Punjab and Islamabad Capital Territory (ICT).

Bahria Town Private Limited has already developed Phase I to VIII, Safari Valley, Bahria Garden City while Phase IX and other surrounding areas are in the process of development. However most of its distribution system is operational in developed areas. Area consisting Phase I to VIII and Safari Valley are fully developed and almost 68% occupied.



1.3 Representatives of Bahria Town (Private) Limited

Malik Riaz Hussain	Chairman/ Chief Executive
Syed Shabbar Hussain Shah	Company Secretary / Chief Financial Officer
Engr. Muhammad Saleem	Deputy Chief Executive
Engr. Ahmad Kamal	GM Elect Development
Engr. Azhar Mahmood	General Manager Grid Stations
Mr. Masoom Akhtar, FCA	Financial Consultant
Mr. Qaiser Qadeer Qureshi	Legal Advisor
Mr Tanseer Bukhari	Legal Consultant



2. SUBMISSION

This Tariff Petition is being filed in accordance with the NEPRA Rules 1998 Part II Section 3. The information required to be filed under the NEPRA Rules is given under the following sections:

NEPRA Rules Reference	Requirement	Tariff Petition Reference
3(2)(a)	Name and address of Tariff Petitioner	1.1
	Licensee details	1.2
	Representative(s) of Tariff Petitioner	1.3
3 (2)(a)	Grounds giving rise to the Tariff Petitioner's interest	3
3 (2)(b)	Grounds and facts forming basis of Tariff Petition	4
3 (2)(c)	Relief or determination sought	7
3 (2)(d)	Comparative schedule of charges, costs, etc.	
3 (2)(e)	Proposed changes in tariff	
3 (2)(f)	Summary of evidence	6



3. GROUNDS FOR PETITIONER'S INTEREST

- a) Petitioner, a bona fide power distribution licensee, is a Private Limited Company incorporated under the Companies Ordinance 1984, replaced with the enactment of the Companies Act, 2017. The petitioner is principally engaged in real estate development. The petitioner was awarded distribution license # 20/DL/2010 on November 24, 2010 by the National Electric Power Regulatory Authority (NEPRA) for its distribution system in the locations developed by it located at Bahria Town, Rawalpindi/Islamabad, in the Province of Punjab and Islamabad Capital Territory (ICT).
- b) Bahria Town (Private) Limited has already developed Phase I to VIII, Safari Valley, Bahria Garden City while Phase IX and other surrounding areas are the process of development. However, most of its distribution system is operational in developed areas. Area consisting Phase I to VIII and Safari Valley are fully developed and almost 68% occupied.
- c) In order to perform its obligatory duties prescribed by the Authority (NEPRA) as per NEPRA Performance Standards (Distribution) Rule 2005, the petitioner has some development plans; which require financial resources by determination of appropriate distribution margin, as the internal financial viability of a utility can only be ensured having sufficient financial outlay.

4. GROUNDS AND FACTS FOR TARIFF PETITION FILING

Refer to the determination of the Authority in the matter of petition filed by Bahria Town (Private) Limited of distribution margin. The Authority, in exercise powers conferred on it under section 7(3)(a) read with Section 31 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 and subsequent amendments, Tariff Standards and Procedures Rules, 1998 and all other powers enabling it in this behalf, and



after taking into consideration all the submissions made by the parties, issues raised, evidence/record produced during hearings, and all other relevant material hereby issues the determination as follows:

"BTPL the petitioner, is allowed to charge such distribution margin from the supplier in its services territory as is applicable to relevant supplier category of IESCO including all costs, taxes, levies and surcharges.....".

Basis of the Tariff petition:

Bahria Town (Private) Limited "Distributor" provided distribution services to the supplier and incurred Rs. 125.657 Million and Rs. 127.555 Million in 2018 and 2019 respectively to charged 5% distribution margin on total expenses. The projected expenses for the financial year 2020 are Rs. 130.363 Million and estimated distribution margin calculated on these expenses @ 5% which is Rs. 6.518 Million.



5. Key Assumptions to the Financial Projection

Basic Information

The financial projections have been prepared on the basis of the following assumptions:

- a. **Revenue (in Rupees)** for FY 2017-18, FY 2018-19 and FY 2019-20 is determined based on the total cost incurred on distribution services and 5% distribution margin on distribution expenses.
- b. **Cost of sales** has been arrived at by actual current cost of division with an increase of 1.5% and 2.2% during financial year 2018-2019 and 2019-2020 respectively:
- h. **Depreciation** has been taken on the rates as per DISCO policies: Plant and machinery 3.5%, computer & accessories 33% and other assets 15%.
- i. **Projections** are made for the financial year 2020 by increasing the 10% of expenses from the last year. Depreciation is calculated on actual.

6. Summary of Evidence

For purposes of this Tariff Petition, BTPL has relied on the following documents:

- a) Financial statements as follows:

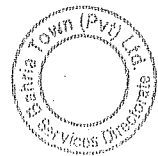


i) Balance sheet: For the period of 12 month i.e.:

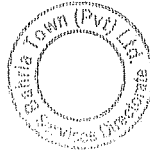
- From July 01, 2017 to June 30, 2018 (Audited)
- From July 01, 2018 to June 30, 2019 (Unaudited)
- From July 01, 2019 to June 30, 2020 (Projected)

ii) Profit and loss Account: For the period from:

- **From July 01, 2017 to June 30, 2018**
Out of this period from July 01, 2017 to June 30, 2018
based on actual basis. **(ANNEXURE - A)**
- **From July 01, 2018 to June 30, 2019**
Out of this Period from July 01, 2018 to June 30, 2019
based on actual basis. **(ANNEXURE - B)**
- **From July 01, 2019 to June 30, 2020**
Period from July 01, 2019 to June 30, 2020 based on
projection. **(ANNEXURE - C)**



- a. Company statistics
- b. Profit and Loss Statement
- c. Profit and Loss Statement (monthly)
- d. Balance Sheet
- e. Cash Flow Statement
- f. Asset register
- g. Operating cost
- h. Distribution margin comparison
- i. RORB Calculation
- j. Investment



7. Relief/Determination Sought

a) In view of the consideration and grounds aforesaid, it is respectfully prayed:

- The distribution margin pertaining to the financial year 2018-2019 and 2019-2020 may kindly be approved on the basis of information provided.
- The petitioner may be granted an opportunity of hearing of this petition.
- The petitioner may be allowed to submit additional grounds, information and documents in support of this petition if required.

Furthermore, Honorable Authority is requested to kindly process the Tariff Petition at the earliest thereby enabling BTPL to proceed further with its investment and development plans for FY 2019-20.

In light of the submissions, the financial analysis and information contained in this Tariff Petition, along with the Annexure attached hereto, and in the interest of expediting BTPL's initiatives in improving its transmission and distribution network infrastructure through system augmentation, rehabilitation, expansion and relieving the power system from disruptions and its commitment to better serve its customer base, this Tariff Petition is submitted for NEPRA's approval of the Reference Tariff.

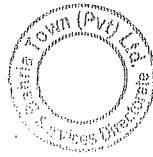


Respectfully submitted for and on behalf of:

Bahria Town (Private) Limited



Deputy Chief Executive



STANDARD PETITION FORMATS FOR DISTRIBUTION COMPANIES
INDEX

Form #	DESCRIPTION
1	Company Statistics
2	Profit & Loss Statement
3	Profit & Loss Statement (Month wise)
4	Balance Sheet
5	Cash Flow Statement
13	Asset Register
16	Operating Cost
17	Distribution Margin Comparison
19	RORB Calculation
20	Revenue Requirement
21	Investments



Bahria Town (Private) Limited
BAHRIA ELECTRIC DISTRIBUTION WING

Company Statistics

		2017 - 18 Actual	2018 - 19 Projected	2019 - 20 Projected
Peak demand during FY	MkWh	18.00	21.56	24.08
Number of Consumers		26,205	29,461	32,620
Area		Bahria Town (Pvt) Ltd	Bahria Town (Pvt) Ltd	Bahria Town (Pvt) Ltd
Divisions		North & South	North & South	North & South
Sub Divisions		NIL	NIL	NIL
Length of Feeders	km	382.00	496.60	645.58
Average Length of Feeders	km	10.91	14.19	18.45
Maximum Length of Feeder	km	14.35	14.35	14.35
Minimum Length of Feeder	km	0.27	0.27	0.27
Target for new connections		NIL	NIL	NIL
Length of High Voltage Transmission lines (132 kV)		NIL	NIL	NIL
Length of STG lines (66 and 11 kV)	km	382.00	496.60	645.58
Length of Low Voltage Distribution lines (400 V)	km	1,198.38	1,557.89	2025.26
Number of HV transformers (11 / 0.4 kV)		982	1,277	1659.58
Number of burned down HV transformers		NIL	NIL	NIL
Number of STG transformers		NIL	NIL	NIL
Number of burned down STG transformers		NIL	NIL	NIL
Number of LV transformers		NIL	NIL	NIL
Number of burned down LV transformers		NIL	NIL	NIL

Number of Employees	Strength			Cost Rs. (Million)		
	2017 - 18	2018 - 19	2019 - 20	2017 - 18	2018 - 19	2019 - 20
A Qualified Professionals						
Engineers	3	3	3	3,600,612	4,140,704	4,761,809
B Staff						
Technical	22	22	22	8,606,976	9,698,199	11,152,929
Clerical	4	4	4	1,032,600	1,135,860	1,249,446
Non-Technical	21	21	21	4,409,208	5,070,589	5,831,178



Bahria Town (Private) Limited
BAHRIA ELECTRIC DISTRIBUTION WING

Profit & Loss Statement

		2017-2018					2018-2019					2019-2020				
		Q1 Actual	Q2 Actual	Q3 Actual	Q4 Actual	Total Actual	Total Actual	Q1 Actual	Q2 Actual	Q3 Actual	Q4 Actual	Total Projected	Q1 Projected	Q2 Projected	Q3 Projected	Q4 Projected
Revenue																
Rental & Service Income	[Mln Rs]	46.25	30.91	24.77	32.41	134.33	136.57	46.19	22.35	30.46	37.56	139.79	50.18	27.38	27.95	34.28
Amortization of Def Credits	[Mln Rs]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Income	[Mln Rs]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue	[Mln Rs]	46.25	30.91	24.77	32.41	134.33	136.57	46.19	22.35	30.46	37.56	139.79	50.18	27.38	27.95	34.28
Operating Cost																
Power Purchase Cost	[Mln Rs]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Distribution O&M Expenses	[Mln Rs]	15.32	10.24	8.21	10.74	44.50	49.59	16.77	8.12	11.06	13.64	55.50	19.92	10.87	11.09	13.61
Depreciation	[Mln Rs]	28.73	19.20	15.38	20.13	83.43	80.48	27.22	13.17	17.95	22.14	77.63	27.87	15.21	15.52	19.04
Amortization	[Mln Rs]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Provision for Bad Debt	[Mln Rs]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Operating Cost	[Mln Rs]	44.05	29.44	23.59	30.86	127.94	130.07	44.00	21.29	29.01	35.78	133.13	47.79	26.08	26.62	32.65
EBIT	[Mln Rs]	2.20	1.47	1.18	1.54	6.40	6.50	2.20	1.06	1.45	1.79	6.66	2.39	1.30	1.33	1.63
Financial Charges	[Mln Rs]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EBT	[Mln Rs]	2.20	1.47	1.18	1.54	6.40	6.50	2.20	1.06	1.45	1.79	6.66	2.39	1.30	1.33	1.63
Tax	[Mln Rs]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EAT	[Mln Rs]	2.20	1.47	1.18	1.54	6.40	6.50	2.20	1.06	1.45	1.79	6.66	2.39	1.30	1.33	1.63
WPPF	[Mln Rs]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit for the period	[Mln Rs]	2.20	1.47	1.18	1.54	6.40	6.50	2.20	1.06	1.45	1.79	6.66	2.39	1.30	1.33	1.63



Bahria Town (Private) Limited
BAHRIA ELECTRIC DISTRIBUTION WING

Profit & Loss Statement (Test Year)

		July-17	August-17	September-17	1st Qtr's	October-17	November-17	December-17	2nd Qtr's	January-18	February-18	March-18	3rd Qtr's	April-18	May-18	June-18	4th Qtr's	Grand
		Actual	Actual	Actual	Total	Actual	Actual	Actual	Total	Actual	Actual	Actual	Total	Actual	Actual	Actual	Total	Total
Revenue																		
Rental & Service Income	[Mln Rs]	14.66	16.63	14.96	46.2	13.19	9.40	8.31	30.91	9.02	8.28	7.46	24.77	8.59	9.37	14.45	32.41	134.33
Amortization of Def Credits	[Mln Rs]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Income	[Mln Rs]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue	[Mln Rs]	14.66	16.63	14.96	46.2	13.19	9.40	8.31	30.91	9.02	8.28	7.46	24.77	8.59	9.37	14.45	32.41	134.33
Operating Cost																		
Distribution O&M Expenses	[Mln Rs]	4.86	5.51	4.95	15.3	4.37	3.12	2.75	10.2	2.99	2.74	2.47	8.2	2.85	3.10	4.79	10.74	44.50
Depreciation	[Mln Rs]	9.11	10.33	9.29	28.7	8.19	5.84	5.16	19.20	5.60	5.14	4.63	15.38	5.33	5.82	8.98	20.13	83.43
Amortization	[Mln Rs]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Provision for Bad Debt	[Mln Rs]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Operating Cost	[Mln Rs]	13.96	15.84	14.24	44.05	12.56	8.96	7.92	29.44	8.59	7.89	7.11	23.59	8.18	8.92	13.76	30.86	127.94
EBIT	[Mln Rs]	0.70	0.79	0.71	2.20	0.63	0.45	0.40	1.47	0.43	0.39	0.36	1.18	0.41	0.45	0.69	1.54	6.40
Financial Charges	[Mln Rs]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EBT	[Mln Rs]	0.70	0.79	0.71	2.2	0.63	0.45	0.40	1.47	0.43	0.39	0.36	1.18	0.41	0.45	0.69	1.54	6.40
Tax	[Mln Rs]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EAT	[Mln Rs]	0.70	0.79	0.71	2.2	0.63	0.45	0.40	1.47	0.43	0.39	0.36	1.18	0.41	0.45	0.69	1.54	6.40
WPPF	[Mln Rs]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit for the period	[Mln Rs]	0.70	0.79	0.71	2.2	0.63	0.45	0.40	1.47	0.43	0.39	0.36	1.18	0.41	0.45	0.69	1.54	6.40



FORM - 3 (A)

Bahria Town (Private) Limited
BAHRIA ELECTRIC SUPPLY WING

Profit & Loss Statement (Actual*)

		July-18	August-18	September-18	1st Qtr's Total	October-18	November-18	December-18	2nd Qtr's Total	January-19	February-19	March-19	3rd Qtr's Total	April-19	May-19	June-19	4th Qtr's Total	Total
Revenue																		
Rental & Service Income	[Mln Rs]	14.99	16.11	15.09	46.2	8.48	6.91	6.96	22.35	10.80	10.70	8.96	30.46	9.70	12.12	15.75	37.56	136.57
Amortization of Def Credits	[Mln Rs]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Income	[Mln Rs]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue	[Mln Rs]	14.99	16.11	15.09	46.19	8.48	6.91	6.96	22.35	10.80	10.70	8.96	30.46	9.70	12.12	15.75	37.56	136.57
Operating Cost																		
Distribution O&M Expenses	[Mln Rs]	5.44	5.85	5.48	16.8	3.08	2.51	2.53	8.12	3.92	3.89	3.25	11.06	3.52	4.40	5.72	13.64	49.59
Depreciation	[Mln Rs]	8.83	9.50	8.89	27.2	5.00	4.07	4.10	13.17	6.36	6.31	5.28	17.95	5.71	7.14	9.28	22.14	80.48
Amortization	[Mln Rs]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Provision for Bad Debt	[Mln Rs]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Operating Cost	[Mln Rs]	14.27	15.35	14.37	44.00	8.08	6.58	6.63	21.29	10.29	10.19	8.53	29.01	9.24	11.54	15.00	35.78	130.07
EBIT	[Mln Rs]	0.71	0.77	0.72	2.2	0.40	0.33	0.33	1.06	0.51	0.51	0.43	1.45	0.46	0.58	0.75	1.79	6.50
Financial Charges	[Mln Rs]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EBT	[Mln Rs]	0.71	0.77	0.72	2.2	0.40	0.33	0.33	1.06	0.51	0.51	0.43	1.45	0.46	0.58	0.75	1.79	6.50
Tax	[Mln Rs]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EAT	[Mln Rs]	0.71	0.77	0.72	2.2	0.40	0.33	0.33	1.06	0.51	0.51	0.43	1.45	0.46	0.58	0.75	1.79	6.50
WPPF	[Mln Rs]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit for the period	[Mln Rs]	0.71	0.77	0.72	2.2	0.40	0.33	0.33	1.06	0.51	0.51	0.43	1.45	0.46	0.58	0.75	1.79	6.50

* Where actual figures are available, these are replaced by the actual figures.



