

ISLAMABAD ELECTRIC SUPPLY COMPANY LTD

Tele: Pabx: 051-9252937-39
Direct: 051-289009
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Office of the
Finance Director IESCO
IESCO Head Office
Street 40, G-7/4, Islamabad

NO: 12032 /FDI/CPC/IESCO

For Information & n.a. Please

Dated: 10-02-2021

The Registrar NEPRA
NEPRA Tower, G-5/1
Islamabad

• SA (Tariff-I)
Copy to:
- DG (M&E)
- M/F

CC: Chairman
- M (Tariff)


ADDENDUM TO THE REQUEST FOR INDEXATION IN DISTRIBUTION MARGIN FOR FY 2020-21

In addendum to this office letter No 6160/IESCO/FDI/CPC dated 22-10-2020 where in IESCO request for indexation was made, the true up cost pertaining to IESCO under Multi Year Tariff MYT may be revised in light of actual expense as per Audited Accounts FY 2019-20 and the Authority decision NEPRAIRJADG(Trt)ITRF-336/IESCO-2015/45341-45343 dated 12-12-2020 regarding indexation on account of Multi Year Tariff pertaining of FY 2019-20.

S.no	Description	Amount. (M)	Annexure
1	Salaries and Wages	10,393	Annexure-I
2	Post Retirement Benefits	5,410	
3	Other Operating Expenses	3,427	
	Total O&M Cost	19,230	
4	Depreciation	3,659	Annexure-II
5	RORB	5,923	
	Gross Distribution Margin	28,812	
6	Other Income	(842)	
	Net Distribution Margin 2020-21	27,970	
7	Sale Mix (FY 2020-21)	8,824	Annexure-III
8	Payment of Advance Tax U/s 147 (FY 2019-20)	2,242	Annexure-IV
9	Supplemental Charges by CPPA-G	3,152	Annexure-V
	Total	42,188	

In case of any further clarification/information is required please intimate.

DA/As above.


FINANCE DIRECTOR
IESCO ISLAMABAD

Tariff Division Record
By No. 1087
Date 12.2.21

10/2/21
10/2/21

O&M Expense	FY 2019-20			FY-2020-21		
	Supply (Non-Wire)	Distribution (Wire)	Total	Supply (Non-Wire)	Distribution (Wire)	2020-21
Pay and Allowances	1,120,485,162	5,659,697,838	6,780,183,000	1,126,277,815	5,688,957,185	6,815,235,000
Daily Wages	1,437,361	132,076,610	133,513,971	966,041	75,325,959	76,292,000
Employees Benefits	645,156,743	1,507,470,257	2,152,627,000	979,258,688	2,288,131,312	3,267,390,000
PM Package	-	74,301,000	74,301,000	-	150,000,000	150,000,000
New Hiring	-	-	-	-	84,000,000	84,000,000
	1,767,079,266	7,353,545,705	9,120,624,971	2,106,502,544	8,286,414,456	10,392,917,000
Employees share in fund contribution	844,960,555	3,948,752,445	4,793,713,000	953,589,963	4,456,410,037	5,410,000,000
Transportation	4,881,577	323,005,872	327,887,449	5,584,595	369,523,405	375,108,000
Travelling Expense	27,181,694	305,378,377	332,560,071	31,215,459	350,696,541	381,912,000
Electricity bill collection charges	213,774,367	124,134,406	337,908,773	166,286,075	96,558,925	262,845,000
Office supplies and other expenses	105,631,360	24,738,168	130,369,528	130,059,842	30,459,158	160,519,000
Rent, rates and taxes	1,819,216	37,959,351	39,778,567	2,295,231	47,891,769	50,187,000
Insurance expense	-	49,495,388	49,495,388	-	52,000,000	52,000,000
NLPRA fee and charges	-	36,563,211	36,563,211	-	41,400,000	41,400,000
Advertising and publicity	-	12,040,306	12,040,306	-	13,695,000	13,695,000
COVID-19	79,543	3,092,467	3,172,010	376,148	14,623,852	15,000,000
Market Operation Fee 750002	-	36,905,054	36,905,054	-	-	-
Management Fees 750000+750001	-	90,233,888	90,233,888	-	130,000,000	130,000,000
Professional Fees 730100+730101+73010	10,633,070	188,227,214	198,860,284	9,437,464	167,062,526	176,500,000
Repairs and maintenance	3,863,856	1,375,972,174	1,379,836,030	4,141,707	1,474,897,293	1,479,039,000
Power, light and water charges	8,145,157	53,526,228	61,671,385	9,367,975	61,562,025	70,930,000
Postage and telephone	4,550,190	33,439,393	37,989,583	5,013,767	44,195,233	50,209,000
Roshni Expense	65,657,723	-	65,657,723	40,000,000	-	40,000,000
Subscription and Periodicals 620000	208,584	1,754,416	1,963,000	337,050	2,834,950	3,172,000
Representation and entertainment 640000	-	1,759,000	1,759,000	-	5,250,000	5,250,000
Injuries and Damages 660000	-	25,646,000	25,646,000	-	40,000,000	40,000,000
Out side Service employeeed 740100	262,000	37,266,000	37,528,000	107,759	15,327,241	15,435,000
Miscellaneous Expenses 770000	4,998,543	56,470,236	61,468,779	4,500,974	50,849,026	55,350,000
Bank Charges	4,578,000	-	4,578,000	8,759,000	-	8,759,000
Auditors Remuneration	-	2,000,000	2,000,000	-	-	-
	456,264,880	2,819,587,149	3,275,852,029	418,483,045	3,008,826,955	3,427,310,000
Total	3,068,304,702	14,121,885,298	17,190,190,000	3,478,575,552	15,751,651,448	19,230,227,000

RORB FY 2020-21

Description	FY 2015-16 Actual	FY 2016-17 Actual	FY 2017-18 Actual	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Projected
Opening Fixed Assets in Operation	60,638	65,557	70,082	75,036	82,588	92,540
Assets Transferred during the year	4,919	4,526	4,953	7,552	6,742	6,897
Closing Fixed Assets in Operation	65,557	70,082	75,036	82,588	92,540	99,437
Less: Depreciation	19,930	22,110	24,524	27,335	30,488	34,146
Net Fixed Assets in Operation	45,627	47,972	50,512	55,253	62,052	65,291
Capital WIP (Closing)	6,542	7,437	10,670	13,237	10,591	20,211
Total Fixed Assets	52,169	55,410	61,182	68,491	72,643	85,502
Less: Deferred Credits	23,080	23,894	25,159	26,998	28,300	29,715
Total	29,089	31,516	36,024	41,493	44,343	55,786
Average Regulatory Assets Base	29,089	30,203	33,770	38,758	42,918	50,065
Working Capital Requirement						
Regulatory Asset Base	29,089	30,303	33,770	38,758	42,918	50,065
Regulatory Return (WACC)	11.83%	11.83%	11.83%	11.83%	11.83%	11.83%
RORB	3,441	3,585	3,995	4,585	5,077	5,923

Islamabad Electric Supply Company Limited
Calculation of Sales Mix for FY 2019-20

Month	Actual, Revenue	Actual Units Sold (kWh)	Actual Average Rate (kWh)	NEPRA Average Rate (kWh)	Difference	Impact of Sales Mix (Rs.)
Jul-19	17,506,956,837	1,257,985,769	13.92	14.93	1.01	1,274,770,694
Aug-19	17,335,051,077	1,246,638,271	13.91	14.93	1.02	1,274,258,309
Sep-19	16,485,019,510	1,197,938,902	13.76	14.93	1.17	1,400,208,297
Oct-19	11,911,923,952	895,355,266	13.30	15.31	2.01	1,795,965,171
Nov-19	9,116,913,894	688,191,791	13.25	15.31	2.06	1,419,302,427
Dec-19	8,973,913,214	659,995,869	13.60	15.43	1.83	1,209,823,353
Jan-20	10,690,528,495	737,282,111	14.50	13.86	-0.64	(471,798,436)
Feb-20	10,202,685,316	706,614,098	14.44	13.86	-0.58	(409,013,917)
Mar-20	8,442,089,026	596,608,164	14.15	13.86	-0.29	(173,099,873)
Apr-20	6,037,194,545	627,303,068	12.81	13.86	1.05	657,225,977
May-20	10,398,285,946	798,385,811	13.02	13.86	0.84	667,341,394
Jun-20	14,093,051,628	1,029,705,594	13.69	13.86	0.17	178,667,905
	143,196,613,440	10,442,004,734				8,823,651,300

DETAIL OF SUPPLEMENTARY CHARGES

Supplemental Charges (Detail enclosed)	4,188,359,567
Less Late payment Surcharge	1,036,411,989
<u>Net Supplemental Charges</u>	<u>3,151,947,578</u>
Rs in Million	3,152

Islamabad Electric Supply Company Limited (IESCO)

Detail of Supplemental Charges FY 2019-20

Month	Amount (Rs.)
07-2019	272,652,975
08-2019	153,416,081
09-2019	239,267,157
10-2019	554,955,188
11-2019	382,945,257
12-2019	438,939,188
01-2020	269,881,236
02-2020	638,147,251
03-2020	190,374,806
04-2020	288,219,152
05-2020	272,978,621
06-2020	486,582,655
Total	4,188,359,567



Central Power Purchasing Agency (Guarantee) Limited
A Company of Government of Pakistan



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Delayed Payment Charges Advice


CPFA-NITG 401241-1
CPFA-GST No. 3377876113750

Name and Address

Islamabad Electric Supply Company (IESCO)
Street No. 44, Sector C-7/4 Islamabad
GST No 26-02-2716-001-81

Billing Month	July-2019
Advice No	LP3/Jul-19/IESCO
Issue Date	29/08/2019

Description	Amount (RL)
Supplemental Charges for June-2019	272,453,975


By Manager Finance (Billing & Recovery)

9326411878

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Delayed Payment Charges Advice

CPPA-NTN: 4451341-1
CPPA-GST No. 3177576113759

Name and Address

Islamabad Electric Supply Company (IESCO)
Sectret No. 42, Kotler G-7/4 Islamabad
GST No 25-00-3716-001-01

Billing Month	August 2019
Advice No	LPS/Aug-19/IESCO
Issue Date	19/08/2019

Description	Amount (Rs.)
Supplemental Charges for August 2019	153,416,081


Dy Manager Finance (Billing & Recovery)



Central Power Purchasing Agency (Guarantee) Limited
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Delayed Payment Charges Advice

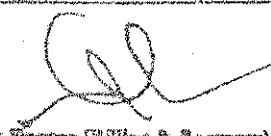
CPPA-INTN 481241-3
CPPA-GST No. 337876113750

Name and Address

Indusnet Electric Supply Company (PSCCO) Street No. 48, Sector C - 7/4 Indusnet GST No 35-00-2714-001-41
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Billing Month	September-2019
Advice No	LPN/Sep-19/2500
Issue Date	18/10/2019

Description	Amount (Rs.)
Supplemental Charges for August 2019	339,267,157


Dy Manager Finance (Billing & Recovery)



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Delayed Payment Charges Advice

CPPA-NTN: 4401241-1
CPPA-GST No. 3277876113730


Name and Address

Islamabad Electric Supply Company (IESCO)
Street No. 40, Sector G -7/4 Islamabad

GST No 26-00-2716-001-91

Billing Month	October-2019
Advice No	LPS/Oct-19/IESCO
Issue Date	18/11/2019

Description	Amount (Rs.)
Supplemental Charges for Oct-2019	554,955,188


Dy Manager Finance (Billing & Recovery)

Central Power Purchasing Agency (Guarantee) Limited
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Delayed Payment Charges Advice


CPPA-NTN: 4401241-1
CPPA-GST No. 3277876113750

Name and Address

Islamabad Electric Supply Company (IESCO)
Street No. 40, Sector G -7/4 Islamabad
GST No 26-00-2716-001-91

Billing Month	November-2019
Advice No	LPS/Nov-19/IESCO
Issue Date	16/12/2019

Description	Amount (Rs.)
Supplemental Charges for Nov-2019	382,945,257


Dy Manager Finance (Billing & Recovery)

Central Power Purchasing Agency (Guarantee) Limited

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Delayed Payment Charges Advice

CPPA-NTN: 6401341-1

CPPA-GST No. 3377076113750


Name and Address

Islamabad Electric Supply Company (IESCO)
Street No. 46, Sector D-7/4 Islamabad

GST No 24-00-2716-001-91

Billing Month	December-2019
Advice No.	PS/Dec-19/IESCO
Issue Date	16/01/2020

Description	Amount (Rs.)
Supplemental Charges for Dec-2019	428,939,184


Dy Manager Finance (Billing & Recovery)