Bahria Town (Private) Limited
BAHRIA ELECTRIC SUPPLY WING

Profit & Loss Statement (Projected*)

		July-19	August-19	September-19	1st Qrt's Total	October-19	November-19	December-19	2nd Qrt's Total	January-20	February-20	March-20	3rd Qrt's Total	April-20	May-20	June-20	4th Qrt's Total	Total
Power Balances																		
Revenue																		
Rental & Service Income	[Min Rs]	16.37	17.44	16.37	50.2	11.12	8.16	8.10	27.38	9.76	10.00	8.18	27.95	8.88	11.07	14.33	34.28	139.79
Amortization of Def Credits	[Min Rs]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Income	[Min Rs]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue	[Min Rs]	16.37	17.44	16.37	50.18	11.12	8.16	8.10	27.38	9.76	10.00	8.18	27.95	8.88	11.07	14.33	34.28	139.79
Operating Cost																		
Distribution O&M Expenses	[Min Rs]	6.50	6.92	6.50	19.92	4.41	3.24	3.22	10.87	3.88	3.97	3.25	11.09	3.52	4.40	5.69	13.61	55.50
Depreciation	[Min Rs]	9.09	9.69	9.09	27.87	6.17	4.53	4.50	15.21	5.42	5.55	4.55	15.52	4.93	6.15	7.96	19.04	77.63
Amortization	[Min Rs]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Provision for Bad Debt	[Min Rs]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Operating Cost	[Min Rs]	15.59	16.61	15.59	47.79	10.59	7.77	7.72	26.08	9.30	9.52	7.79	26.62	8.45	10.55	13.65	32.65	133.13
EBIT	[Min Rs]	0.78	0.83	0.78	2.39	0.53	0.39	0.39	1.30	0.46	0.48	0.39	1.33	0.42	0.53	0.68	1.63	6.66
Financial Charges	[Min Rs]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EBT	[Min Rs]	0.78	0.83	0.78	2.39	0.53	0.39	0.39	1.30	0.46	0.48	0.39	1.33	0.42	0.53	0.68	1.63	6.66
Tax	[Min Rs]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EAT	[Min Rs]	0.78	0.83	0.78	2.39	0.53	0.39	0.39	1.30	0.46	0.48	0.39	1.33	0.42	0.53	0.68	1.63	6.66
WPPF	[Min Rs]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit for the period	[Min Rs]	0.78	0.83	0.78	2.39	0.53	0.39	0.39	1.30	0.46	0.48	0.39	1.33	0.42	0.53	0.68	1.63	6.66



Bahria Town (Private) Limited
BAHRIA ELECTRIC DISTRIBUTION WING
Balance Sheet [in million Rupees]

Description	Current Qrt/ FY as on 30 June, 2018	Projected Qrt/ FY as on 30 June, 2019	Projected Qrt/ FY as on 30 June, 2020
Intangible Fixed Assets	-	-	-
Net Fixed Assets in Operations	2,293.90	2,213.42	2,135.79
Total Net Fixed Assets in Operations	2,293.90	2,213.42	2,135.79
Capital Work in Progress	-	300	350
Long Term Loans to Employees	-	-	-
Deferred Cost & Long Term Deposits	-	-	-
	-	300.00	350.00
<i>Current Assets</i>			
Stores & Spares	7.12	7.83	8.62
Trade Debts	-	-	-
Advances, Prepayments, Other Receivables	-	-	-
Tariff Subsidy (Receivable from GoP)	-	-	-
Receivable from Associated Companies	-	-	-
Cash & Bank Balances	-	-	-
<i>Total Current Assets</i>	7.12	7.83	8.62
Total Assets	2,301.02	2,521.25	2,494.40
Subscribed Equity	-	-	-
Head Office Current Account	2,301.02	2,521.25	2,494.40
Unappropriated Profit	-	-	-
Total Equity	2,301.02	2,521.25	2,494.40
<i>Long Term Liability</i>			
Security Deposits	-	-	-
Employee Retirement Benefits	-	-	-
TFCs & SUKUK	-	-	-
Deferred Credits	-	-	-
Total Long Term Loan	-	-	-
<i>Total Long Term Liability</i>	-	-	-
<i>Current Liability</i>			
Current Maturity on Long Term Loans	-	-	-
Subsidy Received in Advance from GoP	-	-	-
Provision for Taxation	-	-	-
Payable to NTDC	-	-	-
Creditors, Accrued and Other Liabilities	-	-	-
<i>Total Current Liability</i>	-	-	-
Total Liabilities and Commitments	-	-	-
Total Liabilities and Equity	2,301.02	2,521.25	2,494.40



FORM - 5

Cash Flow Statement [in million Rupees]

Description	Previous	Current	Projected
	for Qrt/FY ending 2018	for Qrt/FY ending 2019	for Qrt/FY ending 2020
Revenue from Services	134	137	140
Collection from Required [%]	100	100	100
Inflows from Operations			
Collection from Current Services	134	137	140
Prior Year Recovery	-	-	-
Total Inflows from Operations	134	137	140
Outflow from Operations			
Payment for electricity (IESCO)	-	-	-
Distribution Service Cost (DMC)	(128)	(130)	(133)
Increase/(decrease) in current liabilities	-	-	-
(Increase)/decrease in current assets	1.51	(0.71)	(0.78)
Income tax paid	-	-	-
Total Outflow from Operations	(126)	(131)	(134)
Surplus/(Deficit) from Operations	8	6	6
Inflows from Other Sources			
Capital Contributions	-	-	-
Consumer Security Deposits	-	-	-
Other Incomes	-	-	-
GOP Subsidy (Actual and Estimated)	-	-	-
Long Term Loan / Redeemable Capital	-	-	-
Total Inflows from Other Sources	-	-	-
Outflow Others			
Financial Charges	-	-	-
Repayment of Long Term Loans	-	-	-
Fixed capital expenditure	-	-	-
Work in progress	-	(300)	(50)
Investment Program	-	-	-
Working Capital/other Changes	-	-	-
Total Outflow Others	-	(300)	(50)
Surplus/(Deficit) Others	-	(300)	(50)
Total Inflows (Operations + Others)	134	137	140
Total Outflows (Operations + Others)	(126)	(431)	(184)
Opening Balance	-	-	(0.00)
Surplus/(Deficit) for Fiscal Year	8	(294)	(44)
Deficit from Financing/Loans	-	-	-
Head Office Current Account	(8)	294.21	44.13
Closing Balance	-	(0)	-



Form - 13

asset register as the year ended at date June 30, 2018

Sl. No.	Description	Cost			Accumulated Depreciation				Book Value as June 30, 2018
		As at July 01, 2017	Addition/ (deletions)	As at June 30, 2018	As at July 01, 2017	Charged during the year	Adjustments	As at June 30, 2018	
		(Rs. in '000')	(Rs. in '000')	(Rs. in '000')	(Rs. in '000')	(Rs. in '000')	(Rs. in '000')	(Rs. in '000')	
	Land								
1	Freehold	-	-	-	-	-	-	-	-
2	Leasehold	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-
	Buildings								
1	Residential Buildings	-	-	-	-	-	-	-	-
2	Non-Residential Buildings	-	-	-	-	-	-	-	-
3	GSO Residential Buildings	-	-	-	-	-	-	-	-
4	Non-GSO Residential Buildings	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-
	Sub Transmission								
1	132 KV Sub Transmission Lines	-	-	-	-	-	-	-	-
2	66 KV Sub Transmission Lines	-	-	-	-	-	-	-	-
3	33 KV Sub Transmission Lines	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-
	Grid Station								
1	220 KV Grid Station	611,000	-	611,000	117,593	17,269	-	134,863	476,137
2	132 KV Grid Station	90,000	-	90,000	19,865	2,455	-	22,320	67,680
3	66 KV Grid Station	-	-	-	-	-	-	-	-
4	33 KV Grid Station	-	-	-	-	-	-	-	-
	Total	701,000	-	701,000	137,459	19,724	-	157,183	543,817
	11 KV Distribution Equipments								
1	11 KV Poles	-	-	-	-	-	-	-	-
2	11KV Line (Cables)	238,256	-	238,256	52,589	6,498	-	59,087	179,169
3	Distribution Transformer	639,593	-	639,593	141,375	17,438	-	158,813	480,780
	Total	877,848	-	877,848	193,964	23,936	-	217,900	659,948
	LV Distribution Equipments								
1	LV Poles	339,048	-	339,048	65,254	9,583	-	74,837	264,212
2	440 LV Distribution Line	763,698	-	763,698	193,945	19,941	-	213,887	549,811
3	220 LV Distribution Line	242,493	-	242,493	33,182	7,326	-	40,508	201,985
4	KWh Meters & Service Cable	2,920	-	2,920	1,984	140	-	2,124	796
5	Misc. Equipment (DBs & SMPs)	93,730	-	93,730	18,657	2,628	-	21,285	72,446
	Total	1,441,890	-	1,441,890	313,022	39,618	-	352,640	1,089,250
	Vehicles								
1	132/66/33 KV GSO Vehicles	-	-	-	-	-	-	-	-
2	Vehicles	3,254	-	3,254	2,211	156	-	2,367	887
	Total	3,254	-	3,254	2,211	156	-	2,367	887
	Detail of General Plant Assets								
1	Computer Equipment	-	-	-	-	-	-	-	-
2	Furniture	-	-	-	-	-	-	-	-
3	Workshop Equipment	-	-	-	-	-	-	-	-
4	Laboratory Equipment	-	-	-	-	-	-	-	-
5	Misc. Equipment	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-
	O&M Equipments	-	-	-	-	-	-	-	-
	Grand Total	3,023,992	-	3,023,992	646,655	83,434	-	730,090	2,293,902

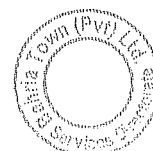


Bahria Town (Private) Limited
BAHRIA ELECTRIC DISTRIBUTION WING

Operating Cost

		2017 - 18 Actual Distribution	2018 - 19 Actual Distribution	2019 - 20 Projected Distribution
Power Purchase Cost				
Energy Charge	[Mln Rs]	-	-	-
Capacity Charge	[Mln Rs]	-	-	-
Transmission Charge	[Mln Rs]	-	-	-
Adjustment *	[Mln Rs]	-	-	-
Total Power Purchase Cost	[Mln Rs]	-	-	-
* Provide the detail of adjustment				
Operation & Maintenance *				
Employees Cost **				
Salaries, Wages & Benefits	[Mln Rs]	17.65	20.05	23.00
Retirement Benefits	[Mln Rs]	-	-	-
Total Employees Cost	[Mln Rs]	17.65	20.05	23.00
Admin Expenses	[Mln Rs]	1.25	1.38	1.52
Repair & Maintenance	[Mln Rs]	22.58	24.84	27.33
Selling expenses	[Mln Rs]	-	-	-
Travelling	[Mln Rs]	-	-	-
Transportation	[Mln Rs]	-	-	-
Management Fee	[Mln Rs]	-	-	-
Miscellaneous Expenses	[Mln Rs]	3.02	3.32	3.66
Total O&M	[Mln Rs]	44.50	49.59	55.50
Depreciation & Amortization				
Depreciation	[Mln Rs]	83.43	80.48	77.63
Amortization of Leased Assets	[Mln Rs]	-	-	-
Total	[Mln Rs]	83.43	80.48	77.63
Provision for Bad Debts				
Provision for bad debts *	[Mln Rs]	-	-	-
Bad debts written off	[Mln Rs]	-	-	-
Total	[Mln Rs]	-	-	-

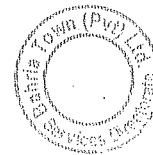
* Basis of this provision should be elaborated



Bahria Town (Private) Limited
BAHRIA ELECTRIC DISTRIBUTION WING

Distribution Margin Comparison:

	Actual 2017 - 18	Projected 2018 - 19	Projected 2019 - 20
Distribution O&M Expenses	44.50	49.59	55.50
Total O&M Expenses	44.50	49.59	55.50
Increase in %	22.84%	11.43%	11.91%
Depreciation	83.43	80.48	77.63
RORB	83.31	84.03	87.29
Income Tax	-	-	-
Other Income 5% margin	6.40	6.50	6.66
Distribution Margin	217.87	220.72	227.20
Energy Sold	-	-	-
DM per unit	1.53	1.39	1.29
DM per unit increase		-8.67%	-7.67%



FORM - 18

Bahria Town (Private) Limited
BAHRIA ELECTRIC DISTRIBUTION WING

Financial Charges

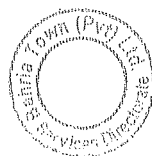
	Period Determined	Period Actual	Period Projected
A Long Term Loans	NIL	NIL	NIL
GOP loans	-	-	-
Foreign Loans	-	-	-
Bonds	-	-	-
TFCs	-	-	-
Others	-	-	-
Total	-	-	-
B Short Term Loan	NIL	NIL	NIL
Running Finance	-	-	-
Short Term Loan	-	-	-
Others	-	-	-
Total	-	-	-
C Total Financial Charges (A+B)	-	-	-



Bahria Town (Private) Limited
BAHRIA ELECTRIC DISTRIBUTION WING

ORB Calculation

		2017 - 18	2018 - 19	2019 - 20
		Actual	Projected	Projected
A	Gross Fixed Assets in Operation - Opening Bal [Mln Rs]	3,024	3,024	3,024
B	Addition in Fixed Assets [Mln Rs]	-	-	-
C	Gross Fixed Assets in Operation - Closing Bal [Mln Rs]	3,024	3,024	3,024
D	Less : Accumulated Depreciation [Mln Rs]	730	816	894
E	Net Fixed Assets in Operation [Mln Rs]	2,294	2,208	2,130
F	Add : Capital Work In Progress - Closing Bal [Mln Rs]	-	300	350
G	Investment in Fixed Assets [Mln Rs]	2,294	2,508	2,480
H	Less : Deferred Credits [Mln Rs]	-	-	-
	Regulatory Assets Base [Mln Rs]	2,294	2,508	2,480
	Average Regulatory Assets Base [Mln Rs]	2,380	2,401	2,494
	Rate of Return [%age]	3.5%	3.5%	3.5%
	Return on Rate Base [Mln Rs]	83	84	87



FORM - 21 (A)

Bahria Town (Private) Limited
BAHRIA ELECTRIC DISTRIBUTION WING

Investment

Date 30, 2018

		Period	Period	Period
		Determined	Budgeted	Actual 18-19 Projected 19-20
A Investment Plan				
DOP	[Mln Rs]	-	-	-
ELR	[Mln Rs]	-	-	-
STG	[Mln Rs]	-	-	-
Village Electrification	[Mln Rs]	-	-	-
Others (Please Mention)	[Mln Rs]	-	-	-
Total	[Mln Rs]	-	-	300 50
				300 50
B Financing Arrangement				
Local	[Mln Rs]	-	-	-
Loan	[Mln Rs]	-	-	-
PSDP / Own Resources	[Mln Rs]	-	-	-
Grant	[Mln Rs]	-	-	-
Consumer Contribution	[Mln Rs]	-	-	-
Others (Bahria Town Head Office)	[Mln Rs]	-	-	300 50
Total	[Mln Rs]	-	-	300 50
				300 50

Design, Supply, Installation , Testing & Commissioning of Extension Work with 63 MVA Power Transformer at 220/132 Kv
Grid Station at Bahria Town Ph-VIII Rawalpindi.



Interest on Development Loans

Sr. No.	Loans	Interest Rate %	FY				Rs. Million
			1st Qrt	2nd Qrt	3rd Qrt	4th Qrt	Total
	NIL	NIL	NIL	NIL	NIL	NIL	NIL

This form should be submitted for each loan appearing on the DISCO's Balance Sheet



Distribution Company
Development Loan

Form - 23

Sr. No.	Loan	Interest Rate	Remaining Years	First Qrt of FY				Second Qrt of FY				Third Qrt of FY				Fourth Qrt of FY			
				O/Bal	Disbursement	Repayment	C/Bal	O/Bal	Disbursement	Repayment	C/Bal	O/Bal	Disbursement	Repayment	C/Bal	O/Bal	Disbursement	Repayment	C/Bal
	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

This form should be submitted for each loan appearing on the DISCO's Balance Sheet



Distribution Company
Provision for Tax

1.2. Withholding

Sr. No.	Provision for Tax allowed	Actual tax paid during the FY				Rs. Million Total
		1st Qrt	2nd Qrt	3rd Qrt	4th Qrt	
1	0.00					

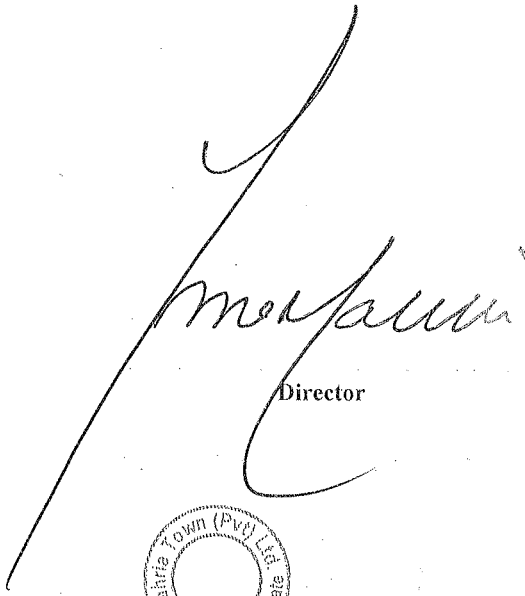


Bahria Town Electric Distribution Division
(A project of Bahria Town (Private) Limited)
Balance sheet as at June 30, 2018

	<u>Notes</u>	<u>2018</u> (Rs. in '000')	<u>2017</u> (Rs. in '000')
<u>Equity and liabilities</u>			
Head Office Account	4	2,301,021	2,385,969
Contingencies and commitments			
		<u>2,301,021</u>	<u>2,385,969</u>
<u>Property and assets</u>			
Non - current assets			
Property, plant and equipment	5	2,293,901	2,377,336
Current assets			
Store and Spares		7,120	8,634
		7,120	8,634
		<u>2,301,021</u>	<u>2,385,969</u>

The annexed notes 1 to 12 form an integral part of these accounts.


Chief Executive

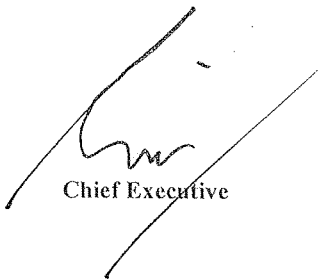

Director

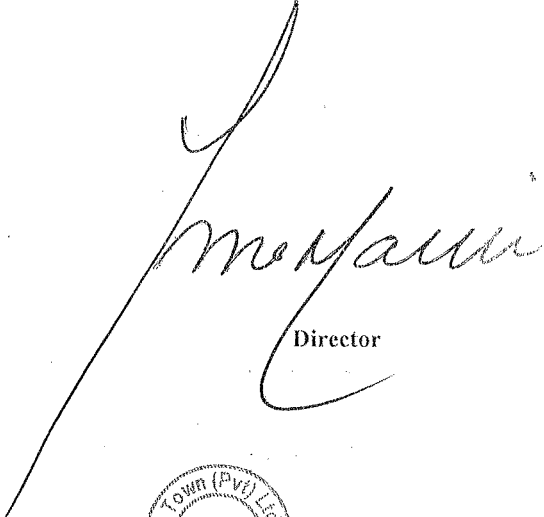


Bahria Town Electric Distribution Division
(A project of Bahria Town (Private) Limited)
Profit and loss account
For the year ended June 30, 2018

		<u>2018</u>	<u>2017</u>
	<u>Notes</u>	(Rs. in '000')	(Rs. in '000')
Sales	6	134,334	126,880
Cost of sales	7	125,657	119,040
Gross profit		8,677	7,840
Less: Operating expenses			
General and administrative	8	2,280	1,798
		2,280	1,798
Operating profit		6,397	6,042
Taxation		-	-
Profit after taxation		6,397	6,042

The annexed notes 1 to 12 form an integral part of these accounts.


Chief Executive


Director



Bahria Town Electric Distribution Division
(A project of Bahria Town (Private) Limited)
Notes to the accounts
For the year ended June 30, 2018

1. The Company and its operations:

Bahria Town (Private) Limited was incorporated on January 14, 1997 under the Companies Ordinance, 1984 replaced with the enactment of the Companies Act, 2017. The registered office of the company is situated at Customer Support Center, Bahria Complex, Phase VIII, Bahria Town, Rawalpindi. The company is mainly engaged in development of land for housing colonies, site for villas, construction of villas and houses, execution of projects through joint venture partners and providing services as contractors.

The company is also engaged in purchase and sale of electricity to its dwellers of Rawalpindi/Islamabad. Necessary approvals has been obtained by the company from National Electric Power Regulatory Authority (NEPRA).

These financial statements only reflects only the financial affairs of the Bahria Town Electricity Distribution Division only.

2. Statement of compliance and significant accounting estimates

2.1) Statement of compliance

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Act, 2017, provision of and directives issued under the Companies Act, 2017. In case requirements differ, the provisions or directives of the Companies Act, 2017 shall prevail.

2.2) Basis of measurement

These accounts have been prepared under the historical cost convention, without any adjustments for the effects of inflation or current values.

2.3) Functional and presentation currency

These financial statements are presented in Pakistan Rupees which is also the company's financial currency. All financial information presented in Pakistan Rupees has been rounded to the nearest rupee.

2.4) Use of significant estimates and judgments

The preparation of financial statements in conformity with approved accounting standards requires management to make judgment, estimates and assumptions that effect 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 judgment about carrying value 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 estimates are revised if the revision effects only that period, or in the period of the revision and future periods if the revision effects both current and future periods.

Judgments made by management in the application of approved accounting standards that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in the ensuing paragraphs.

3. Significant accounting policies

The principle accounting policies which have adopted in the preparation of these accounts are as follows:

3.1) Taxation

The charge for current taxation is based on taxable income at the current rates of taxation after taking into account available tax rebates and credits. No provision for deferred taxation is required to be made in these accounts due to the fact that timing differences will not reverse within next three years.



3.2) Property, plant and equipment

These are stated at cost less accumulated depreciation and impairment losses, if any except land;

Depreciation on fixed assets is charged to income on the reducing balance method to write off their costs over remaining useful life;

A full month's depreciation is charged in the month of addition and no depreciation is in the month of disposal.

Major renewals and replacements are capitalized. Gain or loss on disposal of fixed assets are included in current years' income;

The Company reviews the useful lives and residual value of its assets on regular basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding effect on the depreciation charge;

3.3) Stores and spares

These have been valued at lower of net realizable value or average cost.

3.4) Receivable from customers

These are stated at book value. Debts considered bad are provided for or written off and no general provision for the bad and doubtful debts is maintained.

3.5) Revenue recognition

Revenue from sale of electricity is recognized on accrual basis.

3.6) Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand, with banks on current and savings accounts.

3.7) Work in progress

Work-in-process includes land related development cost and expenses directly allocatable to the project, at cost or net realizable value, whichever is lower.

3.8) Financial instruments

Financial assets and financial liabilities are recognized at the time 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 liability when the obligation specified in the contract is discharged, cancelled or expired. The particular measurement methods adopted are disclosed in the individual policy statements associated with each item as shown below:

a) Trade and other payables

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received.

b) Provisions

Provisions are recognized when a company has a legal or constructive obligation as a result of past event if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made.

c) Trade and other receivables

Trade receivables and other receivables are recognized and carried at original invoice amount/cost less an allowance for any uncollectible amounts.

d) Cash and cash equivalents

Cash in hand and at banks are carried at fair value. For the purpose of cash flow statement, cash and cash equivalents consists of cash in hand and balances in banks.

4. Head Office Account

Balance as on July 01,

Add: receipts/adjustments during the year

Less: electricity charged to head office

(loss) for the year

Balance as at June 30,

<u>2018</u>	<u>2017</u>
(Rs. in '000')	(Rs. in '000')
2,385,969	2,479,643
(91,345)	(99,715)
<u>2,294,625</u>	<u>2,379,927</u>
-	-
<u>2,294,625</u>	<u>2,379,927</u>
6,397	6,042
<u><u>2,301,021</u></u>	<u><u>2,385,969</u></u>



5. Property, plant and equipment

Property, plant and equipment

	2018 (Rs. in '000')	2017 (Rs. in '000')
(5.1)	2,293,901	2,377,336
	<u>2,293,901</u>	<u>2,377,336</u>

5.1) Property, plant and equipment

Particulars	C o s t					Rate %	Depreciation				W. D. V as at 30.06.2018
	As at 01.07.2017	Additions during the year	Deletion during the year	Adjustment Dr/(Cr)	As at 30.06.2018		As at 01.07.2017	For the year	Adjustment Dr/(Cr)	As at 30.06.2018	
<u>Owned</u>											
Plant and machinery	3,017,818	-	-	-	3,017,818	3.5	642,461	83,137	-	725,598	2,292,219
Tools and equipment	2,920	-	-	-	2,920	15	1,984	140	-	2,124	796
Motor vehicles	3,254	-	-	-	3,254	15	2,211	156	-	2,367	887
Rupees (2018)	3,023,991	-	-	-	3,023,991		646,655	83,434	-	730,090	2,293,901
Rupees (2017)	3,023,991	-	-	-	3,023,991	0	560,154	86,502	-	646,655	2,377,336

5.1.1) Depreciation has been allocated as follows:

Cost of sales	(7)	83,434	86,502
Administrative and general	(8)	-	-
		<u>83,434</u>	<u>86,502</u>

6. Sales

Distribution margin received

	134,334	126,880
	<u>134,334</u>	<u>126,880</u>

7. Cost of sale

Salary and wages	12,861	7,384
Electricity repair & maintenance	22,429	19,391
Salaries of generator room staff	3,756	4,174
Electrical meter	2,541	1,033
Rent, rates & taxes	156	162
Vehicle maintenance expenses	155	196
Fuel expenses	111	77
Printing & Stationery	124	43
Entertainment	43	30
Telephone and mobile expenses	25	29
Computer Expenses	14	9
Miscellaneous	8	12
Depreciation	(5.1.1)	83,434
		<u>125,657</u>

8. General and administrative expenses

	2018 (Rs. in '000')	2017 (Rs. in '000')
Staff salaries and benefits	(8.1)	1,033
Vehicle running and maintenance		746
Fee & subscription		340
Telephone and internet		97
Travelling and conveyance		48
Entertainment		16
Depreciation	(5.1.1)	-
		<u>2,280</u>

8.1) Staff salaries and benefits

Salaries	1,033	880
	<u>1,033</u>	<u>880</u>



9. Risk management

Introduction and overview

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

- Market risk
- Credit risk
- Liquidity risk
- Operational risk

This note presents information about the Company's exposure to each of the above risks, Company's objectives, policies and processes for measuring and managing risk, fair value of financial instruments and the Company's management of capital.

Financial risk factors and risk management framework

The Company's overall risk management programme focuses on having cost effective funding as well as to manage financial risk to minimize earnings volatility and provide maximum return to shareholders.

The Company's objective in managing risk is the creation and protection of shareholders' value. Risk is inherent in Company's activities but it is managed through monitoring and controlling activities which are based on limits established by the internal controls set on different activities of the Company by the board of directors. These controls and limits reflect the business strategy and market environment of the Company as well as the level of the risk that the Company is willing to accept.

The Company's finance department oversee the management of the financial risk reflecting changes in the market conditions and also the Company's risk taking activities providing assurance that these activities are governed by appropriate policies and procedures and that the financial risk are identified, measured and managed in accordance with the Company policies and risk appetite.

a) Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates, foreign exchange rates or the equity prices due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities and liquidity in the market.

Under market risk the Company is exposed to currency risk, interest rate risk and other price risk (equity price risk).

(i) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises mainly where receivables and payables exist due to transactions with foreign buyers and suppliers. In case of the Company this risk mainly relates to outstanding import payments. The Company is in the process of obtaining exchange risk coverage on these liabilities.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

(iii) Equity price risk

Equity price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

As at June 30, 2018, there are no equity investments of the Company measured at fair value, hence no equity price risk exists.

b) Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties failed completely to perform as contracted. All financial assets except cash in hand, are subject to credit risk. The Company believes that it is not exposed to major concentration of credit risk.