Control Power Purchasing Agency (Guarantee) Limited

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Delayed Payment Charges Advice

CPPA-RTN 4481211-1

CPPA-GST No. 337876113158

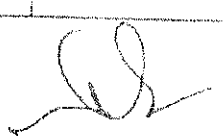
Name and Address

Islamabad Electric Supply Company (IESCO)
Street No. 46, Sector C-7/4 Islamabad

GST No 26-00-2716-001-91

Billing Month	January-2020
Advice No	U.P.S. Jan-20/IESCO
Issue Date	17/02/2020

Description	Amount (Rs.)
Supplemental Charges for Jan-2020	269,881,336


Dy Manager Finance (Billing & Recovery)

Public Purchasing Agency
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Delayed Payment Charges Advice

CPPA-NTN: 4401241-1
CPPA-GST No. 327876113750

Electric Supply Company (IESCO)
10, Stetor G-7/4 Islamabad

GST No 26-00-2716-001-91

Billing Month	February-2020
Advice No	LPS/Feb-20/IESCO
Issue Date	16/03/2020

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Description	Amount (Rs.)
Supplemental Charges for Feb-2020	638,147,251

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Dy Manager Finance (Billing & Recovery)

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Central Power Purchasing Agency (Guarantee) Limited
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Delayed Payment Charges Advice

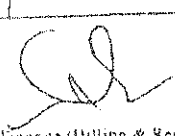
CPPA-NTN: 4401241-1
CPPA-GST No. 3277876113750

Name and Address

Islamabad Electric Supply Company (IESCO) Street No. 40, Sector G-7/4 Islamabad GST No 26-00-2716-001-91
--

Billing Month	March-2020
Advice No	LPS/Mar-30/IESCO
Issue Date	16/04/2020

Description	Amount (Rs.)
Supplemental Charges for March-2020	190,374,806


Dy Manager Finance (Billing & Recovery)

Central Power Purchasing Agency (Guarantee) Limited
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Market Operations (Agency) Fee Invoice
(Pursuant to NEPRA Commercial Code SRO 542(1) 2015)

CPPA-NTN: 4401241-1
CPPA-GST No. 3277876113750

Name and Address

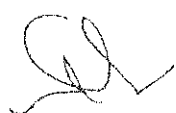
Islamabad Electric Supply Company (IESCO)
Street No. 40, Sector G-7/4 Islamabad
GST No 26-00-2716-001-91

Billing Month	May-2020
Invoice No	MOF/IESCO-May-20
Reading Date	31/05/2020
Invoice date	31/05/2020
Due Date	Immediate

Sub: INVOICE FOR MARKET OPERATIONS FEE FOR THE MONTH OF MAY, 2020

The detail of Market Operations (Agency) Fee for the services received by you is as under:-

MDI (KW)	MOF Rate (Rs./kW/Month)	Rupees		Total Amount Payable
		Billed Amount	Services Tax @ 16% (ICT)	
2,054,471	1.4610	3,001,582	480,253	3,481,835


Deputy Manager Finance (Billing & Recovery)

CPPA

Central Power Purchasing Agency (Guarantee) Limited
A Company of Government of Pakistan



Delayed Payment Charges Advice


CPPA-NTN: 4401241-1
CPPA-GST No. 3277876113750

Name and Address

Islamabad Electric Supply Company (IESCO)
Street No. 40, Sector G-7/4 Islamabad
GST No 26-00-2716-001-91

Billing Month	April-2020
Advice No	LPS/Apr-20/IESCO
Issue Date	18/05/2020

Description	Amount (Rs.)
Supplemental Charges for April-2020	288,219,152


By Manager Finance (Billing & Recovery)

Central Power Purchasing Agency (Guarantee) Limited
A Company of Government of Pakistan



Delayed Payment Charges Advice

CPPA-MTN: 44813411
CPPA-GST No: 3177876113750

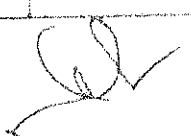
Name and Address

Islamabad Electric Supply Company (IESCO)
Street No. 40, Sector C -7/4 Islamabad

GST No 26-00-2716-001-91

Billing Month	June-2020
Advice No	LPS/Jun-20/IESCO
Issue Date	23/07/2020

Description	Amount (Rs.)
Supplemental Charges for June-2020	486,532,655


Dy Manager Finance (Billing & Recovery)

Minimum Tax Liability 2020	2,385,157,419	Date	CPRN
Payable in 1st Quarter	834,538,039		
Paid during September 2019	✓ 551,923,582	27/09/2019	IT2019092723091406426
Paid in June-19 Adjusted in Sep-19	✓ 100,000,000	28/06/2019	IT2019062922641385184
Balance	651,923,582		
	182,614,457		
Payable in 2nd Quarter	604,074,741		
Paid during December 2019	603,954,785	31/12/2019	IT2019123123091504578
Balance of 1st Quarter Paid in Dec-19	✓ 182,614,457	31/12/2019	IT2019123121231504536
Advance Paid to RTO in Dec-19	✓ 217,385,543	31/12/2019	IT2019123121231504536
Total Payment	1,003,954,785		
Balance	(217,265,587)		
Payable in 3rd Quarter	505,716,016		
Paid during March 2020	145,470,703	31/03/2020	IT2020033122821387576
Balance of 2nd Qtr adjusted in Mar-20	217,265,587		
Advance Paid to RTO in Mar-20	200,000,000	31/03/2020	IT2020033123331386769
Total Payment	562,736,290		
Balance	(57,020,274)		
Payable in 4th Quarter	440,828,623		
Paid during June 2020	240,828,626	29/06/2020	IT2020062923091452993
Balance of 2nd Qtr adjusted in June-20	57,020,274		
Total Payment	297,848,900		
Balance	142,979,723		
Total Paid to FBR for Tax Year 2020	2,242,177,696		

INCOME TAX DEPARTMENT
COMPUTERIZED PAYMENT RECEIPT (CPR - IT)



BANK OF PAKISTAN

I-8/3 BRANCH, ISLAMABAD (2309) : ISLAMABAD

: IT-20190927-2309-1406426

Payment Date : 27-Sep-2019

Section : 147 - Advance Income Tax - 0202

RTO/LTU : RTO ISLAMABAD

Payment : Advance Income Tax

Tax Period : 2020

Head(NAM) : B01105

Name of Tax Payer

ICNIC : 2748840-3 / 0000535

Status : CO

Payer/Business :

Address : ISLAMABAD ELECTRIC SUPPLY COMPANY LTD. , SI # 40

Tax Amount : 551,923,582

Amount of Tax in Words : Five Hundred Fifty One Million Nine Hundred Twenty Three Thousand Five Hundred Eighty Two Rupees And No Paisas Only

Payment Mode	Amount	Date	AC / Ref No	Bank & Branch
Cash	551,923,582	27-Sep-2019	56302136	NATIONAL BANK OF PAKISTAN, AABPARA BRANCH, ISLAMABAD



Zeeshan Naeem Abbasi

20190927-2309-1406426

Signature & Stamp of Manager / Authorized officer

INCOME TAX DEPARTMENT
COMPUTERIZED PAYMENT RECEIPT (CPR - IT)



BANK OF PAKISTAN

**IBB QADEER KHAN ROAD BRANCH, RAWALPINDI (2264)
RAWALPINDI**

IT-20190629-2264-1385184
Section : 147 - Advance Income Tax - 9202
Type of Payment : Advance Income Tax
Unit Head (NAM) : B01105

Payment Date : 29-Jun-2019
RTO/LTU : RTO ISLAMABAD
Tax Period : 2020

Name of Tax Payer

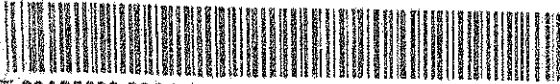
PN / CNIC : 2748840-3 / 0000535
Employer/Business : ISLAMABAD ELECTRIC SUPPLY COMPANY LTD.
Name & Address : ISLAMABAD ELECTRIC SUPPLY COMPANY LTD., SI # 40

Status : CO

Tax Amount : 100,000,000

Amount of Tax in Words : One Hundred Million Rupees And No Paisas Only

Payment Mode	Amount	Date	AC / Ref No	Bank & Branch
Cheque	100,000,000	28-Jun-2019	44345649	NATIONAL BANK OF PAKISTAN, AABPARA BRANCH, ISLAMABAD



IT-20190629-2264-1385184

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Signature & Stamp of Manager / Authorized officer

INCOME TAX DEPARTMENT
COMPUTERIZED PAYMENT RECEIPT (CPR - IT)



NATIONAL BANK OF PAKISTAN

I-8/3 BRANCH, ISLAMABAD (2309) : ISLAMABAD

IT-20191231-2309-1504578
Section : 147 - Advance Income Tax - 9202
Type of Payment : Advance Income Tax
Account Head(NAM) : B01105

Payment Date : 31-Dec-2019
RTO/LTU : RTO ISLAMABAD
Tax Period : 2020

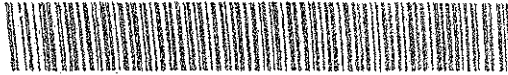
Details of Tax Payer

NTN / CNIC : 2748840-3 / 0000535 Status : CO
Taxpayer/Business : ISLAMABAD ELECTRIC SUPPLY COMPANY LTD.
Name & Address : ISLAMABAD ELECTRIC SUPPLY COMPANY LTD., Advance Tax u/s 147 of ITO 2001 - 2nd Quarter 2020

Tax Amount : 603,954,785

Amount of Tax In Words : Six Hundred Three Million Nine Hundred Fifty Four Thousand Seven Hundred Eighty Five Rupees And No Paisas Only

Payment Mode	Amount	Date	AC / Ref No	Bank & Branch
Cheque	603,954,785	31-Dec-2019	72801520	NATIONAL BANK OF PAKISTAN, AABPARA BRANCH, ISLAMABAD



IT-20191231-2309-1504578

Zeeshan Nabern Abbasi

Signature & Stamp of Manager / Authorized officer

INCOME TAX DEPARTMENT

COMPUTERIZED PAYMENT RECEIPT (CPR - IT)



BANK OF PAKISTAN

RIZWAN PLAZA BLUE AREA ISLAMIC BANKING BRANCH
ISLAMABAD (2123) : ISLAMABAD

IT-20191231-2123-1504536

Section : 147 - Advance Income Tax - 9202
Type of Payment : Advance Income Tax
Unit Head(NAM) : B01105

Payment Date : 31-Dec-2019
RTO/LTU : RTO ISLAMABAD
Tax Period : 2020

Details of Tax Payer

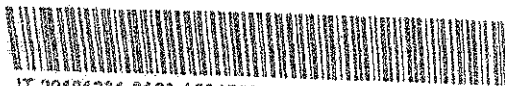
ITN / CNIC : 2748840-3 / 0000535
Taxpayer/Business : ISLAMABAD ELECTRIC SUPPLY COMPANY LTD.
Name & Address : ISLAMABAD ELECTRIC SUPPLY COMPANY LTD. , Advance Payment of Tax u/s 147 of ITO 2001
3rd Quarter 2020

Status : CO

Tax Amount : 400,000,000

Amount of Tax In Words : Four Hundred Million Rupees And No Paisas Only

Payment Mode	Amount	Date	AC / Ref No	Bank & Branch
Cheque	182,614,457	31-Dec-2019	72801521	NATIONAL BANK OF PAKISTAN, AABPARA BRANCH, ISLAMABAD
Cheque	217,385,543	31-Dec-2019	72801519	NATIONAL BANK OF PAKISTAN, AABPARA BRANCH, ISLAMABAD



IT-20191231-2123-1504536

Waseem Ahmed

Signature & Stamp of Manager / Authorized officer

INCOME TAX DEPARTMENT
COMPUTERIZED PAYMENT RECEIPT (CPR - IT)



BANK OF PAKISTAN:

IBB, STADIUM ROAD BRANCH, RAWALPINDI (2282) : RAWALPINDI

: IT-20200331-2282-1387576

Payment Date : 31-Mar-2020

Section : 147 - Advance Income Tax - 9202

RTO/LTU : RTO ISLAMABAD

of Payment : Advance Income Tax

Tax Period : 2020

nt Head(NAM) : B01105

alls of Tax Payer

ITN / CNIC : 2748840-3 / 0000535

Status : CO

Taxpayer/Business : ISLAMABAD ELECTRIC SUPPLY COMPANY LTD.