Settlement risk

Settlement risk is the risk of loss due to the failure of an entity to honor its obligations to deliver cash or other assets as contractually agreed on sale.

The risk is addressed more or less in accordance with the parameters set out in the credit risk management above.



c) **Liquidity risk**

Liquidity risk represents the risk that the Company will encounter difficulties in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities. Due to dynamic nature of the business the Company maintains flexibility in funding by maintaining committed credit lines available.

The Company's liquidity management involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios and maintaining debt financing plans.

10. **Capital risk management**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide adequate returns to shareholders, benefit other stakeholders and to maintain an optimal capital structure in order to reduce the cost of capital. The Company is not subject to any externally imposed capital requirements.

The Company manages its capital structure and makes adjustment to it in the light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares.

11. **Number of employees**

The average number of employees for the year ended June 30, 2018 were 50 (2017: 50) and number of employees as at June 30, 2018 were 50 (2017: 50).

12. **Date of authorization for issue**

These financial statements have been authorized for issue on _____ by the board of directors of the Company.


Chief Executive


Director



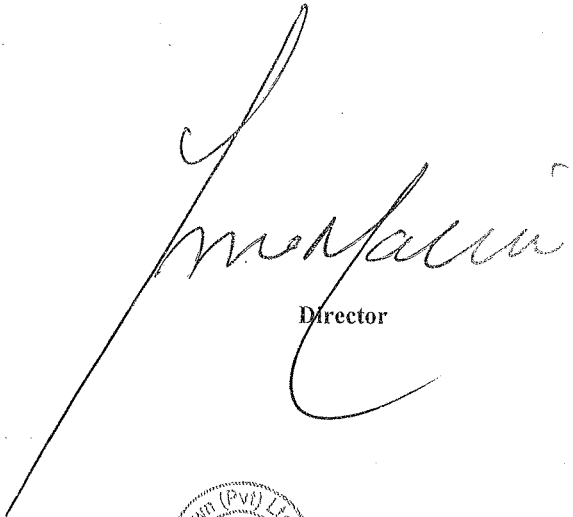
Bahria Town Electric Distribution Division
(A project of Bahria Town (Private) Limited)
Balance sheet as at June 30, 2019

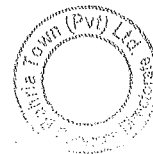
(Unaudited)

	<u>Notes</u>	<u>2019</u> (Rs. in '000')	<u>2018</u> (Rs. in '000')
<u>Equity and liabilities</u>			
Head Office Account	4	2,521,253	2,301,022
Contingencies and commitments		-	-
		<u>2,521,253</u>	<u>2,301,022</u>
<u>Property and assets</u>			
Non - current assets			
Property, plant and equipment	5	2,513,421	2,293,902
Current assets			
Store and Spares		7,832	7,120
		<u>7,832</u>	<u>7,120</u>
		<u>2,521,253</u>	<u>2,301,022</u>

The annexed notes 1 to 12 form an integral part of these accounts.


Chief Executive


Director



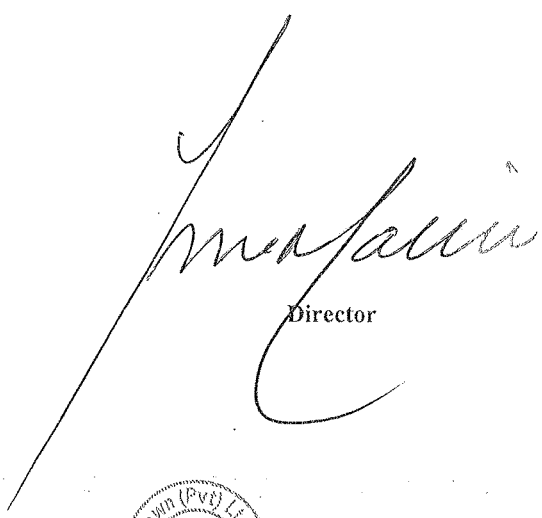
Bahria Town Electric Distribution Division
(A project of Bahria Town (Private) Limited)
Profit and loss account
For the year ended June 30, 2019

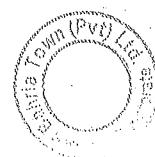
(Unaudited)

		<u>2019</u>	<u>2018</u>
	<u>Notes</u>	(Rs. in '000')	(Rs. in '000')
Sales	6	136,574	134,334
Cost of sales	7	127,555	125,657
Gross profit		9,019	8,677
Less: Operating expenses			
General and administrative	8	2,515	2,280
		2,515	2,280
Profit before taxation		6,504	6,397
Taxation		-	-
Profit after taxation		6,504	6,397

The annexed notes 1 to 12 form an integral part of these accounts.


Chief Executive


Director



Bahria Town Electric Distribution Division
(A project of Bahria Town (Private) Limited)
Notes to the accounts
For the year ended June 30, 2019

The Company and its operations:

Bahria Town (Private) Limited was incorporated on January 14, 1997 under the Companies Ordinance, 1984 replaced with the enactment of the Companies Act, 2017. The registered office of the company is situated at Customer Support Center, Bahria Complex, Phase VIII, Bahria Town, Rawalpindi. The company is mainly engaged in development of land for housing colonies, site for villas, construction of villas and houses, execution of projects through joint venture partners and providing services as contractors.

The company is also engaged in purchase and sale of electricity to its dwellers of Rawalpindi/Islamabad. Necessary approvals has been obtained by the company from National Electric Power Regulatory Authority (NEPRA).

These financial statements only reflects only the financial affairs of the Bahria Town Electricity Distribution Division only.

Statement of compliance and significant accounting estimates

2.1) Statement of compliance

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Act, 2017, provision of and directives issued under the Companies Act, 2017. In case requirements differ, the provisions or directives of the Companies Act, 2017 shall prevail.

2.2) Basis of measurement

These accounts have been prepared under the historical cost convention, without any adjustments for the effects of inflation or current values.

2.3) Functional and presentation currency

These financial statements are presented in Pakistan Rupees which is also the company's financial currency. All financial information presented in Pakistan Rupees has been rounded to the nearest rupee.

2.4) Use of significant estimates and judgments

The preparation of financial statements in conformity with approved accounting standards requires management to make judgment, estimates and assumptions that effect 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 judgment about carrying value 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 estimates are revised if the revision effects only that period, or in the period of the revision and future periods if the revision effects both current and future periods.

Judgments made by management in the application of approved accounting standards that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in the ensuing paragraphs.

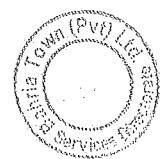
Significant accounting policies

The principle accounting policies which have adopted in the preparation of these accounts are as follows:

3.1) Taxation

The charge for current taxation is based on taxable income at the current rates of taxation after taking into account available tax rebates and credits. No provision for deferred taxation is required to be made in these accounts due to the fact that timing differences will not reverse within next three years.

3.2) Property, plant and equipment



These are stated at cost less accumulated depreciation and impairment losses, if any except land;
Depreciation on fixed assets is charged to income on the reducing balance method to write off their costs over remaining useful life;

A full month's depreciation is charged in the month of addition and no depreciation is in the month of disposal.

Major renewals and replacements are capitalized. Gain or loss on disposal of fixed assets are included in current years' income;

The Company reviews the useful lives and residual value of its assets on regular basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding effect on the depreciation charge;

3.3) Stores and spares

These have been valued at lower of net realizable value or average cost.

3.4) Receivable from customers

These are stated at book value. Debts considered bad are provided for or written off and no general provision for the bad and doubtful debts is maintained.

3.5) Revenue recognition

Revenue from sale of electricity is recognized on accrual basis.

3.6) Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand, with banks on current and savings accounts.

3.7) Work in progress

Work-in-process includes land related development cost and expenses directly allocatable to the project, at cost or net realizable value, which ever is lower.

3.8) Financial instruments

Financial assets and financial liabilities are recognized at the time 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 liability when the obligation specified in the contract is discharged, cancelled or expired. The particular measurement methods adopted are disclosed in the individual policy statements associated with each item as shown below:

a) Trade and other payables

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received.

b) Provisions

Provisions are recognized when a company has a legal or constructive obligation as a result of past event if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made.

c) Trade and other receivables

Trade receivables and other receivables are recognized and carried at original invoice amount/cost less an allowance for any uncollectible amounts.

d) Cash and cash equivalents

Cash in hand and at banks are carried at fair value. For the purpose of cash flow statement, cash and cash equivalents consists of cash in hand and balances in banks.

Head Office Account

Balance as on July 01,

Add: receipts/adjustments during the year

4. Less: electricity charged to head office

(loss) for the year

Balance as at June 30,

<u>2019</u>	<u>2018</u>
(Rs. in '000')	(Rs. in '000')
2,301,022	2,385,969
213,728	(91,345)
2,514,750	2,294,625
-	-
2,514,750	2,294,625
6,504	6,397
<u>2,521,253</u>	<u>2,301,022</u>



5. Property, plant and equipment

Property, plant and equipment
Capital Work in progress

	2019 (Rs. in '000')	2018 (Rs. in '000')
(5.1)	2,213,421	2,293,902
(5.2)	300,000	-
	<u>2,513,421</u>	<u>2,293,902</u>

5.1) Property, plant and equipment

Particulars	C o s t					Rate %	D e p r e c i a t i o n				W. D. V as at 30.06.2019
	As at 01.07.2018	Additions during the year	Deletion during the year	Adjustment Dr/(Cr)	As at 30.06.2019		As at 01.07.2018	For the year.	Adjustment Dr/(Cr)	As at 30.06.2019	
<u>Owned</u>											
Plant and machinery	3,017,818	-	-	-	3,017,818	3.5	725,598	80,228	-	805,826	2,211,992
Tools and equipment	2,920	-	-	-	2,920	15	2,124	119	-	2,244	676
Motor vehicles	3,254	-	-	-	3,254	15	2,367	133	-	2,500	754
Rupees (2019)	3,023,991	-	-	-	3,023,991		730,090	80,480	-	810,570	2,213,421
Rupees (2018)	3,023,991	-	-	-	3,023,991		646,655	83,434	-	730,090	2,293,902

5.1.1) Depreciation has been allocated as follows:

Cost of sales	(7)	80,480	83,434
Administrative and general	(8)	-	-
		<u>80,480</u>	<u>83,435</u>

6.2) Design, Distribution, Installation , Testing & Commissioning of Extension Work with 63 MVA Power Transformer at 220/132 Kv Grid Station at Bahria Town Ph-VIII Rawalpindi.

Sales

Distribution margin received	136,574	134,334
	<u>136,574</u>	<u>134,334</u>

7. Cost of sale

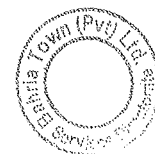
Salary and wages	14,590	12,861
Electricity repair & maintenance	24,672	22,429
Salaries of generator room staff	4,319	3,756
Electrical meter	2,796	2,541
Rent, rates & taxes	171	156
Vehicle maintenance expenses	171	155
Fuel expenses	122	111
Printing & Stationery	136	124
Entertainment	47	43
Telephone and mobile expenses	27	25
Computer Expenses	16	14
Miscellaneous	9	8
Depreciation	(5.1.1) 80,480	83,434
	<u>127,555</u>	<u>125,657</u>

8. General and administrative expenses

Staff salaries and benefits	(8.1) 1,136	1,033
Vehicle running and maintenance	820	746
Fee & subscription	374	340
Telephone and internet	114	97
Travelling and conveyance	53	48
Entertainment	17	16
	<u>2,515</u>	<u>2,280</u>

8.1) Staff salaries and benefits

Salaries	1,136	1,033
	<u>1,136</u>	<u>1,033</u>



Risk management

Introduction and overview

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

- Market risk
- 9. - Credit risk
- Liquidity risk
- Operational risk

This note presents information about the Company's exposure to each of the above risks, Company's objectives, policies and processes for measuring and managing risk, fair value of financial instruments and the Company's management of capital.

Financial risk factors and risk management framework

The Company's overall risk management programme focuses on having cost effective funding as well as to manage financial risk to minimize earnings volatility and provide maximum return to shareholders.

The Company's objective in managing risk is the creation and protection of shareholders' value. Risk is inherent in Company's activities but it is managed through monitoring and controlling activities which are based on limits established by the internal controls set on different activities of the Company by the board of directors. These controls and limits reflect the business strategy and market environment of the Company as well as the level of the risk that the Company is willing to accept.

The Company's finance department oversee the management of the financial risk reflecting changes in the market conditions and also the Company's risk taking activities providing assurance that these activities are governed by appropriate policies and procedures and that the financial risk are identified, measured and managed in accordance with the Company policies and risk appetite.

a) Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates, foreign exchange rates or the equity prices due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities and liquidity in the market.

Under market risk the Company is exposed to currency risk, interest rate risk and other price risk (equity price risk).

(i) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises mainly where receivables and payables exist due to transactions with foreign buyers and suppliers. In case of the Company this risk mainly relates to outstanding import payments. The Company is in the process of obtaining exchange risk coverage on these liabilities.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

(iii) Equity price risk

Equity price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

As at June 30, 2018, there are no equity investments of the Company measured at fair value, hence no equity price risk exists.

b) Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties failed completely to perform as contracted. All financial assets except cash in hand, are subject to credit risk. The Company believes that it is not exposed to major concentration of credit risk.

Settlement risk

Settlement risk is the risk of loss due to the failure of an entity to honor its obligations to deliver cash or other assets as contractually agreed on sale.

The risk is addressed more or less in accordance with the parameters set out in the credit risk management above.



c) **Liquidity risk**

Liquidity risk represents the risk that the Company will encounter difficulties in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities. Due to dynamic nature of the business the Company maintains flexibility in funding by maintaining committed credit lines available.

The Company's liquidity management involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios and maintaining debt financing plans.

10. **Capital risk management**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide adequate returns to shareholders, benefit other stakeholders and to maintain an optimal capital structure in order to reduce the cost of capital. The Company is not subject to any externally imposed capital requirements.

The Company manages its capital structure and makes adjustment to it in the light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares.

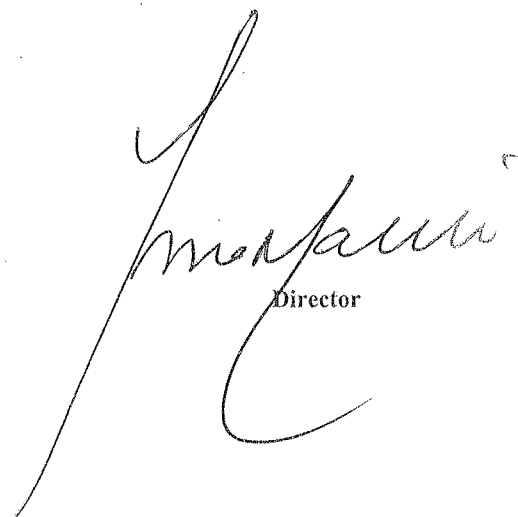
11. **Number of employees**

The average number of employees for the year ended June 30, 2019 were 50 (2018: 50) and number of employees as at June 30, 2019 were 50 (2018: 50).