Name & Address : ISLAMABAD ELECTRIC SUPPLY COMPANY LIMITED, ADVANCE TAX U/S 147 OF ITO 2001
FOR 3RD QUARTER 2020
IESCO HEAD OFFICE, STREET NO. 40, SECTOR G-7/4, Islamabad

Tax Amount : 145,470,703

Amount of Tax in Words : One Hundred Forty Five Million Four Hundred Seventy Thousand Seven Hundred Three Rupees And No
Paisas Only

Payment Mode	Amount	Date	AC / Ref No	Bank & Branch
Cheque	145,470,703	31-Mar-2020	84115018	NATIONAL BANK OF PAKISTAN, AABPARA BRANCH, ISLAMABAD



IT-20200331-2282-1387576

Ahtesham Ahmed

Signature & Stamp of Manager / Authorized officer

INCOME TAX DEPARTMENT
COMPUTERIZED PAYMENT RECEIPT (CPR - IT)



BANK OF PAKISTAN

NBP Alameed Islamic Banking (2333) : ISLAMABAD

: IT-20200331-2333-1386769

Payment Date : 31-Mar-2020

Section : 147 - Advance Income Tax - 9202

RTO/LTU : RTO ISLAMABAD

Payment : Advance Income Tax

Tax Period : 2020

Head(NAM) : B01105

Name of Tax Payer

IC / CNIC : 2748840-3 / 0000535

Status : CO

Employer/Business : ISLAMABAD ELECTRIC SUPPLY COMPANY LTD.

Name & Address : ISLAMABAD ELECTRIC SUPPLY COMPANY LIMITED, ADVANCE TAX U/S 147 OF ITO 2001
FOR 4TH QUATER 2020
IESCO HEAD OFFICE, STREET NO. 40, SECTOR G-7/4, Islamabad

Tax Amount : 200,000,000

Amount of Tax in Words : Two Hundred Million Rupees And No Paisas Only

Payment Mode	Amount	Date	AC / Ref No	Bank & Branch
Cheque	200,000,000	31-Mar-2020	84115019	NATIONAL BANK OF PAKISTAN, AABPARA BRANCH, ISLAMABAD



IT-20200331-2333-1386769

Farooq Ahmad Rather

Signature & Stamp of Manager / Authorized officer

773091406429

INCOME TAX DEPARTMENT
COMPUTERIZED PAYMENT RECEIPT (CPR - IT)



NATIONAL BANK OF PAKISTAN

I-8/3 BRANCH, ISLAMABAD (2309) : ISLAMABAD

: IT-20200629-2309-1452993

Section : 147 - Advance Income Tax - 9202
Type of Payment : Advance Income Tax
Payment Head(NAM) : B01105

Payment Date : 29-Jun-2020
RTO/LTU : RTO ISLAMABAD
Tax Period : 2020

Details of Tax Payer

TIN / CNIC : 2748840-3 / 0000535
Taxpayer/Business : ISLAMABAD ELECTRIC SUPPLY COMPANY LTD.
Name & Address : ISLAMABAD ELECTRIC SUPPLY COMPANY LIMITED, IESCO HEAD OFFICE, STREET NO. 40,
SECTOR G-7/4, Islamabad Minimum Tax Payment 4th Quarter 2020

Status : CO

Tax Amount : 240 828 623

Amount of Tax in Words : Two Hundred Forty Million Eight Hundred Twenty Eight Thousand Six Hundred Twenty Three Rupees +
And No Paisas Only

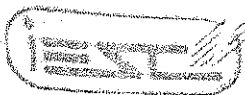
Payment Mode	Amount	Date	AC / Ref No	Bank & Branch
Cheque	240,828,623	26-Jun-2020	91277017	NATIONAL BANK OF PAKISTAN, AABPARA BRANCH, ISLAMABAD



IT-20200629-2309-1452993

Servat Habib

Signature & Stamp of Manager / Authorized officer



ISLAMABAD ELECTRIC SUPPLY COMPANY LIMITED

Tele Pabx: 051-9252937-39 Ext: 379
Direct 051-9253284
Fax 051-9253286

Office of the
Finance Director
IESCO Head Office,
Street 40, G-7/4 Islamabad

No 6160 /IESCO/FDI/CPC

Dated 22-10-2020

The Registrar, NEPRA,
NEPRA Tower, G-5/1
Islamabad.

Subject: REQUEST FOR DISTRIBUTION MARGIN FOR FY 2020-21

As per multiyear tariff regime, IESCO requires recovery of its cost of service at the current market prices to maintain its financial viability.

The following adjustments are submitted. -

S.no	Description	Amount (Rs. In Million)	Annexure
1	Salaries and Wages	10,256	Annexure-I
2	Post Retirement Benefits	5,410	
3	Other Operating Expenses	3,662	
	O&M Cost	19,328	
4	Depreciation	5,484	Annexure-II
5	RORB	5,076	
	Gross Distribution Margin	29,888	
6	Other Income	(1,139)	
	Net Distribution Margin 2020-21	28,749	
7	Sales Mix (FY 2019-20)	8,824	Annexure III
8	Payment of Advance Tax U/s 147 (FY 19-20)	2,242	Annexure IV
9	Supplementary Charges by CPPA-G	3,152	Annexure V
	Total	42,967	

1-Salaries and Wages:

Impact of salary as on 31-12-2020

Impact of new recruitment 229 No Bill Distributors

2-Post Retirement Benefits:

As per previous year amount.

3-Other Operating Expenses:

Impact of Bonus cash awards (01 No)

Impact of prime minister package

Impact due to creation of New Rawalpindi Circle

Impact of COVID-19 has been incorporated in proposed budget

Depreciation

As per previous year actual amount.

RORB

As per previous year actual calculation

22/10/2020
#1

As per Clause 11.14.2 of NEPRA Re-determination "In view thereof, the Authority in the tariff determination for FY 2014-15, decided that the late payment charge recovered from the consumers on utility bills shall be offset against the late payment invoices raised by CPPA against respective XWDISCO only i.e. CPPA cannot book late charge over, and above what is calculated as per the relevant clause of the agreement to a respective XWDISCO only. The Petitioner was, therefore, directed to share the details of late payment charges recovered from consumers and any invoice raised by CPPA under the head of mark up on delayed payments for the FY 2014-15. The Petitioner was directed to submit the requisite information along-with its tariff petition for FY 2015-16. Any remaining LPC, (i.e. after the offset) shall be adjusted from the revenue requirement of FY 2015-16 and in the event of non-submission of evidence of payment to CPPA, the entire amount of LPC recovered from consumers shall be made part of other income (and deducted from revenue requirement) in the FY 2015-16".

Following documents are attached: -

1. Detail of O&M Cost, Fixed Assets and Benchmarking information as per Format (Annexure-VI)
2. Yearly Category wise sales, MDI and load factor of consumers as per attach format (Annexure-VII)
3. IESCO Financial Statements for FY 2019-20 Final (Annexure-VIII)

The decision of IESCO request for Distribution Margin for FY 2019-20 is pending amounting to Rs.29,393 Million submitted vide this office letter No 4429/IESCO/FD/CPC dated 20-09-2019 (copy enclosed).

In case any further clarification/information is required, please intimate.

DA/As above.


Finance Director
IESCO Islamabad



ISLAMABAD ELECTRIC SUPPLY COMPANY LIMITED

Tele: Pabx: 051-9252937-39 Ext: 379
Direct: 051-9253284
Fax: 051-9253286

Office of the
Finance Director
IESCO Head Office,
Street 40, G-7/4 Islamabad
Dated: 22-10-2020

No. 6160 /IESCO/FDI/CPC

The Registrar, NEPRA,
NEPRA Tower, G-5/1
Islamabad.

Subject: REQUEST FOR DISTRIBUTION MARGIN FOR FY 2020-21

As per multiyear tariff regime, IESCO requires recovery of its cost of service at the current market prices to maintain its financial viability.

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9	Supplementary Charges by CPPA-G	3,152	Annexure V
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Impact of new recruitment 229 No Bill Distributors

2-Post Retirement Benefits:

As per previous year amount.

3-Other Operating Expenses:

Impact of Bonus cash awards (01 No)
Impact of prime minister package
Impact due to creation of New Rawalpindi Circle
Impact of COVID-19 has been incorporated in proposed budget

Depreciation

As per previous year actual amount.

RORB

As per previous year actual calculation

For info & a.a. 1/24.

- ADG (Tariff).

Copy to:

SA (Tech)

DA (MSE).

cc: Chairman

- VC/MCT

- M (CA)

- M (LIC)

- M (MSE)

For AD (T)
AD (+)

29/10/2020

Tariff Division Record

By No. 7322
26-10-20

15646
23/10/20

As per Clause 11.14.2 of NEPRA Re-determination "In view thereof, the Authority in the tariff determination for FY 2014-15, decided that the late payment charge recovered from the consumers on utility bills shall be offset against the late payment invoices raised by CPPA against respective XWDISCO only i.e. CPPA cannot book late charge over and above what is calculated as per the relevant clause of the agreement to a respective XWDISCO only. The Petitioner was, therefore, directed to share the details of late payment charges recovered from consumers and any invoice raised by CPPA under the head of mark up on delayed payments for the FY 2014-15. The Petitioner was directed to submit the requisite information along-with its tariff petition for FY 2015-16. Any remaining LPC, (i.e. after the offset) shall be adjusted from the revenue requirement of FY 2015-16 and in the event of non-submission of evidence of payment to CPPA, the entire amount of LPC recovered from consumers shall be made part of other income (and deducted from revenue requirement) in the FY 2015-16".

Following documents are attached: -

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The decision of IESCO request for Distribution Margin for FY 2019-20 is pending amounting to Rs.29,393 Million submitted vide this office letter No 4429/IESCO/FDI/CPC dated 20-09-2019 (copy enclosed).

In case any further clarification/information is required, please intimate.

DA/As above.


Finance Director
IESCO Islamabad

DETAIL OF O&M

O&M Expense	FY 2019-20			FY 2020-21		
	Supply (Non-Wire)	Distribution (Wire)	Total 2019-20	Supply (Non-Wire)	Distribution (Wire)	Total 2020-21
Pay and Allowances	1,120,485,162	5,659,697,838	6,780,183,000	1,138,652,397	5,751,462,603	6,890,115,000
Daily Wages	1,437,381	112,078,610	113,513,971	966,041	75,325,959	76,292,000
Employees Benefits	645,156,743	1,507,470,257	2,152,627,000	985,852,235	2,303,537,765	3,289,390,000
	1,767,079,266	7,279,244,705	9,046,323,971	2,125,470,673	8,130,326,327	10,255,797,000
Employees share in fund contribution	873,052,681	4,080,035,319	4,953,088,000	953,589,963	4,456,410,037	5,410,000,000
Other Expenses						
PII Package	-	74,301,000	74,301,000	-	150,000,000	150,000,000
Transportation	4,881,577	323,005,872	327,887,449	5,584,595	369,523,405	375,106,000
Traveling Expense	27,181,694	305,378,377	332,560,071	31,215,459	350,696,541	381,912,000
Electricity bill collection charges	213,774,367	124,134,406	337,908,773	166,286,075	96,558,925	262,845,000
Office supplies and other expenses	105,631,360	24,738,168	130,369,528	130,059,842	30,459,158	160,519,000
Rent rates and taxes	1,819,216	37,959,351	39,778,567	2,295,231	47,891,769	50,187,000
Insurance expense	-	49,495,388	49,495,388	-	52,000,000	52,000,000
NEPRA fee and charges	-	36,563,211	36,563,211	-	41,400,000	41,400,000
Advertising and publicity	-	12,040,306	12,040,306	-	13,695,000	13,695,000
COVID-19	79,543	3,092,467	3,172,010	376,148	14,623,852	15,000,000
Market Operation Fee (MOF CPPA (G))	-	36,905,054	36,905,054	-	-	-
Management Fees	-	253,162,000	253,162,000	-	130,000,000	130,000,000
Professional Fees	10,633,070	151,321,891	161,954,961	11,588,017	184,911,983	176,500,000
Repairs and maintenance	3,863,856	1,375,952,174	1,379,816,030	4,141,707	1,474,897,293	1,479,039,000
Power light and water charges	8,145,157	53,526,228	61,671,385	9,367,975	61,562,025	70,930,000
Postage and telephone	4,550,190	33,439,393	37,989,583	6,013,767	44,195,233	50,209,000
Reserve Expense	65,657,723	-	65,657,723	40,000,000	-	40,000,000
Subscription and Periodicals 620000	208,584	1,754,416	1,963,000	337,050	2,834,950	3,172,000
Representation and entertainment 6400000	-	1,759,000	1,759,000	-	5,250,000	5,250,000
Injuries and Damages 6600000	-	25,646,000	25,646,000	-	40,000,000	40,000,000
Out side Service employeeed 740100	262,000	26,265,000	26,527,000	152,447	15,282,563	15,435,000
Miscellaneous Expenses 770000	4,998,543	41,525,310	46,523,853	5,989,804	49,760,196	55,750,000
New Hiring	-	-	-	-	84,000,000	84,000,000
Bank Charges	4,578,000	-	4,578,000	9,000,000	-	9,000,000
Auditors Remuneration	-	2,000,000	2,000,000	-	-	-
Other Expenses Total	456,264,880	2,993,965,012	3,450,229,892	422,408,116	3,239,542,884	3,661,951,000
Grand Total	3,096,396,827	14,353,245,036	17,449,641,863	3,501,468,753	15,826,279,247	19,327,748,000