12. **Date of authorization for issue**

These financial statements have been authorized for issue on _____ by the board of directors of the Company.


Chief Executive


Director



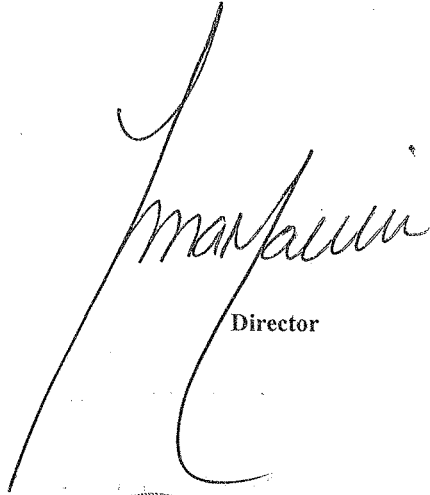
Bahria Town Electric Distribution Division
(A project of Bahria Town (Private) Limited)
Balance sheet as at June 30, 2020

(Projected)

		2020 (Rs. in '000')	2019 (Rs. in '000')
<u>Equity and liabilities</u>	<u>Notes</u>		
Head Office Account	4	2,494,402	2,521,253
Current liabilities			
Contingencies and commitments		-	-
		<u>2,494,402</u>	<u>2,521,253</u>
<u>Property and assets</u>			
Non - current assets			
Property, plant and equipment	5	2,485,787	2,513,421
Current assets			
Store and Spares		8,615	7,832
		<u>2,494,402</u>	<u>2,521,253</u>

The annexed notes 1 to 12 form an integral part of these accounts.


Chief Executive


Director



Bahria Town Electric Distribution Division
(A project of Bahria Town (Private) Limited)

(Projected)

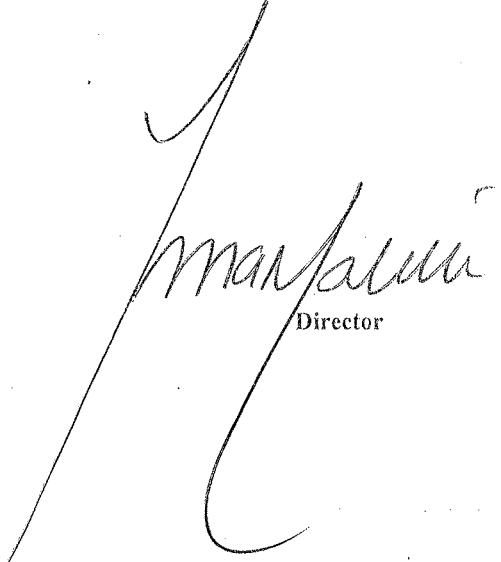
Profit and loss account

For the year ended June 30, 2020

		2020	2019
	Notes	(Rs. in '000')	(Rs. in '000')
Sales	6	139,786	136,574
Cost of sales	7	130,363	127,555
Gross (loss)		9,423	9,019
Less: Operating expenses			
General and administrative	8	2,767	2,515
Operating (loss)		6,656	6,504
Taxation		-	-
(Loss) after taxation		6,656	6,504

The annexed notes 1 to 12 form an integral part of these accounts.


Chief Executive


Director



Bahria Town Electric Distribution Division
(A project of Bahria Town (Private) Limited)
Notes to the accounts
For the year ended June 30, 2020

1. The Company and its operations:

Bahria Town (Private) Limited was incorporated on January 14, 1997 under the Companies Ordinance, 1984 replaced with the enactment of the Companies Act, 2017. The registered office of the company is situated at Customer Support Center, Bahria Complex, Phase VIII, Bahria Town, Rawalpindi. The company is mainly engaged in development of land for housing colonies, site for villas, construction of villas and houses, execution of projects through joint venture partners and providing services as contractors.

The company is also engaged in purchase and sale of electricity to its dwellers of Rawalpindi/Islamabad. Necessary approvals has been obtained by the company from National Electric Power Regulatory Authority (NEPRA).

These financial statements only reflects only the financial affairs of the Bahria Town Electricity Distribution Division only.

2. Statement of compliance and significant accounting estimates

2.1) Statement of compliance

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Act, 2017, provision of and directives issued under the Companies Act, 2017. In case requirements differ, the provisions or directives of the Companies Act, 2017 shall prevail.

2.2) Basis of measurement

These accounts have been prepared under the historical cost convention, without any adjustments for the effects of inflation or current values.

2.3) Functional and presentation currency

These financial statements are presented in Pakistan Rupees which is also the company's financial currency. All financial information presented in Pakistan Rupees has been rounded to the nearest rupee.

2.4) Use of significant estimates and judgments

The preparation of financial statements in conformity with approved accounting standards requires management to make judgment, estimates and assumptions that effect 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 judgment about carrying value 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 estimates are revised if the revision effects only that period, or in the period of the revision and future periods if the revision effects both current and future periods.

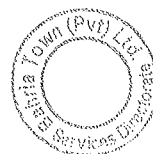
Judgments made by management in the application of approved accounting standards that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in the ensuing paragraphs.

3. Significant accounting policies

The principle accounting policies which have adopted in the preparation of these accounts are as follows:

3.1) Taxation

The charge for current taxation is based on taxable income at the current rates of taxation after taking into account available tax rebates and credits. No provision for deferred taxation is required to be made in these accounts due to the fact that timing differences will not reverse within next three years.



3.2) Property, plant and equipment

These are stated at cost less accumulated depreciation and impairment losses, if any except land; Depreciation on fixed assets is charged to income on the reducing balance method to write off their costs over remaining useful life;

A full month's depreciation is charged in the month of addition and no depreciation is in the month of disposal.

Major renewals and replacements are capitalized. Gain or loss on disposal of fixed assets are included in current years' income;

The Company reviews the useful lives and residual value of its assets on regular basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding effect on the depreciation charge;

3.3) Stores and spares

These have been valued at lower of net realizable value or average cost.

3.4) Receivable from customers

These are stated at book value. Debts considered bad are provided for or written off and no general provision for the bad and doubtful debts is maintained.

3.5) Revenue recognition

Revenue from sale of electricity is recognized on accrual basis.

3.6) Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand, with banks on current and savings accounts.

3.7) Work in progress

Work-in-process includes land related development cost and expenses directly allocatable to the project, at cost or net realizable value, whichever is lower.

3.8) Financial instruments

Financial assets and financial liabilities are recognized at the time 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 liability when the obligation specified in the contract is discharged, cancelled or expired. The particular measurement methods adopted are disclosed in the individual policy statements associated with each item as shown below:

a) Trade and other payables

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received.

b) Provisions

Provisions are recognized when a company has a legal or constructive obligation as a result of past event if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made.

c) Trade and other receivables

Trade receivables and other receivables are recognized and carried at original invoice amount/cost less an allowance for any uncollectible amounts.

d) Cash and cash equivalents

Cash in hand and at banks are carried at fair value. For the purpose of cash flow statement, cash and cash equivalents consists of cash in hand and balances in banks.

4. Head Office Account

Balance as on July 01,

Add: receipts/adjustments during the year

Less: electricity charged to head office

(loss) for the year

Balance as at June 30,

2020	2019
(Rs. in '000')	(Rs. in '000')
2,521,253	2,301,022
(33,507)	213,728
2,487,746	2,514,749
-	-
2,487,746	2,514,749
6,656	6,504
2,494,402	2,521,253



5. **Property, plant and equipment**

Property, plant and equipment
Capital work in progress

	2020 (Rs. in '000')	2019 (Rs. in '000')
(5.1)	2,135,787	2,213,421
(5.2)	350,000	300,000
	<u>2,485,787</u>	<u>2,513,421</u>

5.1) **Property, plant and equipment**

Particulars	C o s t					Rate %	Depreciation				W. D. V as at 30.06.2020
	As at 01.07.2019	Additions during the year	Deletion during the year	Adjustment Dr/(Cr)	As at 30.06.2020		As at 01.07.2019	For the year	Adjustment Dr/(Cr)	As at 30.06.2020	
Owne											
Plant and machinery	3,017,818	-	-	-	3,017,818	3.5	805,826	77,420	-	883,246	2,134,572
Tools and equipment	2,920	-	-	-	2,920	15	2,244	101	-	2,345	575
Motor vehicles	3,254	-	-	-	3,254	15	2,500	113	-	2,613	641
Rupees (2020)	3,023,991	-	-	-	3,023,991		810,570	77,634	-	888,204	2,135,787
Rupees (2019)	3,023,991	-	-	-	3,023,991		730,090	80,480	-	810,570	2,213,421

5.1.1) **Depreciation has been allocated as follows:**

Cost of sales	(7)	77,634	80,480
Administrative and general	(8)	-	-
		<u>77,634</u>	<u>80,480</u>

6.2 Design, Distribution, instalation, testing and comissioning of extention work with 63 MVA power transformer at 220/132 KV grid station at Bahria Town Phase VIII Rawalpindi.

6. **Sales**

Distribution margin received

139,786	136,574
<u>139,786</u>	<u>136,574</u>

7. **Cost of sale**

Salary and wages	16,779	14,590
Electricity repair & maintenance	27,139	24,672
Salaries of generator room staff	4,967	4,319
Electrical meter	3,075	2,796
Rent, rates & taxes	188	171
Vehicle maintenance expenses	188	171
Fuel expenses	134	122
Printing & Stationery	150	136
Entertainment	52	47
Telephone and mobile expenses	30	27
Computer Expenses	17	16
Miscellaneous	10	9
Depreciation	(5.1.1) 77,634	80,480
	<u>130,363</u>	<u>127,555</u>



		2020 (Rs. in '000')	2019 (Rs. in '000')
8. General and administrative expenses			
Staff salaries and benefits	(8.1)	1,249	1,136
Vehicle running and maintenance		902	820
Fee & subscription		412	374
Telephone and internet		126	114
Travelling and conveyance		58	53
Entertainment		19	17
Depreciation	(5.1.1)	-	-
		<u>2,767</u>	<u>2,515</u>
8.1) Staff salaries and benefits			
Salaries		1,249	1,136
		<u>1,249</u>	<u>1,136</u>

9. **Risk management**

Introduction and overview

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

- Market risk
- Credit risk
- Liquidity risk
- Operational risk

This note presents information about the Company's exposure to each of the above risks, Company's objectives, policies and

processes for measuring and managing risk, fair value of financial instruments and the Company's management of capital.

Financial risk factors and risk management framework

The Company's overall risk management programme focuses on having cost effective funding as well as to manage financial risk to minimize earnings volatility and provide maximum return to shareholders.

The Company's objective in managing risk is the creation and protection of shareholders' value. Risk is inherent in Company's activities but it is managed through monitoring and controlling activities which are based on limits established by the internal controls set on different activities of the Company by the board of directors. These controls and limits reflect the business strategy and market environment of the Company as well as the level of the risk that the Company is willing to accept.

The Company's finance department oversee the management of the financial risk reflecting changes in the market conditions and also the Company's risk taking activities providing assurance that these activities are governed by appropriate policies and procedures and that the financial risk are identified, measured and managed in accordance with the Company policies and risk appetite.

a) Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates, foreign exchange rates or the equity prices due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities and liquidity in the market.

Under market risk the Company is exposed to currency risk, interest rate risk and other price risk (equity price risk).

(i) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises mainly where receivables and payables exist due to transactions with foreign buyers and suppliers. In case of the Company this risk mainly relates to outstanding import payments. The Company is in the process of obtaining exchange risk coverage on these liabilities.

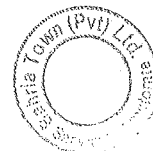
(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

(iii) Equity price risk

Equity price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

As at June 30, 2018, there are no equity investments of the Company measured at fair value, hence no equity price risk exists.



b) Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties failed completely to perform as contracted. All financial assets except cash in hand, are subject to credit risk. The Company believes that it is not exposed to major concentration of credit risk.

Settlement risk

Settlement risk is the risk of loss due to the failure of an entity to honor its obligations to deliver cash or other assets as contractually agreed on sale.

The risk is addressed more or less in accordance with the parameters set out in the credit risk management above.

c) Liquidity risk

Liquidity risk represents the risk that the Company will encounter difficulties in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities. Due to dynamic nature of the business the Company maintains flexibility in funding by maintaining committed credit lines available.

The Company's liquidity management involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios and maintaining debt financing plans.

10. Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide adequate returns to shareholders, benefit other stakeholders and to maintain an optimal capital structure in order to reduce the cost of capital. The Company is not subject to any externally imposed capital requirements.

The Company manages its capital structure and makes adjustment to it in the light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares.

11. Number of employees

The average number of employees for the year ended June 30, 2020 were 50 (2019: 50) and number of employees as at June 30, 2020 were 50 (2019: 50).

12. Date of authorization for issue

These financial statements have been authorized for issue on _____ by the board of directors of the Company.


Chief Executive


Director



Auditor's Report

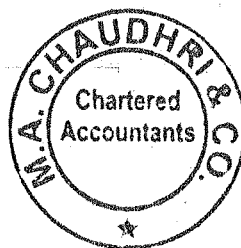
We have audited the annexed balance sheet of **Bahria Town Electric Supply & Distribution Division** (A division of Bahria Town (Private) Limited) as at June 30, 2018, and profit and loss account together with the notes to the accounts for the year then ended, as per information and explanations provided to us on the request of management for specific purpose of presentation to National Electric Power Regulatory Authority.

It is the responsibility of the Management to establish and maintain system of internal control and prepare and present the financial statements in conformity with approved accounting standards. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis evidence supporting the amount and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by the management as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

In our opinion and to the best of our information and according to the explanation given to us, the financial statement gives a true & fair view of financial position of **Bahria Town Electric Supply & Distribution Division** (A division of Bahria Town (Private) Limited) and found in accordance with International Accounting Standards as applicable in Pakistan.

Place: **Gujranwala**
Date: **October 23, 2019**

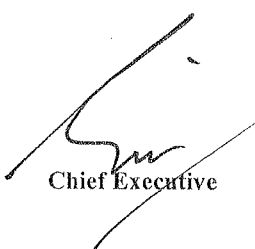


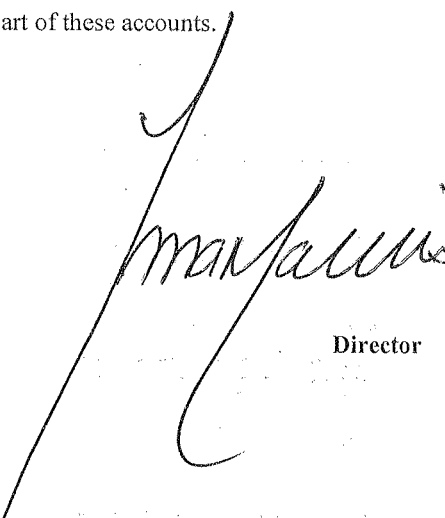
M. A. Ch. & Co.
M. A. CHAUDHRI & CO.
CHARTERED ACCOUNTANTS
Engagement Partner: Mr. Karamat Ali, FCA

Bahria Town Electric Supply & Distribution Division
(A project of Bahria Town (Private) Limited)
Balance sheet as at June 30, 2018

		<u>2018</u>	<u>2017</u>
	<u>Notes</u>	<u>(Rs. in '000')</u>	<u>(Rs. in '000')</u>
<u>Equity and liabilities</u>			
Head Office Account	4	2,357,893	2,471,528
Current liabilities			
Creditors, accrued and other liabilities	5	7,358	7,125
Provision for taxation		28,214	20,046
		35,573	27,171
Contingencies and commitments		-	-
		<u>2,393,465</u>	<u>2,498,699</u>
<u>Property and assets</u>			
Non - current assets			
Property, plant and equipment	6	2,295,775	2,379,542
Long term security deposit	7	64,100	64,100
Current assets			
Store and Spares		7,120	8,634
Accounts receivables		4,662	11,884
Loan and advances	8	3,582	5,867
Cash and bank balances	9	18,226	28,673
		33,590	55,057
		<u>2,393,465</u>	<u>2,498,699</u>

The annexed notes 1 to 17 form an integral part of these accounts.