Return on Rate Base IESCO

Description	FY 2015-16 Actual	FY 2016-17 Actual	FY 2017-18 Actual	FY 2018-19 Actual	FY 2019-20 Actual
Opening Fixed Assets in Operation	60,638	65,557	70,082	75,036	82,588
Assets Transferred during the year	4,919	4,526	4,953	7,552	9,952
Closing Fixed Assets in Operation	65,557	70,082	75,036	82,588	92,540
Less: Depreciation	19,930	22,110	24,524	27,335	30,488
Net Fixed Assets in Operation	45,627	47,972	50,512	55,253	62,052
Capital WIP (Closing)	6,542	7,437	10,670	13,237	10,573
Total Fixed Assets	52,169	55,410	61,182	68,491	72,625
Less: Deferred Credits	23,080	23,894	25,159	26,998	28,300
Total	29,089	31,516	36,024	41,493	44,325
Average Regulatory Assets Base (RAB)	29,089	30,303	33,770	38,758	42,909
Working Capital Requirement					
Regulatory Asset Base	29,089	30,303	33,770	38,758	42,909
Regulatory Return (WACC)	11.83%	11.83%	11.83%	11.83%	11.83%
RORB	3,441	3,585	3,995	4,585	5,076

Islamabad Electric Supply Company Limited
Calculation of Sales Mix for FY 2019-20

Month	Actual Revenue	Actual Units Sold (kWh)	Actual Average Rate (kWh)	NEPRA Average Rate (kWh)	Difference	Impact of Sales Mix (Rs.)
Jul-19	17,506,956,837	1,257,985,769	13.92	14.93	1.01	1,274,770,894
Aug-19	17,338,051,077	1,246,638,271	13.91	14.93	1.02	1,174,255,306
Sep-19	16,485,019,510	1,197,938,902	13.75	14.93	1.18	1,086,297
Oct-19	11,911,923,952	895,355,266	13.30	15.31	2.01	1,795,935,171
Nov-19	9,116,913,894	686,191,791	13.25	15.31	2.06	1,419,302,427
Dec-19	8,973,913,214	659,995,889	13.60	15.43	1.83	1,209,823,353
Jan-20	10,690,528,495	737,282,111	14.50	13.86	-0.64	(471,798,436)
Feb-20	10,202,685,316	706,614,098	14.44	13.86	-0.58	(409,013,917)
Mar-20	8,442,089,028	596,606,154	14.15	13.86	-0.29	(173,093,873)
Apr-20	8,037,194,546	627,303,058	12.81	13.86	1.05	65,225,977
May-20	10,398,285,946	798,385,811	13.02	13.86	0.84	667,341,394
Jun-20	14,093,051,628	1,029,705,594	13.69	13.86	0.17	178,667,905
	143,196,613,440	10,442,004,734				8,823,651,300

Minimum Tax Liability 2020	2,385,157,419	Date	CPRN
Payable in 1st Quarter	834,538,039		
Paid during September 2019	551,923,582	27/09/2019	IT2019092723091406426
Paid in June-19 Adjusted in Sep-19	100,000,000	28/06/2019	IT2019062922641385184
	651,923,582		
Balance	182,614,457		
Payable in 2nd Quarter	604,074,741		
Paid during December 2019	603,954,785	31/12/2019	IT2019123123091504578
Balance of 1st Quarter Paid in Dec-19	182,614,457	31/12/2019	IT2019123121231504536
Advance Paid to RTO in Dec-19	217,385,543	31/12/2019	IT2019123121231504536
Total Payment	1,003,954,785		
Balance	(217,265,587)		
Payable in 3rd Quarter	505,716,016		
Paid during March 2020	145,470,703	31/03/2020	IT2020033122821387576
Balance of 2nd Qtr adjusted in Mar-20	217,265,587		
Advance Paid to RTO in Mar-20	200,000,000	31/03/2020	IT2020033123331386769
Total Payment	562,736,290		
Balance	(57,020,274)		
Payable in 4th Quarter	440,828,623		
Paid during June 2020	240,828,626	29/06/2020	IT2020062923091452993
Balance of 2nd Qtr adjusted in June-20	57,020,274		
Total Payment	297,848,900		
Balance	142,979,723		
Total Paid to FBR for Tax Year 2020	2,242,177,696		

INCOME TAX DEPARTMENT

COMPUTERIZED PAYMENT RECEIPT (CPR - IT)



NATIONAL BANK OF PAKISTAN

I-8/3 BRANCH, ISLAMABAD (2309) : ISLAMABAD

CPR No : IT-20190927-2309-1406426

Payment Date : 27-Sep-2019

Payment Section : 147 - Advance Income Tax - 9202

RTO/LTU : RTO ISLAMABAD

Nature of Payment : Advance Income Tax

Tax Period : 2020

Account Head(NAM) : B01105

Details of Tax Payer

NTN / CNIC : 2748840-3 / 0000535

Status : CO

Taxpayer/Business :

Name & Address : ISLAMABAD ELECTRIC SUPPLY COMPANY LTD. , St # 40

Tax Amount : 551,923,582

Amount of Tax in Words : Five Hundred Fifty One Million Nine Hundred Twenty Three Thousand Five Hundred Eighty Two Rupees
And No Paisas Only

Payment Mode	Amount	Date	AC / Ref No	Bank & Branch
Cheque	551,923,582	27-Sep-2019	56302136	NATIONAL BANK OF PAKISTAN : AABPARA BRANCH , ISLAMABAD



IT-20190927-2309-1406426

Zeeshan Naeem Abbasi

Signature & Stamp of Manager / Authorized officer



INCOME TAX DEPARTMENT
COMPUTERIZED PAYMENT RECEIPT (CPR - IT)



NATIONAL BANK OF PAKISTAN

IBB QADEER KHAN ROAD BRANCH, RAWALPINDI (2264) :
RAWALPINDI

CPR No : IT-20190629-2264-1385184

Payment Date : 29-Jun-2019

Payment Section : 147 - Advance Income Tax - 9202

RTO/LTU : RTO ISLAMABAD

Nature of Payment : Advance Income Tax

Tax Period : 2020

Account Head(NAM) : B01105

Details of Tax Payer

NTN / CNIC : 2748840-3 / 0000535

Status : CO

Taxpayer/Business : ISLAMABAD ELECTRIC SUPPLY COMPANY LTD.

Name & Address : ISLAMABAD ELECTRIC SUPPLY COMPANY LTD. , St # 40

Tax Amount : 100,000,000

Amount of Tax in Words : One Hundred Million Rupees And No Paisas Only

Payment Mode	Amount	Date	AC / Ref No	Bank & Branch
Cheque	100,000,000	28-Jun-2019	44345649	NATIONAL BANK OF PAKISTAN , AABPARA BRANCH , ISLAMABAD



IT-20190629-2264-1385184

ARSHAD DAUD

Signature & Stamp of Manager / Authorized officer



INCOME TAX DEPARTMENT
COMPUTERIZED PAYMENT RECEIPT (CPR - IT)



NATIONAL BANK OF PAKISTAN

I-8/3 BRANCH, ISLAMABAD (2309) : ISLAMABAD

CPR No : IT-20191231-2309-1504578

Payment Date : 31-Dec-2019

Payment Section : 147 - Advance Income Tax - 9202

RTO/LTU : RTO ISLAMABAD

Nature of Payment : Advance Income Tax

Tax Period : 2020

Account Head(NAM) : B01105

Details of Tax Payer

NTN / CNIC : 2748840-3 / 0000535

Status : CO

Taxpayer/Business : ISLAMABAD ELECTRIC SUPPLY COMPANY LTD.

Name & Address : ISLAMABAD ELECTRIC SUPPLY COMPANY LTD. , Advance Tax u/s 147 of-ITO 2001 - 2nd Quarter 2020

Tax Amount : 603,954,785

Amount of Tax in Words : Six Hundred Three Million Nine Hundred Fifty Four Thousand Seven Hundred Eighty Five Rupees And No Paisas Only

Payment Mode	Amount	Date	AC / Ref No	Bank & Branch
Cheque	603,954,785	31-Dec-2019	72801520	NATIONAL BANK OF PAKISTAN, AABPARA BRANCH, ISLAMABAD



IT-20191231-2309-1504578

Zeeshan Naeem Abbasi

Signature & Stamp of Manager / Authorized officer



INCOME TAX DEPARTMENT
COMPUTERIZED PAYMENT RECEIPT (CPR - IT)



NATIONAL BANK OF PAKISTAN

RIZWAN PLAZA BLUE AREA ISLAMIC BANKING BRANCH,
ISLAMABAD (2123) : ISLAMABAD

CPR No : IT-20191231-2123-1504536

Payment Section : 147 - Advance Income Tax - 9202

Nature of Payment : Advance Income Tax

Account Head(NAM) : B01105

Payment Date : 31-Dec-2019

RTO/LTU : RTO ISLAMABAD

Tax Period : 2020

Details of Tax Payer

NTN / CNIC : 2748840-3 / 0000535

Status : CO

Taxpayer/Business : ISLAMABAD ELECTRIC SUPPLY COMPANY LTD.

Name & Address : ISLAMABAD ELECTRIC SUPPLY COMPANY LTD. , Advance Payment of Tax u/s 147 of ITO 2001
3rd Quarter 2020

Tax Amount : 400,000,000

Amount of Tax in Words : Four Hundred Million Rupees And No Paisas Only

Payment Mode	Amount	Date	AC / Ref No	Bank & Branch
Cheque	182,614,457	31-Dec-2019	72801521	NATIONAL BANK OF PAKISTAN AABPARA BRANCH, ISLAMABAD
Cheque	217,385,543	31-Dec-2019	72801519	NATIONAL BANK OF PAKISTAN, AABPARA BRANCH, ISLAMABAD



IT-20191231-2123-1504536

Waseem Ahmed

Signature & Stamp of Manager / Authorized officer

INCOME TAX DEPARTMENT

COMPUTERIZED PAYMENT RECEIPT (CPR - IT)



NATIONAL BANK OF PAKISTAN

IBB, STADIUM ROAD BRANCH, RAWALPINDI (2282) : RAWALPINDI

CPR No : IT-20200331-2282-1387576

Payment Date : 31-Mar-2020

Payment Section : 147 - Advance Income Tax - 9202

RTO/LTU : RTO ISLAMABAD

Nature of Payment : Advance Income Tax

Tax Period : 2020

Account Head(NAM) : B01105

Details of Tax Payer

NTN / CNIC : 2748840-3 / 0000535

Status : CO

Taxpayer/Business : ISLAMABAD ELECTRIC SUPPLY COMPANY LTD.

Name & Address : ISLAMABAD ELECTRIC SUPPLY COMPANY LIMITED , ADVANCE TAX U/S 147 OF ITO 2001
FOR 3RD QUARTER 2020
IESCO HEAD OFFICE, STREET NO. 40, SECTOR G-7/4, Islamabad

Tax Amount : 145,470,703

Amount of Tax in Words : One Hundred Forty Five Million Four Hundred Seventy Thousand Seven Hundred Three Rupees And No
Paisas Only

Payment Mode	Amount	Date	AC / Ref No	Bank & Branch
Cheque	145,470,703	31-Mar-2020	84115018	NATIONAL BANK OF PAKISTAN , AABPARA BRANCH ISLAMABAD



IT-20200331-2282-1387576

Ahtesham Ahmed

Signature & Stamp of Manager / Authorized officer



INCOME TAX DEPARTMENT
COMPUTERIZED PAYMENT RECEIPT (CPR - IT)



NATIONAL BANK OF PAKISTAN

NBP Aitemaad Islamic Banking (2333) : ISLAMABAD

CPR No : IT-20200331-2333-1386769

Payment Date : 31-Mar-2020

Payment Section : 147 - Advance Income Tax - 9202

RTO/LTU : RTO ISLAMABAD

Nature of Payment : Advance Income Tax

Tax Period : 2020

Account Head(NAM) : B01105

Details of Tax Payer

NTN / CNIC : 2748840-3 / 0000535

Status : CO

Taxpayer/Business : ISLAMABAD ELECTRIC SUPPLY COMPANY LTD.

Name & Address : ISLAMABAD ELECTRIC SUPPLY COMPANY LIMITED , ADVANCE TAX U/S 147 OF ITO 2001
FOR 4TH QUATER 2020
IESCO HEAD OFFICE, STREET NO. 40, SECTOR G-7/4, Islamabad

Tax Amount : 200,000,000

Amount of Tax in Words : Two Hundred Million Rupees And No Paisas Only

Payment Mode	Amount	Date	AC / Ref No	Bank & Branch
Cheque	200,000,000	31-Mar-2020	84115019	NATIONAL BANK OF PAKISTAN , AABPARA BRANCH , ISLAMABAD



IT-20200331-2333-1386769

Farooq Ahmad Rather

Signature & Stamp of Manager / Authorized officer



INCOME TAX DEPARTMENT
COMPUTERIZED PAYMENT RECEIPT (CPR - IT)



NATIONAL BANK OF PAKISTAN

I-8/3 BRANCH, ISLAMABAD (2309) : ISLAMABAD

CPR No : IT-20200629-2309-1452993

Payment Section : 147 - Advance Income Tax - 9202

Nature of Payment : Advance Income Tax

Account Head(NAM) : B01105

Payment Date : 29-Jun-2020

RTO/LTU : RTO ISLAMABAD

Tax Period : 2020

Details of Tax Payer

NTN / CNIC : 2748840-3 / 0000535

Status : CO

Taxpayer/Business : ISLAMABAD ELECTRIC SUPPLY COMPANY LTD.

Name & Address : ISLAMABAD ELECTRIC SUPPLY COMPANY LIMITED , IESCO HEAD OFFICE, STREET NO. 40,
SECTOR G-7/4, Islamabad Minimum Tax Payment 4th Quarter 2020

Tax Amount : 240,828,623

Amount of Tax in Words : Two Hundred Forty Million Eight Hundred Twenty Eight Thousand Six Hundred Twenty Three Rupees
And No Paisas Only

Payment Mode	Amount	Date	AC / Ref No	Bank & Branch
Cheque	240,828,623	26-Jun-2020	91277017	NATIONAL BANK OF PAKISTAN , AABPARA BRANCH , ISLAMABAD



IT-20200629-2309-1452993

Serwat Habib

Signature & Stamp of Manager / Authorized officer

Detail of Supplementary Charges

	2019-20
Other Income	2,027,447,619
Less interest on Pension trust fund	89,953,087
Less late Payment Surcharge	1,036,411,989
Net Other Income	901,082,543
Rs.in Million	901

Supplementary Charges	4,188,359,567
Less late Payment Surcharge	1,036,411,989
Net Supplementary Charges	3,151,947,578
Rs.in Million	3,152

Islamabad Electric Supply Company Limited (IESCO)

Detail of Supplemental Charges FY 2019-20

Month	Amount (Rs.)
07-2019	272,852,975
08-2019	153,416,081
09-2019	239,267,157
10-2019	554,955,188
11-2019	382,945,257
12-2019	438,939,188
01-2020	269,881,236
02-2020	638,147,251
03-2020	190,374,806
04-2020	288,219,152
05-2020	272,978,621
06-2020	486,582,655
Total	4,188,359,567



Central Power Purchasing Agency (Guarantee) Limited
A Company of Government of Pakistan



02

Delayed Payment Charges Advice

CPPA-NTN: 4401241-1

CPPA-GST No. 3277876113739

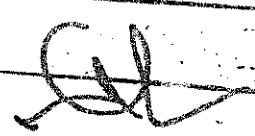
Name and Address

Islamabad Electric Supply Company (IESCO)
Street No. 49, Sector G-7/4 Islamabad

GST No 26-00-2716-001-91

Billing Month	July-2019
Advice No	LP3/Jul-19/IESCO
Issue Date	29/08/2019

Description	Amount (Rs.)
Supplemental Charges for June-2019	272,652,975


Dy Manager Finance (Billing & Recovery)



Delayed Payment Charges Advice

CPPA-NTN: 4401241-1
CPPA-GST No. 3277576113753

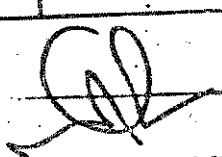
Name and Address

Islamabad Electric Supply Company (IESCO)
Street No. 40, Sector G - 7/4 Islamabad

GST No 26-00-2716-001-91

Billing Month	August-2019
Advice No	LPS/Aug-19/IESCO
Issue Date	29/08/2019

Description	Amount (Rs.)
Supplemental Charges for August-2019	153,416,081


Dy Manager Finance (Billing & Recovery)



Central Power Purchasing Agency (Guarantee) Limited
A Company of Government of Pakistan



Delayed Payment Charges Advice

CPPA-NTN: 4401241-1
CPPA-GST No. 3277876113750

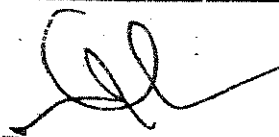
Name and Address

Islamabad Electric Supply Company (IESCO)
Street No. 40, Sector G -7/4 Islamabad

GST No 26-00-2716-001-91

Billing Month	September-2019
Advice No	LPS/Sep-19/IESCO
Issue Date	18/10/2019

Description	Amount (Rs.)
Supplemental Charges for August-2019	239,267,157


Dy Manager Finance (Billing & Recovery)



Central Power Purchasing Agency (Guarantee) Limited

A Company of Government of Pakistan



Delayed Payment Charges Advice

CPPA-NTN: 4401241-1

CPPA-GST No. 3277876113750


Name and Address

Islamabad Electric Supply Company (IESCO)
Street No. 40, Sector G -7/4 Islamabad

GST No 26-00-2716-001-91

Billing Month	October-2019
Advice No	LPS/Oct-19/IESCO
Issue Date	18/11/2019

Description	Amount (Rs.)
Supplemental Charges for Oct-2019	554,955,188


Dy Manager Finance (Billing & Recovery)



Delayed Payment Charges Advice

CPPA-NTN: 4401241-1
CPPA-GST No. 3277876113750


Name and Address

Islamabad Electric Supply Company (IESCO)
Street No. 40, Sector G -7/4 Islamabad

GST No 26-00-2716-001-91

Billing Month	November-2019
Advice No	LPS/Nov-19/IESCO
Issue Date	16/12/2019

Description	Amount (Rs.)
Supplemental Charges for Nov-2019	382,145,257


Dy Manager Finance (Billing & Recovery)

Central Power Purchasing Agency (Guarantee) Limited
A Company of Government of Pakistan



Delayed Payment Charges Advice

CPPA-NTN: 4401241-1
CPPA-GST No. 3277876113750


Name and Address

Islamabad Electric Supply Company (IESCO)
Street No. 48, Sector G-7/4 Islamabad

GST No 26-00-2716-001-91

Billing Month	December-2019
Advice No.	51 PS/Dec-19/IESCO
Issue Date	15/01/2020

Description	Amount (Rs.)
Supplemental Charges for Dec-2019	438,939,188


Dy Manager Finance (Billing & Recovery)



Central Power Purchasing Agency (Guarantee) Limited

A Company of Government of Pakistan



Delayed Payment Charges Advice

CPPA-NTN: 4401241-1

CPPA-GST No. 3277876113750

Name and Address

Islamabad Electric Supply Company (IESCO) Street No. 40, Sector G -7/4 Islamabad GST No 26-00-2716-001-91

Billing Month	January-2020
Advice No	LPS/Jan-20/IESCO
Issue Date	17/02/2020

Description	Amount (Rs.)
Supplemental Charges for Jan-2020	269,881,236

Dy Manager Finance (Billing & Recovery)

Delayed Payment Charges Advice

CPPA-NTN: 4401241-1
CPPA-GST No. 3277876113750

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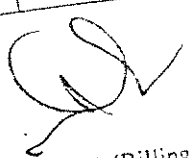
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Electric Supply Company (IESCO)
40, Sector G -7/4 Islamabad

GST No 26-00-2716-001-91

Billing Month	February-2020
Advice No	LPS/Feb-20/IESCO
Issue Date	16/03/2020

Description	Amount (Rs.)
Supplemental Charges for Feb-2020	638,147,251


Dy Manager Finance (Billing & Recovery)



Central Power Purchasing Agency (Guarantee) Limited
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Delayed Payment Charges Advice

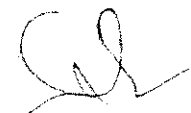
CPPA-NTN: 4401241-1
CPPA-GST No. 3277876113750

Name and Address

Islamabad Electric Supply Company (IESCO) Street No. 40, Sector G -7/4 Islamabad GST No 26-00-2716-001-91

Billing Month	March-2020
Advice No	LPS/Mar-20/IESCO
Issue Date	16/04/2020

Description	Amount (Rs.)
Supplemental Charges for March-2020	190,374,806


Dy Manager Finance (Billing & Recovery)



Central Power Purchasing Agency (Guarantee) Limited

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Delayed Payment Charges Advice

CPPA-NTN: 4401241-1

CPPA-GST No. 3277876113750

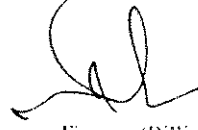
Name and Address

Islamabad Electric Supply Company (IESCO)
Street No. 40, Sector G -7/4 Islamabad

GST No 26-00-2716-001-91

Billing Month	April-2020
Advice No	LPS/Apr-20/IESCO
Issue Date	18/05/2020

Description	Amount (Rs.)
Supplemental Charges for April-2020	288,219,152


Dy Manager Finance (Billing & Recovery)



Central Power Purchasing Agency (Guarantee) Limited
A Company of Government of Pakistan



Market Operations (Agency) Fee Invoice
(Pursuant to NEPRA Commercial Code SRO 542(1) 2015)

CPPA-NTN: 4401241-1
CPPA-GST No. 3277876113750

Name and Address

Islamabad Electric Supply Company (IESCO) Street No. 40, Sector G -7/4 Islamabad
GST No 26-00-2716-001-91

Billing Month	May-2020
Invoice No	MOF/IESCO-May-20
Reading Date	31/05/2020
Invoice date	31/05/2020
Due Date	Immediate

Sub: **INVOICE FOR MARKET OPERATIONS FEE FOR THE MONTH OF MAY, 2020**

The detail of Market Operations (Agency) Fee for the services received by you is as under:-

MDI (KW)	MOF Rate (Rs./kW/Month)	Rupees		
		Billed Amount	Services Tax @ 16% (ICT)	Toatal Amount Payable
2,054,471	1.4610	3,001,582	480,253	3,481,835

Deputy Manager Finance (Billing & Recovery)



Central Power Purchasing Agency (Guarantee) Limited
A Company of Government of Pakistan



Delayed Payment Charges Advice

CPPA-NTN: 4401241-1
CPPA-GST No. 3277876113750


Name and Address

Islamabad Electric Supply Company (IESCO)
Street No. 40, Sector G -7/4 Islamabad

GST No 26-00-2716-001-91

Billing Month	June-2020
Advice No	LPS/Jun-20/IESCO
Issue Date	23/07/2020

Description	Amount (Rs.)
Supplemental Charges for June-2020	486,532,655


Dy Manager Finance (Billing & Recovery)