Chief Executive


Director




Bahria Town Electric Supply & Distribution Division
(A project of Bahria Town (Private) Limited)
Profit and loss account
For the year ended June 30, 2018

		<u>2018</u>	<u>2017</u>
	<u>Notes</u>	<u>(Rs. in '000')</u>	<u>(Rs. in '000')</u>
Sales	10	2,257,152	2,004,623
Cost of sales	11	2,451,290	2,099,145
Gross (loss)		(194,138)	(94,522)
Less: Operating expenses			
General and administrative	12	25,222	20,875
Selling	13	3,279	3,001
		28,501	23,876
Operating (loss)		(222,639)	(118,398)
Other income		-	-
(Loss) before taxation		(222,639)	(118,398)
Taxation		28,214	20,046
(Loss) after taxation		(250,854)	(138,444)

The annexed notes 1 to 17 form an integral part of these accounts.


Chief Executive


Director



Bahria Town Electric Supply & Distribution Division
(A project of Bahria Town (Private) Limited)
Notes to the accounts
For the year ended June 30, 2018

1. The Company and its operations:

Bahria Town (Private) Limited was incorporated on January 14, 1997 under the Companies Ordinance, 1984 replaced with the enactment of the Companies Act, 2017. The registered office of the company is situated at Customer Support Center, Bahria Complex, Phase VIII, Bahria Town, Rawalpindi. The company is mainly engaged in development of land for housing colonies, site for villas, construction of villas and houses, execution of projects through joint venture partners and providing services as contractors.

The company is also engaged in purchase and sale of electricity to its dwellers of Rawalpindi/Islamabad. Necessary approvals has been obtained by the company from National Electric Power Regulatory Authority (NEPRA).

These financial statements only reflects only the financial affairs of the Bahria Town Electricity Supply & Distribution Division only.

2. Statement of compliance and significant accounting estimates

2.1) Statement of compliance

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2.2) Basis of measurement

These accounts have been prepared under the historical cost convention, without any adjustments for the effects of inflation or current values.

2.3) Functional and presentation currency

These financial statements are presented in Pakistan Rupees which is also the company's financial currency. All financial information presented in Pakistan Rupees has been rounded to the nearest rupee.

2.4) Use of significant estimates and judgments

The preparation of financial statements in conformity with approved accounting standards requires management to make judgment, estimates and assumptions that effect 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 judgment about carrying value 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 estimates are revised if the revision effects only that period, or in the period of the revision and future periods if the revision effects both current and future periods.

Judgments made by management in the application of approved accounting standards that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in the ensuing paragraphs.

3. Significant accounting policies

The principle accounting policies which have adopted in the preparation of these accounts are as follows:

3.1) Taxation

The charge for current taxation is based on taxable income at the current rates of taxation after taking into account available tax rebates and credits. No provision for deferred taxation is required to be made in these accounts due to the fact that timing differences will not reverse within next three years.



3.2) **Property, plant and equipment**

These are stated at cost less accumulated depreciation and impairment losses, if any except land;

Depreciation on fixed assets is charged to income on the reducing balance method to write off their costs over remaining useful life;

A full month's depreciation is charged in the month of addition and no depreciation is in the month of disposal.

Major renewals and replacements are capitalized. Gain or loss on disposal of fixed assets are included in current years' income;

The Company reviews the useful lives and residual value of its assets on regular basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding effect on the depreciation charge;

3.3) **Stores and spares**

These have been valued at lower of net realizable value or average cost.

3.4) **Receivable from customers**

These are stated at book value. Debts considered bad are provided for or written off and no general provision for the bad and doubtful debts is maintained.

3.5) **Revenue recognition**

Revenue from sale of electricity is recognized on accrual basis.

3.6) **Cash and cash equivalents**

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand, with banks on current and savings accounts.

3.7) **Work in progress**

Work-in-process includes land related development cost and expenses directly allocatable to the project, at cost or net realizable value, whichever is lower.

3.8) **Financial instruments**

Financial assets and financial liabilities are recognized at the time 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 liability when the obligation specified in the contract is discharged, cancelled or expired. The particular measurement methods adopted are disclosed in the individual policy statements associated with each item as shown below:

a) **Trade and other payables**

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received.

b) **Provisions**

Provisions are recognized when a company has a legal or constructive obligation as a result of past event if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made.

c) **Trade and other receivables**

Trade receivables and other receivables are recognized and carried at original invoice amount/cost less an allowance for any uncollectible amounts.

d) **Cash and cash equivalents**

Cash in hand and at banks are carried at fair value. For the purpose of cash flow statement, cash and cash equivalents consists of cash in hand and balances in banks.

4. **Head Office Account**

Balance as on July 01,

Add: receipts/adjustments during the year

Less: electricity charged to head office

(loss) for the year

Balance as at June 30,

	2018 (Rs. in '000')	2017 (Rs. in '000')
	2,471,528	2,548,912
	137,219	61,060
	<u>2,608,746</u>	<u>2,609,972</u>
	2,608,746	2,609,972
	(250,854)	(138,444)
	<u>2,357,893</u>	<u>2,471,528</u>



	<u>2018</u> (Rs. in '000')	<u>2017</u> (Rs. in '000')
5. Creditors, accrued and other liabilities		
Accrued liabilities		
Staff salaries	6,493	5,626
Other liabilities		
Others	865	1,499
	<u>7,358</u>	<u>7,125</u>
6. Property, plant and equipment	<u>2018</u> (Rs. in '000')	<u>2017</u> (Rs. in '000')
Property, plant and equipment	2,295,775	2,379,542
	<u>2,295,775</u>	<u>2,379,542</u>

6.1) Property, plant and equipment

Particulars	C o s t					Rate %	Depreciation				W. D. V as at 30.06.2018
	As at 01.07.2017	Additions during the year	Deletion during the year	Adjustment Dr/(Cr)	As at 30.06.2018		As at 01.07.2017	For the year	Adjustment Dr/(Cr)	As at 30.06.2018	
Owned											
Plant and machinery	3,017,818	-	-	-	3,017,818	3.5	642,461	83,137	-	725,598	2,292,219
Tools and equipment	2,920	-	-	-	2,920	15	1,984	140	-	2,124	796
Motor vehicles	9,804	-	-	-	9,804	15	6,661	471	-	7,133	2,671
Computers & accessories	195	-	-	-	195	33	182	4	-	186	9
Office equipments	267	-	-	-	267	15	181	13	-	194	73
Furniture and fixture	25	-	-	-	25	15	17	1	-	18	7
Rupees (2018)	3,031,029	-	-	-	3,031,029		651,486	83,768	-	735,254	2,295,775
Rupees (2017)	3,031,029	-	-	-	3,031,029		564,590	86,896	-	651,486	2,379,542

6.1.1) Depreciation has been allocated as follows:

Cost of sales	(11)	83,749	86,873
Administrative and general	(12)	18	23
		<u>83,768</u>	<u>86,896</u>

7. Long term security deposit

Security - IESCO	64,100	64,100
	<u>64,100</u>	<u>64,100</u>

8. Loan and advances - (unsecured and considered good)

This represents the advances given:

To staff against expenses	2,158	4,380
To staff against salary	1,424	1,487
	<u>3,582</u>	<u>5,867</u>

9. Cash and bank balances

Cash in hand	307	191
Cash at banks		
- in current accounts	17,919	28,482
	<u>17,919</u>	<u>28,482</u>
	<u>18,226</u>	<u>28,673</u>

10. Sales

Revenue from sale of electricity-net	2,257,152	2,004,623
	<u>2,257,152</u>	<u>2,004,623</u>



		2018	2017
		(Rs. in '000')	(Rs. in '000')
11. Cost of sale			
Electricity bill paid to IESCO	(11.1)	2,295,866	1,961,847
Salary and wages		38,349	22,272
Electricity repair & maintenance		22,429	19,391
Salaries of generator room staff		3,756	4,174
Electrical meter		2,541	1,033
Repair and maintenance office		2,154	1,411
Rent, rates & taxes		598	622
Vehicle maintenance expenses		597	752
Fuel expenses		426	295
Printing & Stationery		475	164
Entertainment		165	115
Telephone and mobile expenses		95	110
Computer Expenses		55	35
Miscellaneous		32	45
Newspaper & periodicals		2	5
Depreciation	(6.1.1)	83,749	86,873
		<u>2,451,290</u>	<u>2,099,145</u>
11.1) Electricity bill paid to IESCO			
Bills paid to IESCO-net		2,295,866	1,961,847
		<u>2,295,866</u>	<u>1,961,847</u>
12. General and administrative expenses			
Staff salaries and benefits	(12.1)	21,137	18,010
Vehicle running and maintenance		3,016	1,828
Fee & subscription		340	322
Telephone and internet		316	302
Travelling and conveyance		185	103
Electricity gas & water		131	118
Entertainment		61	151
News paper and periodicals		17	17
Depreciation	(6.1.1)	18	23
		<u>25,222</u>	<u>20,875</u>
12.1) Staff salaries and benefits			
Salaries		19,815	16,188
Bonus		563	993
Staff welfare and allowances		562	620
Uniform expenses		120	204
Over time		75	-
Medical expenses		2	4
		<u>21,137</u>	<u>18,010</u>
13. Selling expenses			
Billing and collection;			
- Meter reading expenses		1,591	1,447
- Customer billing		771	714
- Supervision		672	616
- Collecting		244	223
		<u>3,279</u>	<u>3,001</u>



14. Risk management

Introduction and overview

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

- Market risk
- Credit risk
- Liquidity risk
- Operational risk

This note presents information about the Company's exposure to each of the above risks, Company's objectives, policies and processes for measuring and managing risk, fair value of financial instruments and the Company's management of capital.

Financial risk factors and risk management framework

The Company's overall risk management programme focuses on having cost effective funding as well as to manage financial risk to minimize earnings volatility and provide maximum return to shareholders.

The Company's objective in managing risk is the creation and protection of shareholders' value. Risk is inherent in Company's activities but it is managed through monitoring and controlling activities which are based on limits established by the internal controls set on different activities of the Company by the board of directors. These controls and limits reflect the business strategy and market environment of the Company as well as the level of the risk that the Company is willing to accept.

The Company's finance department oversee the management of the financial risk reflecting changes in the market conditions and also the Company's risk taking activities providing assurance that these activities are governed by appropriate policies and procedures and that the financial risk are identified, measured and managed in accordance with the Company policies and risk appetite.

a) Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates, foreign exchange rates or the equity prices due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities and liquidity in the market.

Under market risk the Company is exposed to currency risk, interest rate risk and other price risk (equity price risk).

(i) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises mainly where receivables and payables exist due to transactions with foreign buyers and suppliers. In case of the Company this risk mainly relates to outstanding import payments. The Company is in the process of obtaining exchange risk coverage on these liabilities.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

(iii) Equity price risk

Equity price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

As at June 30, 2018, there are no equity investments of the Company measured at fair value, hence no equity price risk exists.

b) Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties failed completely to perform as contracted. All financial assets except cash in hand, are subject to credit risk. The Company believes that it is not exposed to major concentration of credit risk.

Settlement risk

Settlement risk is the risk of loss due to the failure of an entity to honor its obligations to deliver cash or other assets as contractually agreed on sale.

The risk is addressed more or less in accordance with the parameters set out in the credit risk management above.



c) **Liquidity risk**

Liquidity risk represents the risk that the Company will encounter difficulties in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities. Due to dynamic nature of the business the Company maintains flexibility in funding by maintaining committed credit lines available.

The Company's liquidity management involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios and maintaining debt financing plans.

15. **Capital risk management**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide adequate returns to shareholders, benefit other stakeholders and to maintain an optimal capital structure in order to reduce the cost of capital. The Company is not subject to any externally imposed capital requirements.

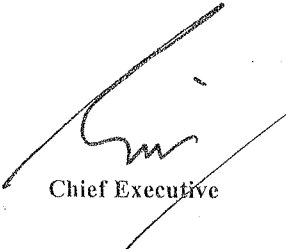
The Company manages its capital structure and makes adjustment to it in the light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares.

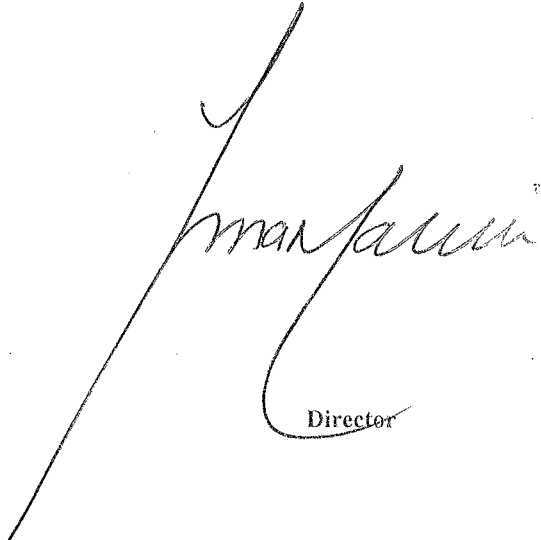
16. **Number of employees**

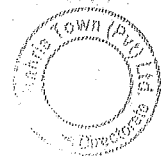
The average number of employees for the year ended June 30, 2018 were 213 (2017: 216) and number of employees as at June 30, 2018 were 216 (2017: 216).

17. **Date of authorization for issue**

These financial statements have been authorized for issue on _____ by the board of directors of the Company.