O&M Expense	FY 2019-20			FY 2020-21		
	Supply (Non-Wire)	Distribution (Wire)	Total	Supply (Non-Wire)	Distribution (Wire)	2020-21
Pay and Allowances	1,120,485,162	5,659,697,838	6,780,183,000	1,138,682,397	5,751,462,803	6,890,115,000
Daily Aages	1,437,361	112,076,810	113,513,971	966,041	75,325,959	76,292,000
Employees Benefits	645,156,743	1,507,470,257	2,152,627,000	985,852,235	2,303,537,765	3,289,390,000
Employees share in fund contribution	873,052,681	4,090,035,319	4,963,088,000	953,589,963	4,456,410,037	5,410,000,000
PM Package	-	74,301,000	74,301,000	-	150,000,000	150,000,000
Transportation	4,881,577	323,005,872	327,887,449	5,584,595	369,523,405	375,108,000
Travelling Expense	27,181,694	305,378,377	332,560,071	31,215,459	350,696,541	381,912,000
Electricity bill collection charges	213,774,367	124,134,406	337,908,773	166,286,075	96,558,925	262,845,000
Office supplies and other expenses	105,631,360	24,738,168	130,369,528	130,059,842	30,459,158	160,519,000
Rent, rates and taxes	1,819,216	37,959,351	39,778,567	2,295,231	47,891,769	50,187,000
Insurance expense	-	49,495,388	49,495,388	-	52,000,000	52,000,000
NEPRA fee and charges	-	36,563,211	36,563,211	-	41,400,000	41,400,000
Advertising and publicity	-	12,040,306	12,040,306	-	13,695,000	13,695,000
COVID-19	79,543	3,092,467	3,172,010	376,148	14,623,852	15,000,000
Market Operation Fee (MOF CPPA (G))	-	36,905,054	36,905,054	-	-	-
Management Fees	-	253,162,000	253,162,000	-	130,000,000	130,000,000
Professional Fees	10,633,070	151,321,891	161,954,961	11,588,017	164,911,983	176,500,000
Repairs and maintenance	3,863,856	1,375,952,174	1,379,816,030	4,141,707	1,474,897,293	1,479,039,000
Power, light and water charges	8,145,157	53,526,228	61,671,385	9,367,975	61,562,025	70,930,000
Postage and telephone	4,550,190	33,439,393	37,989,583	6,013,767	44,195,233	50,209,000
Roshni Expense	65,657,723	-	65,657,723	40,000,000	-	40,000,000
Subscription and Periodicals 620000	298,584	1,754,416	1,963,000	337,050	2,834,950	3,172,000
Representation and entertainment 6400000	-	1,759,000	1,759,000	-	5,250,000	5,250,000
Injuries and Damages 6600000	-	25,646,000	25,646,000	-	40,000,000	40,000,000
Out side Service employeeed 740100	262,000	26,265,000	26,527,000	152,447	15,282,553	15,435,000
Miscellaneous Expenses 770000	4,998,543	41,525,310	46,523,853	5,989,804	49,760,196	55,750,000
New Hiring	-	-	-	-	84,000,000	84,000,000
Bank Charges	4,578,000	-	4,578,000	9,000,000	-	9,000,000
Auditors Remuneration	-	2,000,000	2,000,000	-	-	-
Total	3,096,396,827	14,353,245,036	17,449,641,863	3,501,468,753	15,826,279,247	19,327,748,000

Fixed Assets	2019-20
Freehold land	13,119,841,461
Leasehold land	4,824,460,000
Buildings on freehold land	3,778,045,639
Buildings on leasehold land	362,948,560
Distribution equipment	68,456,975,540
Vehicles	96,700,341
Computer and ancillary equipment	190,678,218
Furniture and fixtures	24,910,868
Other plant and equipment	261,564,159
	91,116,124,786
Fixed Assets Depreciation for the year	
Freehold land	-
Leasehold land	-
Buildings on freehold land	98,071,870
Buildings on leasehold land	10,202,814
Distribution equipment	5,208,961,607
Vehicles	27,107,175
Computer and ancillary equipment	103,639,337
Furniture and fixtures	5,825,786
Other plant and equipment	34,540,442
	5,488,349,030
Fixed Assets Accumulated Depreciation	
Freehold land	-
Leasehold land	-
Buildings on freehold land	349,894,541
Buildings on leasehold land	37,591,784
Distribution equipment	15,964,210,798
Vehicles	611,707,265
Computer and ancillary equipment	254,867,028
Furniture and fixtures	60,691,458
Other plant and equipment	233,993,339
	17,512,956,213

Non-Financial Data	2019-20	2020-21
No. of Employees	12,833	19,189
Peak Demand	2113 dt 23-06-2020	2,283
Qualified Professionals	303	536
Engineers	213	387
Others	90	149
Other Staff	12,530	18,653
Technical	8,123	11,919
Non Technical + Clerical	4,407	6,734
Units Purchases	11,436	11,436
Units Sold	10,442	10,442
Area Sq. K.M	23,159	23,159
No. of Offices	217	241
Circles	9	10
Divisions	35	39
R.Os	19	20
Sub-Divisions	154	172
No. Of Vehicles	763	763
Consumers		
Domestic	2,649,394	2,778,992
Commercial	426,132	440,495
Industrial	16,359	16,915
Bulk	845	860
Agricultural	7,068	7,278
P/Lighting	1,914	1,929
Others	18,435	18,450
Total	3,120,147	3,264,919
Disconnected Consumers	153,273	
Active consumers	2,966,917	
Sales		
Domestic	76,014,751,142.75	
Commercial	18,115,987,938.16	
Industrial	20,882,185,521.57	
Bulk	32,018,646,931.06	
Agricultural	540,594,902.06	
P/Lighting	1,348,044,241.23	
Others	8,107,918,688	
Total	157,028,129,365	

TARIFF WISE UNITS BILLED AND LOAD CHARGED FOR THE FINANCIAL YEAR 2015-16 TO 2019-20

Particulars	FY-2015-16		FY-2016-17		FY-2017-18		FY-2018-19		FY-2019-20	
	TOTAL LOAD	TOTAL SALE(RM)	TOTAL LOAD	TOTAL SALE(RM)	TOTAL LOAD	TOTAL SALE(RM)	TOTAL LOAD	TOTAL SALE(RM)	TOTAL LOAD	TOTAL SALE(RM)
A-1 (01) 50 Units	0	20819.3918.00	0	133708.69.00	0	100243976.00	0	28503141.00	0	27847033.00
1-109 Units	0	994920700.00	0	1127668149.00	0	1185934796.00	0	132607750.00	0	1455646723.00
1-101-200 Units	0	933220315.00	0	105601289.00	0	1190852093.00	0	1202678274.00	0	1181531302.00
201-300 Units	0	760499670.00	0	945560421.00	0	1128605311.00	0	1131291568.00	0	1127846065.00
301-700 Units	0	366525294.00	0	460380478.00	0	554355169.00	0	530931748.00	0	521781685.00
Above - 700 Units	0	97601339.00	0	106979122.00	0	105648709.00	0	71063095.00	0	67284178.00
A-1B (03) T Peak	0	118873611.00	0	134301319.00	0	139451823.00	0	125200278.42	0	121762193.00
A-1B (03) T Off-Peak	346	531926814.00	110	580125835.00	221	628150389.00	0	570024027.42	22	521820832.00
E-1 (05) Temp	0	880611.00	0	1396525.00	0	191684.00	0	2027400.00	0	2650298.00
Total Domestic	346	4092702372.00	110	4557519307.00	221	5035358660.00	0	4190825387.44	22	502818087.8.00
Commercial Tariff (04)	0	301164179.00	0	338178782.00	0	380388849.00	0	384456851.00	0	355379966.00
A-2 B (05)	47957	10404601.00	47318	9740481.00	34824	9408925.00	22410	8655212.00	11820	7730548.00
A-2 C (06) T Peak	0	113200885.00	0	132558178.00	0	144588153.00	0	146568151.42	0	131444684.00
A-2 C (06) T Off-Peak	2902407	494462217.00	3353944	578340508.00	3387085	647031534.00	3402881	648482728.42	3252087	360323386.00
E-1 (05) Temp	0	12938490.00	0	13963563.00	0	18385431.00	0	18902970.00	47	18991867.00
Total Commercial	2,950,364	932170372.00	3,401,260	1072780550.00	3,421,689	1200070882.00	3,425,291	1202086912.84	3,263,934	1098873428.00
Industrial B-1 (07)	0	3663723.00	0	4208287.00	0	4876381.00	0	4253843.00	0	3235753.00
Industrial B-1 (08)	0	10655.00	0	22730.00	0	7429.00	0	1472.00	0	112.00
B-1 (09) T Peak	0	9178104.00	0	9874928.00	0	9146522.00	0	7753509.00	0	6022245.00
B-1 (09) T Off-Peak	583,064	49823082.00	635,392	55235375.00	624,432	58419817.00	680,017	5344813.00	575,316	45300861.00
B-2 A (10)	21,350	6730265.00	15,794	6093362.00	14,082	5167756.00	6,487	2108028.00	1,371	415437.00
B-2 B (12) T Peak	0	5058452.00	0	52563022.00	0	5671392.00	0	82163179.42	0	56620168.00
B-2 B (12) T Off-Peak	2,308,002	370205452.00	2,380,235	391075885.00	2,544,349	44082855.00	2,530,151	441214482.42	2,488,264	413238500.00
B-3 (14) T Peak	0	29858648.00	0	30251092.00	0	41657008.00	0	51665328.00	0	44890037.00
B-3 (14) T Off-Peak	0	395640093.00	1,214,538	351559548.00	1,308,082	420198304.00	1,280,039	434339665.00	1,184,546	357899135.00
B-4 (17) T Peak	0	87841817.00	0	112209052.00	0	98275640.00	0	87789900.00	0	61092907.00
B-4 (17) T Off-Peak	0	65947393.00	2,124,256	730901352.00	2,072,264	728506018.00	2,107,140	666424079.00	1,800,860	498918779.00
E-2 (58) Temp	0	34744.00	0	22204.00	0	23481.00	0	19581.00	0	14407.00
Total Industrial	6,154,623	1653044428.00	6,350,216	1744014837.00	6,561,189	1861612403.00	6,546,834	1811158888.84	6,030,258	1487485734.00
Bank Supply C-1 A (19)	101	31136.00	101	29620.00	12	26290.00	0	347474.00	48	1577.00
C-1 B (25)	13,777	4129848.00	9,716	2567083.00	4,106	1460409.00	918	628946.00	1,285	499016.00
C-1 C (26) T Peak	0	1308350.00	0	13315148.00	0	13341004.00	0	13595294.00	0	11865937.00
C-1 C (26) T Off-Peak	228,564	96583782.00	219,881	63485131.00	222,277	59954957.00	213,134	59336647.00	179,897	51198995.00
C-2 A (28)	283,972	38149174.00	283,808	84404288.00	236,649	80874873.00	101,650	4309203.00	52,809	2678909.00

TARIFF WISE UNITS BILLED AND LOAD CHARGED FOR THE FINANCIAL YEAR 2015-16 TO 2019-20

	FY-2015-16		FY-2016-17		FY-2017-18		FY-2018-19		FY-2019-20	
	TOTAL LOAD	TOTAL SALES(KWH)	TOTAL LOAD	TOTAL SALES(KWH)	TOTAL LOAD	TOTAL SALES(KWH)	TOTAL LOAD	TOTAL SALES(KWH)	TOTAL LOAD	TOTAL SALES(KWH)
1. Peak	0	65468729.00	0	77107608.00	0	81530795.00	0	79976282.00	0	71267577.00
2. Off-Peak	1,394,961	329463773.00	1,477,837	398345750.00	1,506,897	407566461.00	1,490,978	398292228.00	1,334,795	350372619.00
3. (30) T. Peak	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
4. (30) T. Peak	0	45265008.00	0	5446529.00	0	68686608.00	0	69013894.00	0	70174482.00
5. (30) T. Off-Peak	771,906	225989205.00	861,216	257687188.00	932,736	28592862.00	1,039,520	33546940.00	1,007,048	317252891.00
6. (30) T. Off-Peak	2,616,350	835285065.00	2,462,558	951447257.00	2,502,686	996347259.00	2,846,440	988544468.00	2,575,882	919426003.00
7. Total Bulk Supply	0	3780143.00	0	3134809.00	0	1666192.00	0	659881.00	0	281832.00
8. AGID-1A (41.42,43,44,46)	0	0	0	0	0	0	0	0	0	0
9. D-2447,48,49,50(SU)	201,041	4879683.00	120,013	1478802.00	106,099	401001.00	112,434	296221.00	103,918	5126348.00
10. D-2447,48,49,50(SU)	0	0.00	75,801	4483613.00	94,212	5158551.00	85,810	4687396.00	85,983	392868.00
11. D-145T PEA	0	11863564.00	0	12388774.00	0	1028624.00	0	3544084.00	0	392868.00
12. D-146T OFF-PEA	288,305	64218021.00	299,386	67629827.00	255,116	6890809.00	75,840	18237854.00	21,246	2075931.00
13. D-250,51,53,54T P-NO	1,148	2161452.00	94	805668.00	0	394961.00	0	305619.00	0	35178.00
14. D-250,51,53,54T P-NO	187,729	10651027.00	51,869	3213078.00	21,207	1821372.00	51,492	1603384.00	5,567	95423.00
15. D-250,51,53,54T OP-SU	0	0.00	0	1870468.00	0	2415537.00	0	2422553.00	0	2518472.00
16. D-250,51,53,54T OP-SU	0	0.00	135,113	11380495.00	202,731	15401491.00	272,327	15164569.00	341,555	15809076.00
17. Total Agricultural Tubewell	658,223	97541890.00	689,857	106301222.00	678,345	96346141.00	597,702	46821838.00	588,268	26918872.00
18. Public Light PVT Q (72,73)	0	71284497.00	0	71731408.00	0	72582861.00	0	74368870.00	0	77357240.00
19. Residential Colony H (78,79)	0	4005211.00	0	4268397.00	0	4338125.00	0	4407870.00	0	4178233.00
20. AUK - Tariff K-1 (35)	1,683,813	56072293.00	1,809,536	52017328.00	1,478,928	494180188.00	1,070,050	416117884.00	640,921	242124899.00
21. AUK - Tariff K-1 (36) PEA	0	90732608.00	0	101113400.00	0	186727431.00	0	180347620.00	1,397,209	540759406.00
22. AUK - Tariff K-1 (38) OFF-PEAK	1,517,275	425920007.00	1,840,076	491918667.00	2,162,772	628092941.00	2,381,190	773691461.00	1,338,749	564558680.00
23. Total AUK - Tariff K-1 (35,36)	3,201,088	1077374808.00	3,649,612	1119264585.00	3,632,698	128680541.00	3,471,240	1370156785.00	3,374,878	1357442785.00
24. Sewer Laboratory K-2 (15)	13,000	260377.00	13,400	221227.00	10,000	248091.00	41,700	223190.00	980	258010.00
25. A-3 (166)	0	0.00	0	0.00	0	51876324.00	105	300873868.00	0	441894688.00
26. CO-GEN. J (83 to 92)	0	0	0	0	0	0	0	0	0	0
27. Company Total	15,635,994	877369114.00	18,967,016	9827548801.00	17,207,828	1086362807.00	16,884,311	10789046373.52	15,614,202	10442003772.00

IESCO
FINANCIAL
STATEMENTS
2019-20
(PRE-FINAL)

ISLAMABAD ELECTRIC SUPPLY COMPANY LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 30 Jun ,2020

	30 Jun, 2020	2019
	-----Rupees-----	
Sale of electricity	137,721,772,463	128,926,728,033
Tariff differential subsidy	19,413,912,680	16,964,938,061
	<u>157,135,685,143</u>	<u>145,891,666,094</u>
Cost of electricity	(149,665,177,205)	(132,916,340,967)
Gross profit	<u>7,470,507,938</u>	<u>12,975,325,127</u>
Amortization of deferred credit	1,531,023,659	1,432,070,185
	<u>9,001,531,597</u>	<u>14,407,395,312</u>
Operating expenses:		
Administrative expenses	(8,077,202,082)	(7,483,592,979)
Distribution costs	(13,975,241,388)	(12,772,711,330)
Customer services costs	(876,995,873)	(692,264,241)
	<u>(22,929,439,143)</u>	<u>(20,948,568,550)</u>
Operating profit	<u>(13,927,907,546)</u>	<u>(6,541,173,238)</u>
Other income	2,113,341,146	2,243,358,297
	<u>(11,814,566,400)</u>	<u>(4,297,814,941)</u>
Finance costs	(1,374,931,474)	(1,656,645,862)
Provision for Workers' Profit Participation Fund	-	-
PROFIT / (LOSS) BEFORE TAXATION	<u>(13,189,497,874)</u>	<u>(5,954,460,804)</u>
Taxation		
Current	-	(1,638,924,453)
Deferred	-	-
NET PROFIT / (LOSS) FOR THE YEAR	<u>(13,189,497,874)</u>	<u>(7,593,385,257)</u>

ISLAMABAD ELECTRIC SUPPLY COMPANY LIMITED
BALANCE SHEET
AS AT 30 Jun ,2020

30 Jun, 2020

2019

-----Rupees-----

Provisional

ASSETS

NON-CURRENT ASSETS

Fixed assets

Property, plant and equipment

Intangible Assets

Long-term loans

101,689,312,328	99,792,713,369
160,948,705	43,678,792
191,499,257	122,060,871
102,041,760,290	99,958,453,031

CURRENT ASSETS

Stores, spares and loose tools

Trade debts

Current portion of long-term loans

Short-term advances

Interest accrued

Receivable from Government of Pakistan

Long-term deposit

Other receivables

Recoverable from tax authorities

Short-term investments

Cash and bank balances

1,413,056,060	1,156,738,534
128,660,358,568	96,970,187,670
46,441,077	37,120,736
435,046,705	296,910,220
124,661,896	8,615,846
5,651,536,853	6,328,113,489
73,736,230	73,736,230
4,708,590,342	3,386,314,935
24,137,322,824	22,632,626,477
30,790,759	30,790,759
5,126,921,868	3,332,892,481
170,408,463,182	134,254,047,379

NON-CURRENT ASSETS HELD FOR SALE

65,890,500

65,890,500

TOTAL ASSETS

272,516,113,972

234,278,390,910

EQUITY AND LIABILITIES

SHARE CAPITAL AND RESERVES

Share capital

Authorized capital

5,000,000,000 (2019: 5,000,000,000) Ordinary

50,000,000,000

50,000,000,000

Issued, subscribed and paid up capital

Revenue reserve

Accumulated profit/ (loss)

5,798,253,340	5,798,253,340
(61,466,867,902)	(47,616,169,058)
(55,668,614,562)	(41,817,915,718)

Deposit for shares

20,250,770,096

20,250,770,096

SURPLUS ON REVALUATION OF OPERATING FIXED ASSETS

30,534,859,747

30,534,963,137

NON-CURRENT LIABILITIES

Long-term loans

Long-term security deposits

Deferred liabilities:

Staff retirement benefits

Deferred taxation - net

Deferred credit

6,781,037,376	7,053,024,516
6,533,606,741	6,045,080,129
42,922,823,979	41,187,410,112
28,300,348,363	26,997,537,660
84,537,816,459	81,283,052,416

CURRENT LIABILITIES

Trade and other payables

Interest accrued on long-term loans

Current portion of long-term loans

185,328,466,924	138,137,046,638
5,689,221,268	4,332,903,163
1,843,594,039	1,557,571,177
192,861,282,231	144,027,520,978

CONTINGENCIES AND COMMITMENTS

TOTAL EQUITY AND LIABILITIES

272,516,113,972

234,278,390,910

The annexed notes from 1 to 43 form an integral part of these financial statements.

3

ISLAMABAD ELECTRIC SUPPLY COMPANY LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 Jun ,2020

	Provisional 30 Jun, 2020	2019	Audited 2018
		-----Rupees-----	
Net profit / (loss) for the year	(13,189,497,874)	(7,593,385,264)	(27,336,921,906)
Other comprehensive income not to be reclassified to profit and loss account in subsequent periods:			
Actuarial loss relating to defined benefit plans	(661,200,970)	1,428,803,226	2,887,419,981
Total comprehensive income / (loss) for the year	<u>(13,850,698,844)</u>	<u>(6,164,582,038)</u>	<u>(24,449,501,925)</u>

Surplus arising on 'revaluation of operating fixed assets' is presented under a separate head below equity as 'surplus on revaluation of assets' in accordance with the requirements specified by the Securities and Exchange Commission of Pakistan (SECP) vide its S.R.O.45(I)/2003 dated 13 January 2003 and Companies Ordinance, 1984, respectively.

ISLAMABAD ELECTRIC SUPPLY COMPANY LIMITED

CASH FLOW STATEMENT

FOR THE PERIOD ENDED 30 Jun ,2020

	Provisional 30 Jun, 2020	2019
	-----Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (loss) before taxation	(13,189,497,874)	(5,954,460,811)
Adjustment for non-cash items:		
Depreciation	5,484,375,281	4,699,327,805
(Gain)/Loss on disposal of Assets	1,406,728	12,161,569
Change in Revaluation Surplus		
Amortization of deferred credit	(1,531,023,659)	(1,432,070,184)
Provision for staff retirement benefits	5,839,638,339	4,695,815,532
Provision for doubtful debts	-	-
Provision/(reversal) for obsolete inventory	0.00	-
Impairment of WIP		
Reversal of accrued interest recorded in non-current assets held-for-sale		
Profit on bank deposits	(430,259,387)	(56,130,129)
Exchange difference - net	14,035,723	68,569,530
Finance costs	1,360,895,751	1,588,076,332
	(2,450,429,098)	3,621,289,644
Working capital changes:		
(Increase) / decrease in current assets		
Store, spares and loose tools	(256,317,526)	(198,865,917)
Trade debts	(31,690,170,898)	(23,158,245,975)
Short term advances	(138,136,486)	24,040,693
Recoverable from tax authorities	968,814,329	(2,248,269,682)
Receivable from Government of Pakistan	676,576,636	(247,812,114)
Other receivables	(1,322,275,406)	(1,102,678,582)
Increase / (decrease) in current liabilities		
Trade and other payables	49,912,751,462	36,896,867,535
	18,151,242,111	9,965,035,957
Net operating cash flows after working capital changes	15,700,813,013	13,586,325,602
Long-term security deposits	488,526,612	476,988,316
Long-term deposit		
Staff retirement benefits paid	(4,765,425,441)	(2,012,168,338)
Long-term loans given during the year	(78,758,727)	(32,921,802)
Finance costs paid	(4,577,646)	(7,224,765)
Income tax recovered/ paid	(2,473,510,675)	(1,886,626,031)
Net cash generated from operating activities	8,867,067,135	10,124,372,982
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(7,385,844,358)	(10,258,602,541)
Change in Deposit for issue of Shares		
Profit on Sale of Fixed Assets	(1,406,728)	
Profit on bank deposits	314,213,337	53,998,904
Sales proceed from the sale of land	-	2,363,058
Net cash used in investing activities	(7,073,037,749)	(10,202,240,579)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term loans	(0)	1,479,978,009
Repayment of long-term loans		
Net cash generated from financing activities	(0)	1,479,978,009
Net increase / (decrease) in cash and cash equivalents	1,794,029,386	1,402,110,412
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	3,332,892,482	1,930,782,070
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	5,126,921,868	3,332,892,482

AMABAD ELECTRIC SUPPLY COMPANY LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 Jun ,2020

	Share capital	DEPOSIT FOR SHARES	Revaluation Reserve	Revenue reserve	Provisional
Balance as at June 30, 2018 - Restated	5,798,253,340	20,030,165,684	31,736,024,864	(42,652,648,754)	14,911,795,134
Non-cash settlement against deposit for shares		220,604,412			220,604,412
Net income for the year				(7,593,385,257)	(7,593,385,257)
Other comprehensive income				1,428,803,226	1,428,803,226
Total comprehensive income for the year				(6,164,582,031)	(6,164,582,031)
Adjustment in Revaluation Surplus					
Transfer from surplus on revaluation of operating			(649,008)	649,008	
fixed assets recognized directly in equity -			(1,200,412,719)	1,200,412,719.00	
net of deferred tax					
Balance as at 30 Jun ,2019	5,798,253,340	20,250,770,096	30,534,963,137	(47,616,169,058)	8,967,817,515
Net income for the year				(13,189,497,874)	(13,189,497,874)
Other comprehensive income				(661,200,970)	(661,200,970)
Total comprehensive income for the year				(13,850,698,844)	(13,850,698,844)
Transfer from surplus on revaluation of operating					
fixed assets recognized directly in equity -					
net of deferred tax					
Balance as at 30 Jun ,2020	5,798,253,340	20,250,770,096	30,534,963,137	(61,466,867,902)	(4,882,881,329)

ISLAMABAD ELECTRIC SUPPLY COMPANY LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

1. The Company and its operations

Islamabad Electric Supply Company Limited (the Company) is a public limited company incorporated in Pakistan under Companies Ordinance 1984. The Company was established to take over all the properties, rights and liabilities of Islamabad Area Electricity Board owned by Pakistan Water and Power Development Authority (WAPDA). The Company was incorporated on April 25, 1998 and commenced commercial operations on June 01, 1998.

The Company is principally engaged in distribution and supply of electricity within defined geographical boundaries. The Company was granted a license on November 02, 2001 by the National Electric Power Regulatory Authority (NEPRA) for electricity distribution. The registered office of the Company is situated at IESCO Headquarters, Street 40, G-7/4, Islamabad.

2. Statement of compliance

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

-International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017.

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

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

During the year, the Companies Act, 2017 was enacted on May 30, 2017 and came into force at once. Subsequently, Securities and Exchange Commission of Pakistan has notified through Circular No. 17 of July 20, 2017 that companies whose financial year closes on or before June 30, 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. Therefore, these financial statements have been prepared under the Companies Ordinance 1984.