Chief Executive


Director



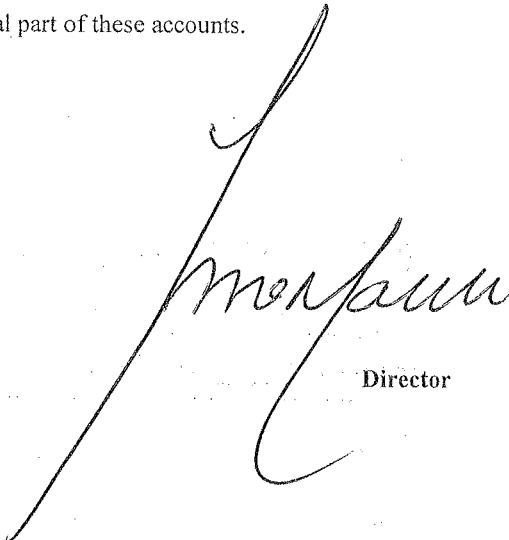
Bahria Town Electric Supply & Distribution Division
(A project of Bahria Town (Private) Limited)
Balance sheet as at June 30, 2019

(Unaudited)

		<u>2019</u>	<u>2018</u>
	<u>Notes</u>	<u>(Rs. in '000')</u>	<u>(Rs. in '000')</u>
<u>Equity and liabilities</u>			
Head Office Account	4	2,575,436	2,357,893
<u>Current liabilities</u>			
Creditors, accrued and other liabilities	5	8,089	7,358
Provision for taxation		32,536	28,214
		40,625	35,572
<u>Contingencies and commitments</u>		-	-
		<u>2,616,061</u>	<u>2,393,465</u>
<u>Property and assets</u>			
<u>Non - current assets</u>			
Property, plant and equipment	6	2,515,012	2,295,775
Long term security deposit	7	64,100	64,100
<u>Current assets</u>			
Store and Spares		7,832	7,120
Accounts receivables		5,128	4,662
Loan and advances	8	3,941	3,582
Cash and bank balances	9	20,048	18,226
		36,949	33,590
		<u>2,616,061</u>	<u>2,393,465</u>

The annexed notes 1 to 17 form an integral part of these accounts.


Chief Executive


Director



Bahria Town Electric Supply & Distribution Division

(A project of Bahria Town (Private) Limited)

(Unaudited)

Profit and loss account

For the year ended June 30, 2019

		2019	2018
	Notes	(Rs. in '000')	(Rs. in '000')
Sales	10	2,602,854	2,257,152
Cost of sales	11	2,901,784	2,451,290
Gross (loss)		(298,930)	(194,138)
Less: Operating expenses			
General and administrative	12	28,795	25,222
Selling	13	3,607	3,279
		32,402	28,501
Operating (loss)		(331,332)	(222,639)
Other income		-	-
(Loss) before taxation		(331,332)	(222,639)
Taxation		32,536	28,214
(Loss) after taxation		(363,868)	(250,854)

The annexed notes 1 to 17 form an integral part of these accounts.


Chief Executive


Director



Bahria Town Electric Supply & Distribution Division

(A project of Bahria Town (Private) Limited)

Notes to the accounts

For the year ended June 30, 2019

1. The Company and its operations:

Bahria Town (Private) Limited was incorporated on January 14, 1997 under the Companies Ordinance, 1984 replaced with the enactment of the Companies Act, 2017. The registered office of the company is situated at Customer Support Center, Bahria Complex, Phase VIII, Bahria Town, Rawalpindi. The company is mainly engaged in development of land for housing colonies, site for villas, construction of villas and houses, execution of projects through joint venture partners and providing services as contractors.

The company is also engaged in purchase and sale of electricity to its dwellers of Rawalpindi/Islamabad. Necessary approvals has been obtained by the company from National Electric Power Regulatory Authority (NEPRA).

These financial statements only reflect only the financial affairs of the Bahria Town Electricity Supply & Distribution Division only.

2. Statement of compliance and significant accounting estimates

2.1) Statement of compliance

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Act, 2017, provision of and directives issued under the Companies Act, 2017. In case requirements differ, the provisions or directives of the Companies Act, 2017 shall prevail.

2.2) Basis of measurement

These accounts have been prepared under the historical cost convention, without any adjustments for the effects of inflation or current values.

2.3) Functional and presentation currency

These financial statements are presented in Pakistan Rupees which is also the company's financial currency. All financial information presented in Pakistan Rupees has been rounded to the nearest rupee.

2.4) Use of significant estimates and judgments

The preparation of financial statements in conformity with approved accounting standards requires management to make judgment, estimates and assumptions that effect 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 judgment about carrying value 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 estimates are revised if the revision effects only that period, or in the period of the revision and future periods if the revision effects both current and future periods.

Judgments made by management in the application of approved accounting standards that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in the ensuing paragraphs.

3. Significant accounting policies

The principle accounting policies which have adopted in the preparation of these accounts are as follows:

3.1) Taxation

The charge for current taxation is based on taxable income at the current rates of taxation after taking into account available tax rebates and credits. No provision for deferred taxation is required to be made in these accounts due to the fact that timing differences will not reverse within next three years.



3.2) Property, plant and equipment

These are stated at cost less accumulated depreciation and impairment losses, if any except land; Depreciation on fixed assets is charged to income on the reducing balance method to write off their costs over remaining useful life;

A full month's depreciation is charged in the month of addition and no depreciation is in the month of disposal.

Major renewals and replacements are capitalized. Gain or loss on disposal of fixed assets are included in current years' income;

The Company reviews the useful lives and residual value of its assets on regular basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding effect on the depreciation charge;

3.3) Stores and spares

These have been valued at lower of net realizable value or average cost.

3.4) Receivable from customers

These are stated at book value. Debts considered bad are provided for or written off and no general provision for the bad and doubtful debts is maintained.

3.5) Revenue recognition

Revenue from sale of electricity is recognized on accrual basis.

3.6) Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand, with banks on current and savings accounts.

3.7) Work in progress

Work-in-process includes land related development cost and expenses directly allocatable to the project, at cost or net realizable value, whichever is lower.

3.8) Financial instruments

Financial assets and financial liabilities are recognized at the time 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 liability when the obligation specified in the contract is discharged, cancelled or expired. The particular measurement methods adopted are disclosed in the individual policy statements associated with each item as shown below:

a) Trade and other payables

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received.

b) Provisions

Provisions are recognized when a company has a legal or constructive obligation as a result of past event if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made.

c) Trade and other receivables

Trade receivables and other receivables are recognized and carried at original invoice amount/cost less an allowance for any uncollectible amounts.

d) Cash and cash equivalents

Cash in hand and at banks are carried at fair value. For the purpose of cash flow statement, cash and cash equivalents consists of cash in hand and balances in banks.

4. Head Office Account

Balance as on July 01,
Add: receipts/adjustments during the year

Less: electricity charged to head office

(loss) for the year

Balance as at June 30,

	<u>2019</u>	<u>2018</u>
	(Rs. in '000')	(Rs. in '000')
	2,357,893	2,471,528
	581,412	137,219
	2,939,304	2,608,746
	-	-
	2,939,304	2,608,746
	(363,868)	(250,854)
	<u>2,575,436</u>	<u>2,357,893</u>



		2019 (Rs. in '000')	2018 (Rs. in '000')
5. Creditors, accrued and other liabilities			
Accrued liabilities			
Staff salaries		7,138	6,493
Other liabilities			
Others		951	865
		8,089	7,358
6. Property, plant and equipment			
Property, plant and equipment	(6.1)	2,215,012	2,295,775
Capital Work in progress	(6.2)	300,000	
		2,515,012	2,295,775

6.1) Property, plant and equipment

Particulars	C o s t					Rate %	Depreciation				W. D. V as at 30.06.2019
	As at 01.07.2018	Additions during the year	Deletion during the year	Adjustment Dr/(Cr)	As at 30.06.2019		As at 01.07.2018	For the year	Adjustment Dr/(Cr)	As at 30.06.2019	
Owned											
Plant and machinery	3,017,818	-	-	-	3,017,818	3.5	725,598	80,228	-	805,826	2,211,992
Tools and equipment	2,920	-	-	-	2,920	15	2,124	119	-	2,244	676
Motor vehicles	9,804	-	-	-	9,804	15	7,133	401	-	7,533	2,271
Computers & accessories	195	-	-	-	195	33	186	3	-	189	6
Office equipments	267	-	-	-	267	15	194	11	-	205	62
Furniture and fixture	25	-	-	-	25	15	18	1	-	19	6
Rupees (2019)	3,031,029	-	-	-	3,031,029		735,254	80,763	-	816,016	2,215,012
Rupees (2018)	3,031,029	-	-	-	3,031,029		651,486	83,768	-	735,254	2,295,775

6.1.1) Depreciation has been allocated as follows:

Cost of sales	(11)	80,748	83,749
Administrative and general	(12)	15	18
		80,763	83,768

6.2) Design, Supply & Distribution, Installation , Testing & Commissioning of Extension Work with 63 MVA Power Transformer at 220/132 Kv Grid Station at Bahria Town Ph-VIII Rawalpindi.

7. Long term security deposit

Security - IESCO	64,100	64,100
	64,100	64,100

8. Loan and advances - (unsecured and considered good)

This represents the advances given:

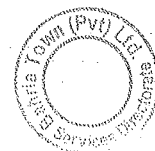
To staff against expenses	2,374	2,158
To staff against salary	1,566	1,424
	3,941	3,582

9. Cash and bank balances

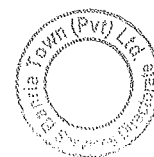
Cash in hand	338	307
Cash at banks		
- in current accounts	19,711	17,919
	19,711	17,919
	20,048	18,226

10. Sales

Revenue from sale of electricity-net	2,602,854	2,257,152
Distribution margin received		
	2,602,854	2,257,152



	2019 (Rs. in '000')	2018 (Rs. in '000')
11. Cost of sale		
Electricity bill paid to IESCO (11.1)	2,740,089	2,295,866
Salary and wages	44,102	38,349
Electricity repair & maintenance	24,672	22,429
Salaries of generator room staff	4,319	3,756
Electrical meter	2,796	2,541
Repair and maintenance office	2,369	2,154
Rent, rates & taxes	658	598
Vehicle maintenance expenses	657	597
Fuel expenses	469	426
Printing & Stationery	523	475
Entertainment	181	165
Telephone and mobile expenses	104	95
Computer Expenses	60	55
Miscellaneous	35	32
Newspaper & periodicals	3	2
Depreciation (6.1.1)	80,748	83,749
	2,901,784	2,451,290
11.1) Electricity bill paid to IESCO		
Bills paid to IESCO-net	2,740,089	2,295,866
	2,740,089	2,295,866
12. General and administrative expenses		
Staff salaries and benefits (12.1)	24,308	21,137
Vehicle running and maintenance	3,317	3,016
Fee & subscription	374	340
Telephone and internet	348	316
Travelling and conveyance	204	185
Electricity gas & water	144	131
Entertainment	67	61
News paper and periodicals	19	17
Depreciation (6.1.1)	15	18
	28,795	25,222
12.1) Staff salaries and benefits		
Salaries	22,787	19,815
Bonus	648	563
Staff welfare and allowances	647	562
Uniform expenses	138	120
Over time	86	75
Medical expenses	2	2
	24,308	21,137
13. Selling expenses		
Billing and collection;		
- Meter reading expenses	1,751	1,591
- Customer billing	849	771
- Supervision	739	672
- Collecting	269	244
	3,607	3,279



14. Risk management

Introduction and overview

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

- Market risk
- Credit risk
- Liquidity risk
- Operational risk

This note presents information about the Company's exposure to each of the above risks, Company's objectives, policies and processes for measuring and managing risk, fair value of financial instruments and the Company's management of capital.

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The Company's objective in managing risk is the creation and protection of shareholders' value. Risk is inherent in Company's activities but it is managed through monitoring and controlling activities which are based on limits established by the internal controls set on different activities of the Company by the board of directors. These controls and limits reflect the business strategy and market environment of the Company as well as the level of the risk that the Company is willing to accept.

The Company's finance department oversee the management of the financial risk reflecting changes in the market conditions and also the Company's risk taking activities providing assurance that these activities are governed by appropriate policies and procedures and that the financial risk are identified, measured and managed in accordance with the Company policies and risk appetite.

a) Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates, foreign exchange rates or the equity prices due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities and liquidity in the market.

Under market risk the Company is exposed to currency risk, interest rate risk and other price risk (equity price risk).

(i) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises mainly where receivables and payables exist due to transactions with foreign buyers and suppliers. In case of the Company this risk mainly relates to outstanding import payments. The Company is in the process of obtaining exchange risk coverage on these liabilities.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

(iii) Equity price risk

Equity price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

As at June 30, 2018, there are no equity investments of the Company measured at fair value, hence no equity price risk exists.

b) Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties failed completely to perform as contracted. All financial assets except cash in hand, are subject to credit risk. The Company believes that it is not exposed to major concentration of credit risk.

Settlement risk

Settlement risk is the risk of loss due to the failure of an entity to honor its obligations to deliver cash or other assets as contractually agreed on sale.

The risk is addressed more or less in accordance with the parameters set out in the credit risk management above.



c) **Liquidity risk**

Liquidity risk represents the risk that the Company will encounter difficulties in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities. Due to dynamic nature of the business the Company maintains flexibility in funding by maintaining committed credit lines available.

The Company's liquidity management involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios and maintaining debt financing plans.

15. **Capital risk management**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide adequate returns to shareholders, benefit other stakeholders and to maintain an optimal capital structure in order to reduce the cost of capital. The Company is not subject to any externally imposed capital requirements.

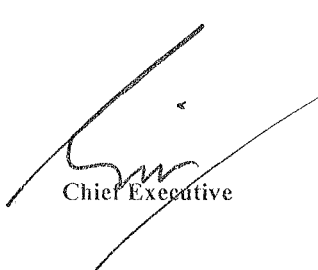
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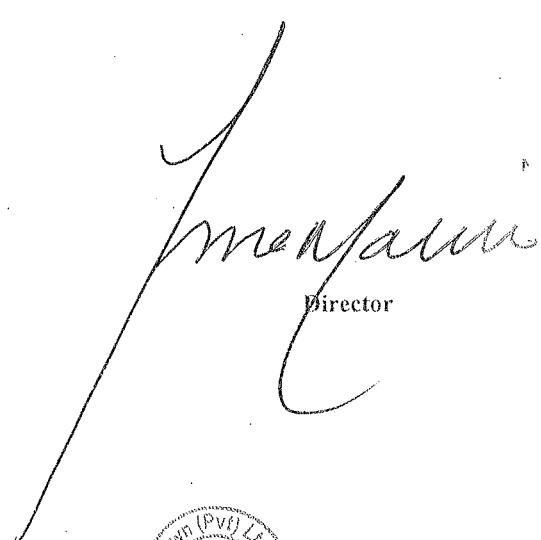
16. **Number of employees**

The average number of employees for the year ended June 30, 2019 were 216 (2018: 216) and number of employees as at June 30, 2019 were 216 (2018: 216).

17. **Date of authorization for issue**

These financial statements have been authorized for issue on _____ by the board of directors of the Company.


Chief Executive


Director



Bahria Town Electric Supply & Distribution Division
(A project of Bahria Town (Private) Limited)
Balance sheet as at June 30, 2020

(Projected)

Equity and liabilities

Head Office Account

Current liabilities

Creditors, accrued and other liabilities

Provision for taxation

Contingencies and commitments

Property and assets

Non - current assets

Property, plant and equipment

Long term security deposit

Current assets

Store and Spares

Accounts receivables


Loan and advances

Cash and bank balances

Notes	2020 (Rs. in '000')	2019 (Rs. in '000')
4	2,543,589	2,575,436
5	8,894	8,089
	39,399	32,536
	48,293	40,625
	-	-
	<u>2,591,882</u>	<u>2,616,061</u>
6	2,487,138	2,515,012
7	64,100	64,100
	8,615	7,832
	5,641	5,128
8	4,335	3,941
9	22,053	20,048
	40,644	36,948
	<u>2,591,882</u>	<u>2,616,061</u>

The annexed notes 1 to 17 form an integral part of these accounts.


Chief Executive


Director



Bahria Town Electric Supply & Distribution Division

(A project of Bahria Town (Private) Limited)

(Projected)

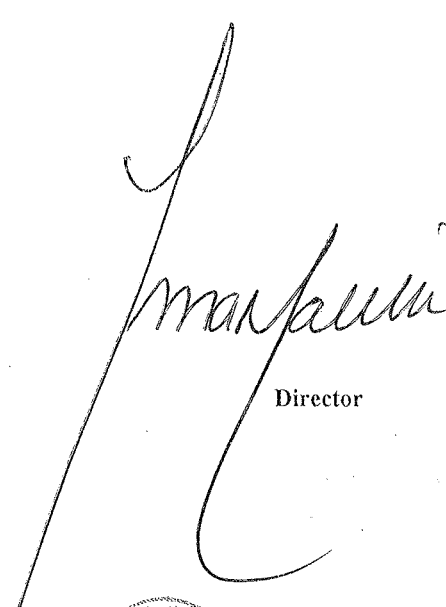
Profit and loss account

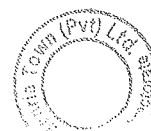
For the year ended June 30, 2020

		2020	2019
	Notes	(Rs. in '000')	(Rs. in '000')
Sales	10	3,151,939	2,602,854
Cost of sales	11	3,537,791	2,901,784
Gross (loss)		(385,852)	(298,930)
Less: Operating expenses			
General and administrative	12	32,886	28,795
Selling	13	3,968	3,607
		36,854	32,402
Operating (loss)		(422,706)	(331,332)
Other income		-	-
(Loss) before taxation		(422,706)	(331,332)
Taxation		39,399	32,536
(Loss) after taxation		(462,105)	(363,868)

The annexed notes 1 to 17 form an integral part of these accounts.


Chief Executive


Director



Bahria Town Electric Supply & Distribution Division
(A project of Bahria Town (Private) Limited)
Notes to the accounts
For the year ended June 30, 2020

1. The Company and its operations:

Bahria Town (Private) Limited was incorporated on January 14, 1997 under the Companies Ordinance, 1984 replaced with the enactment of the Companies Act, 2017. The registered office of the company is situated at Customer Support Center, Bahria Complex, Phase VIII, Bahria Town, Rawalpindi. The company is mainly engaged in development of land for housing colonies, site for villas, construction of villas and houses, execution of projects through joint venture partners and providing services as contractors.

The company is also engaged in purchase and sale of electricity to its dwellers of Rawalpindi/Islamabad. Necessary approvals has been obtained by the company from National Electric Power Regulatory Authority (NEPRA).

These financial statements only reflect only the financial affairs of the Bahria Town Electricity Supply & Distribution Division only.

2. Statement of compliance and significant accounting estimates

2.1) Statement of compliance

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Act, 2017, provision of and directives issued under the Companies Act, 2017. In case requirements differ, the provisions or directives of the Companies Act, 2017 shall prevail.

2.2) Basis of measurement

These accounts have been prepared under the historical cost convention, without any adjustments for the effects of inflation or current values.

2.3) Functional and presentation currency

These financial statements are presented in Pakistan Rupees which is also the company's financial currency. All financial information presented in Pakistan Rupees has been rounded to the nearest rupee.

2.4) Use of significant estimates and judgments

The preparation of financial statements in conformity with approved accounting standards requires management to make judgment, estimates and assumptions that effect 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 judgment about carrying value 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 estimates are revised if the revision effects only that period, or in the period of the revision and future periods if the revision effects both current and future periods.

Judgments made by management in the application of approved accounting standards that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in the ensuing paragraphs.

3. Significant accounting policies

The principle accounting policies which have adopted in the preparation of these accounts are as follows:

3.1) Taxation

The charge for current taxation is based on taxable income at the current rates of taxation after taking into account available tax rebates and credits. No provision for deferred taxation is required to be made in these accounts due to the fact that timing differences will not reverse within next three years.



3.2) Property, plant and equipment

These are stated at cost less accumulated depreciation and impairment losses, if any except land; Depreciation on fixed assets is charged to income on the reducing balance method to write off their costs over remaining useful life;

A full month's depreciation is charged in the month of addition and no depreciation is in the month of disposal.

Major renewals and replacements are capitalized. Gain or loss on disposal of fixed assets are included in current years' income;

The Company reviews the useful lives and residual value of its assets on regular basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding effect on the depreciation charge;

3.3) Stores and spares

These have been valued at lower of net realizable value or average cost.

3.4) Receivable from customers

These are stated at book value. Debts considered bad are provided for or written off and no general provision for the bad and doubtful debts is maintained.

3.5) Revenue recognition

Revenue from sale of electricity is recognized on accrual basis.

3.6) Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand, with banks on current and savings accounts.

3.7) Work in progress

Work-in-process includes land related development cost and expenses directly allocatable to the project, at cost or net realizable value, whichever ever is lower.

3.8) Financial instruments

Financial assets and financial liabilities are recognized at the time 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 liability when the obligation specified in the contract is discharged, cancelled or expired. The particular measurement methods adopted are disclosed in the individual policy statements associated with each item as shown below:

a) Trade and other payables

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received.

b) Provisions

Provisions are recognized when a company has a legal or constructive obligation as a result of past event if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made.

c) Trade and other receivables

Trade receivables and other receivables are recognized and carried at original invoice amount/cost less an allowance for any uncollectible amounts.

d) Cash and cash equivalents

Cash in hand and at banks are carried at fair value. For the purpose of cash flow statement, cash and cash equivalents consists of cash in hand and balances in banks.

4. Head Office Account

Balance as on July 01,

Add: receipts/adjustments during the year

Less: electricity charged to head office

(loss) for the year

Balance as at June 30,

<u>2020</u>	<u>2019</u>
(Rs. in '000')	(Rs. in '000')
2,575,436	2,357,893
430,259	581,411
<u>3,005,694</u>	<u>2,939,303</u>
-	-
<u>3,005,694</u>	<u>2,939,303</u>
(462,105)	(363,868)
<u>2,543,589</u>	<u>2,575,436</u>



		2020 (Rs. in '000')	2019 (Rs. in '000')
5. <u>Creditors, accrued and other liabilities</u>			
Accrued liabilities			
Staff salaries		7,847	7,138
Other liabilities			
Others		1,047	951
		<u>8,894</u>	<u>8,089</u>
6. <u>Property, plant and equipment</u>			
Property, plant and equipment	(6.1)	2,137,138	2,215,012
Capital work in progress	(6.2)	350,000	300,000
		<u>2,487,138</u>	<u>2,515,012</u>

6.1) Property, plant and equipment

Particulars	C o s t					Rate %	D e p r e c i a t i o n				W. D. V as at 30.06.2019
	As at 01.07.2018	Additions during the year	Deletion during the year	Adjustment Dr/(Cr)	As at 30.06.2019		As at 01.07.2018	For the year	Adjustment Dr/(Cr)	As at 30.06.2019	
<u>Owned</u>											
Plant and machinery	3,017,818	-	-	-	3,017,818	3.5	805,826	77,420	-	883,246	2,134,572
Tools and equipment	2,920	-	-	-	2,920	15	2,244	101	-	2,345	575
Motor vehicles	9,804	-	-	-	9,804	15	7,533	341	-	7,874	1,930
Computers & accessories	195	-	-	-	195	33	189	2	-	191	4
Office equipments	267	-	-	-	267	15	205	9	-	214	53
Furniture and fixture	25	-	-	-	25	15	19	1	-	20	5
Rupees (2019)	3,031,029	-	-	-	3,031,029		816,016	77,874	-	893,890	2,137,138
Rupees (2019)	3,031,029	-	-	-	3,031,029		735,254	80,763	-	816,016	2,215,012

6.1.1) Depreciation has been allocated as follows:

Cost of sales	(11)	77,862	80,748
Administrative and general	(12)	12	15
		<u>77,874</u>	<u>80,763</u>

6.2 Design, Supply & Distribution, instalation, testing and comissioning of extention work with 63 MVA power transformer at 220/132 KV grid station at Bahria Town Phase VIII Rawalpindi.

7. <u>Long term security deposit</u>			
Security - IESCO		64,100	64,100
		<u>64,100</u>	<u>64,100</u>
8. <u>Loan and advances</u> - (unsecured and considered good)			
This represents the advances given:			
To staff against expenses		2,611	2,374
To staff against salary		1,723	1,566
		<u>4,335</u>	<u>3,941</u>
9. <u>Cash and bank balances</u>			
Cash in hand		371	338
Cash at banks			
- in current accounts		21,682	19,711
		<u>21,682</u>	<u>19,711</u>
		<u>22,053</u>	<u>20,048</u>
10. <u>Sales</u>			
Revenue from sale of electricity-net		3,151,939	2,602,854
Distribution margin received			
		<u>3,151,939</u>	<u>2,602,854</u>



		2020	2019
		(Rs. in '000')	(Rs. in '000')
11. Cost of sale			
Electricity bill paid to IESCO	(11.1)	3,368,466	2,740,089
Salary and wages		50,717	44,102
Electricity repair & maintenance		27,139	24,672
Salaries of generator room staff		4,967	4,319
Electrical meter		3,075	2,796
Repair and maintenance office		2,606	2,369
Rent, rates & taxes		724	658
Vehicle maintenance expenses		723	657
Fuel expenses		516	469
Printing & Stationery		575	523
Entertainment		199	181
Telephone and mobile expenses		114	104
Computer Expenses		66	60
Miscellaneous		39	35
Newspaper & periodicals		3	3
Depreciation	(6.1.1)	77,862	80,748
		<u>3,537,791</u>	<u>2,901,784</u>
11.1) Electricity bill paid to IESCO			
Bills paid to IESCO-net		3,368,466	2,740,089
		<u>3,368,466</u>	<u>2,740,089</u>
12. General and administrative expenses			
Staff salaries and benefits	(12.1)	27,954	24,308
Vehicle running and maintenance		3,649	3,317
Fee & subscription		412	374
Telephone and internet		383	348
Travelling and conveyance		224	204
Electricity gas & water		158	144
Entertainment		73	67
News paper and periodicals		21	19
Depreciation	(6.1.1)	12	15
12.1) Staff salaries and benefits		<u>32,886</u>	<u>28,795</u>
Salaries			
Bonus		26,205	22,787
Staff welfare and allowances		745	648
Uniform expenses		744	647
Over time		158	138
Medical expenses		99	86
		3	2
		<u>27,954</u>	<u>24,308</u>
13. Selling expenses			
Billing and collection;			
- Meter reading expenses			
- Customer billing		1,926	1,751
- Supervision		933	849
- Collecting		813	739
		296	269
		<u>3,968</u>	<u>3,607</u>



14. Risk management

Introduction and overview

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

- Market risk
- Credit risk
- Liquidity risk
- Operational risk

This note presents information about the Company's exposure to each of the above risks, Company's objectives, policies and processes for measuring and managing risk, fair value of financial instruments and the Company's management of capital.

Financial risk factors and risk management framework

The Company's overall risk management programme focuses on having cost effective funding as well as to manage financial risk to minimize earnings volatility and provide maximum return to shareholders.

The Company's objective in managing risk is the creation and protection of shareholders' value. Risk is inherent in Company's activities but it is managed through monitoring and controlling activities which are based on limits established by the internal controls set on different activities of the Company by the board of directors. These controls and limits reflect the business strategy and market environment of the Company as well as the level of the risk that the Company is willing to accept.

The Company's finance department oversee the management of the financial risk reflecting changes in the market conditions and also the Company's risk taking activities providing assurance that these activities are governed by appropriate policies and procedures and that the financial risk are identified, measured and managed in accordance with the Company policies and risk appetite.

a) Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates, foreign exchange rates or the equity prices due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities and liquidity in the market.

Under market risk the Company is exposed to currency risk, interest rate risk and other price risk (equity price risk).

(i) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises mainly where receivables and payables exist due to transactions with foreign buyers and suppliers. In case of the Company this risk mainly relates to outstanding import payments. The Company is in the process of obtaining exchange risk coverage on these liabilities.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

(iii) Equity price risk

Equity price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

As at June 30, 2018, there are no equity investments of the Company measured at fair value, hence no equity price risk exists.

b) Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties failed completely to perform as contracted. All financial assets except cash in hand, are subject to credit risk. The Company believes that it is not exposed to major concentration of credit risk.

Settlement risk

Settlement risk is the risk of loss due to the failure of an entity to honor its obligations to deliver cash or other assets as contractually agreed on sale.

The risk is addressed more or less in accordance with the parameters set out in the credit risk management above.



c) **Liquidity risk**

Liquidity risk represents the risk that the Company will encounter difficulties in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities. Due to dynamic nature of the business the Company maintains flexibility in funding by maintaining committed credit lines available.

The Company's liquidity management involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios and maintaining debt financing plans.

15. **Capital risk management**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide adequate returns to shareholders, benefit other stakeholders and to maintain an optimal capital structure in order to reduce the cost of capital. The Company is not subject to any externally imposed capital requirements.

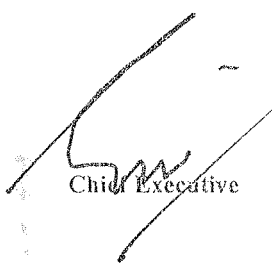
The Company manages its capital structure and makes adjustment to it in the light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares.

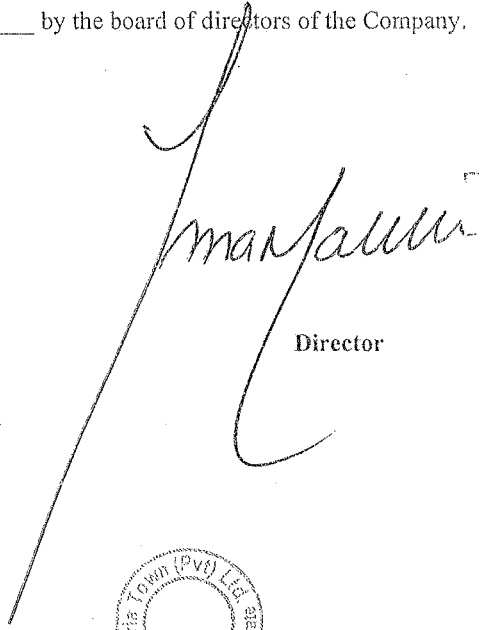
16. **Number of employees**

The average number of employees for the year ended June 30, 2020 were 216 (2019: 216) and number of employees as at June 30, 2020 were 216 (2019: 216).

17. **Date of authorization for issue**

These financial statements have been authorized for issue on _____ by the board of directors of the Company.


Chief Executive


Director