2.1 New accounting standards / amendments and IFRS interpretations that are effective for the year ended June 30, 2018

The following standards, amendments and interpretations are effective for the year ended June 30, 2018. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures

**Effective from accounting period
beginning on or after:**

Amendments to IAS 7 'Statement of Cash Flows' - Amendments as a result of the disclosure initiative	January 01, 2017
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Amendments to IAS 12 'Income Taxes' - Recognition of deferred tax assets for unrealized losses	January 01, 2017
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Amendments to IFRS 12 'Disclosure of Interests in Other Entities' issued in the Annual Improvements Cycle 2014-2016

Certain annual improvements have also been made to a number of IFRSs. Such improvements did not have any material effect on the financial statements of the Company.

The Companies Act, 2017 (the Act) has also brought certain changes with regard to preparation and presentation of annual and interim financial statements of the Company. These changes also include change in respect of recognition criteria of surplus on revaluation of fixed assets as more fully explained in note 41 change in nomenclature of primary statements, etc.

Further, the disclosure requirements contained in the fourth schedule to the Act have been revised, resulting in the:

- elimination of duplicative disclosures with the IFRS disclosure requirements; and
- incorporation of significant additional disclosures.

2.2 ***New accounting standards / amendments and IFRS interpretations that are not yet effective***

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

Effective date (accounting periods beginning on or after)

Amendments to IFRS 2 'Share-based Payment' - Clarification on the classification and measurement of share-based payment transactions	January 01, 2018
IFRS 4 'Insurance Contracts': Amendments regarding the interaction of IFRS 4 and IFRS 9.	An entity choosing to apply the overlay approach retrospectively to qualifying financial assets does so when it first applies IFRS 9. An entity choosing to apply the deferral approach does so for annual periods beginning on or after 1 January 2018.
IFRS 9 'Financial Instruments' - This standard will supersede IAS 39 Financial Instruments: Recognition and Measurement upon its effective date.	July 01, 2018
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding prepayment features with negative compensation and modifications of financial liabilities	January 01, 2019
IFRS 15 'Revenue from contracts with customers' - This standard will supersede IAS 18, IAS 11, IFRIC 13, 15 and 18 and SIC 31 upon its effective date.	July 01, 2018
IFRS 16 'Leases': This standard will supersede IAS 17 'Leases' upon its effective date.	January 01, 2019
Amendments to IAS 19 'Employee Benefits' - IFRIC 14 'IAS 19—The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction' Amendments regarding plan amendments, curtailments or settlements.	January 01, 2019

Amendments to IAS 28 'Investments in Associates and Joint Ventures' - Amendments regarding long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied.

January 01, 2019

Amendments to IAS 40 'Investment Property': Clarification on transfers of property to or from investment property

January 01, 2018 Earlier application is permitted

IFRIC 22 'Foreign Currency Transactions and Advance Consideration': Provides guidance on transactions where consideration against non-monetary prepaid asset / deferred income is denominated in foreign currency.

January 01, 2018 Earlier application is permitted.

IFRIC 23 'Uncertainty over Income Tax Treatments': Clarifies the accounting treatment in relation to determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12 'Income Taxes'.

January 01, 2019

Certain annual improvements have also been made to a number of IFRSs. The Company expects that such improvements to the standards will not have any material impact on the Company's financial statements in the period of initial application.

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 14 – Regulatory Deferral Accounts
- IFRS 17 – Insurance Contracts

The company has further assessed the impact of following standards at time of their initial application from July 01 2018. The expected impacts are not significant for the Company.

- IFRS 15 'Revenue from contracts with customers'
- IFRS 9 'Financial Instruments'

3. Basis of preparation

These financial statements have been prepared on the basis of the historical cost convention except for staff retirement benefits, which are measured using actuarial techniques and freehold land, leasehold land, buildings on freehold and leasehold lands and distribution equipment, which are stated using the revaluation model.

4. Significant accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. These estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. A revision to the accounting estimates is recognized in the period in which the estimates are revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

The estimates / judgements and associated assumptions that have significant effects on the financial statements are as follows:

4.1 Useful life and residual value of property, plant and equipment

The Company reviews the appropriateness of the rates of depreciation, useful lives and residual values used in the calculation of depreciation on items of property, plant and equipment on a regular basis (note 6.1). Further, where applicable, an estimate of the recoverable amount of assets is made for possible impairment on an annual basis. In making these estimates, the Company uses the technical resources available inside/outside the Company, as appropriate. Any change in these estimates in the future might affect the carrying amount of items of property, plant and equipment, with a corresponding effect on the depreciation charge, impairment and amortization of deferred credit.

The Company measures certain items of property, plant and equipment (as disclosed in note 6.1) at revalued amounts, with changes in fair value being recognized directly in equity.

4.2 Provision for obsolete stores, spares and loose

The Company reviews the carrying amount of stores, spares and loose tools on a regular basis and provision is made for obsolescence if there is any change in usage pattern and physical form of related stores, spares and loose tools.

4.3 Provision for doubtful trade debts

Management reviews its trade debts at each reporting date to identify the existence of any doubtful debts and to assess whether a provision should be recorded in the profit or loss account. In particular, judgment by management is required in the estimation of the amount and timing of the future cash flows, when determining the level of provision required. Such estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the provisions.

4.4 Provision for staff retirement benefits

The actuarial valuation of pension, medical benefits, compensated absences plans and free electricity requires the use of certain assumptions related to future periods, including increase in future salary / pension / medical costs, inflation rate and the discount rate used to discount future cash flows to present values.

4.5 Provision for taxation

The Company recognizes income tax provisions using estimates based upon expert opinions of its tax and legal advisors. Differences, if any, between the recorded income tax provision and the Company's tax liability, are recorded on the final determination of such liability.

Deferred tax assets are recognized for all unused tax losses and credits to the extent that it is probable that future taxable profit will be available against which such losses and credits can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

4.6 Other provisions and contingent liabilities

The management exercises judgment in measuring and recognizing provisions and the exposures to contingent liabilities related to pending litigations or other outstanding claims. Judgment is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual losses may be different from the originally estimated provision.

5. Summary of significant accounting policies

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

5.1 Functional and presentation currency

The financial statements have been prepared using functional and presentation currency of Pakistan i.e. Pak Rupees. All financial information presented in Pakistan Rupees has been rounded to the nearest rupee unless otherwise stated.

5.2 Foreign currency transactions and translations

Foreign currency transactions are translated into the functional currency, using the exchange rates prevailing on the date of the transaction. Monetary assets and liabilities, denominated in foreign currencies, are translated into the functional currency using the exchange rate prevailing on reporting date. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary items at end of the year exchange rates, are charged to income for the year.

5.3 Borrowings costs

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

5.4 Property, plant and equipment

a) Operating fixed assets

These are stated at cost less accumulated depreciation and accumulated impairment losses, if any, except for land, buildings and distribution equipment, which are stated at their revalued amounts less subsequent accumulated depreciation and impairment losses, if any.

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

Depreciation is charged to income on a straight-line method so as to write-off the depreciable amount of an asset over its estimated useful life at the rates given in note 6.1 to the financial statements. Depreciation on depreciable assets is commenced from the month the asset is available for use up to the month preceding the month of disposal. Major renewals and improvements are capitalized. Minor replacement, repairs and maintenance are charged to profit or loss.

An item of operating fixed assets is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of assets (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss account, in the year the asset is derecognized.

b) Surplus on revaluation of operating fixed assets

If an asset's carrying amount is increased as a result of a revaluation, the increase is recognized in other comprehensive income and accumulated in equity under the heading of revaluation surplus. However, the increase shall be recognized in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognized in profit or loss.

If an asset's carrying amount is decreased as a result of a revaluation, the decrease is recognized in profit or loss. However, the decrease is recognized in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset. The decrease recognized in other comprehensive income reduces the amount accumulated in equity under the heading of revaluation surplus.

c) Capital work-in-progress

Capital work-in-progress is stated at cost less impairment in value, if any. It consists of expenditure incurred and advances made in respect of operating fixed assets in the course of their construction, erection, installation and acquisition. The assets are transferred to the relevant category of operating fixed assets when they are ready for their intended use.

5.5 Impairment of non-financial assets

Assets that have an indefinite useful life, for example freehold land, are not subject to depreciation and are tested annually for impairment. Assets that are subject to depreciation are reviewed for impairment at each reporting date, or whenever events or changes in circumstances indicate, that the carrying amount may not be recoverable. An impairment loss is recognized, equal to the amount by which the asset's carrying amount exceeds its recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date. Reversals of the impairment loss are restricted to the original cost of the asset. An impairment loss, or the reversal of an impairment loss, is recognized in the profit or loss for the year.

5.6 Stores, spares and loose tools

These are valued at the lower of cost and net realizable value. Cost is determined on a weighted average basis, comprising invoice values and the related charges incurred up to the date of the statement of financial position. 100% provision is made for inactive stores and spares over 3 years.

Net realizable value signifies the estimated selling price in the ordinary course of business less estimated cost of completion and estimated cost necessary to be incurred to effect such sale.

5.7 Trade debts

Trade debts are carried at original billed value less an estimate for provision for doubtful debts. Trade debts are written-off when considered irrecoverable. No provision is made for amount due from federal and provincial government consumers.

5.8 Loans and other receivables

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

5.9 Cash and cash equivalents

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

5.10 Staff retirement benefits

The Company operates unfunded pension, post retirement free electricity, medical benefits and compensated absences schemes for all its permanent employees. Provisions are made in accordance with the actuarial recommendations using the Projected Unit Credit Method as required by IAS-19. The latest valuation was carried out as at June 30, 2018.

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

5.11 Deferred credit

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

5.12 Trade and other payables

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

5.13 Revenue recognition

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

a) Electricity sale

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

b) Tariff differential subsidy

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

c) Rental and service income

Meter rentals are recognized on a time proportionate basis.

d) Interest / mark-up

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

5.14 Borrowings

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

5.15 Provisions

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

5.16 Taxation

a) Current

Provision for current tax is based on taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing current tax rates or tax rates after taking into account rebates and tax credits, if any, expected to apply to the profit for the year, if enacted or minimum tax at the rate of 1 percent of the turnover, whichever is higher. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

b) Deferred

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

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

5.17 Financial instruments

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

a) Financial assets

Classification and subsequent measurement

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

i. Fair value through profit or loss

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

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

ii. Loans and receivables

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

Impairment of financial assets

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

b) Financial liabilities

Initial recognition and measurement

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

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

Subsequent measurement

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

i. Fair value through profit or loss

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

ii. Other financial liabilities

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

c) Offsetting of financial assets and financial liabilities

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

5.18 Off-setting of financial assets and financial liabilities

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

6. PROPERTY, PLANT AND EQUIPMENT

	Note	30 Jun, 2020	2019	2018	2017
		Rupees	Rupees		
Operating fixed assets	6.1	91,116,124,786	86,555,236,382	86,555,236,387	82,235,067,208
Capital work-in-progress	6.2	10,573,187,542	13,237,476,981	10,670,419,780	7,437,404,130
		101,689,312,328	99,792,713,363	97,225,656,167	89,672,471,338

6.1 Operating fixed assets

Description	30 Jun, 2020	At 01 July	Additions/ transfers	Disposals	Revaluation surplus / (revaluation adjustment)*	At 30 June	Rate	At 01 July	Charge for the year	Disposals	Revaluation adjustment	At 30 June	At 30 June	Written down value
Freehold land	13,119,841,461	-	-	-	-	13,119,841,461	33 years	-	-	-	-	-	-	13,119,841,461
Leasehold land	4,824,460,000	-	-	-	-	4,824,460,000	2%	-	-	-	-	-	-	4,824,460,000
Buildings on freehold land	3,670,223,429	457,716,751	-	-	-	4,127,940,180	2%	251,822,671	98,071,870	-	-	349,894,541	3,778,045,639	3,778,045,639
Buildings on leasehold land	391,963,344	8,577,000	-	-	-	400,540,344	2%	27,388,970	10,202,814	-	-	37,591,784	362,948,560	362,948,560
Distribution equipment	74,940,434,406	9,485,622,050	-	(4,870,118)	-	84,421,186,338	3.5%	10,755,249,191	5,208,961,607	-	-	15,964,210,798	68,456,975,540	68,456,975,540
Vehicles	704,067,606	4,340,000	-	-	-	708,407,606	10%	584,600,990	27,107,175	-	-	611,707,265	96,700,341	96,700,341
Computer and ancillary equipment	433,901,999	11,643,247	-	-	-	445,545,246	33%	151,227,662	103,639,337	-	-	254,867,028	190,678,218	190,678,218
Furniture and fixtures	82,979,052	2,623,274	-	-	-	85,602,326	10%	54,865,673	5,825,786	-	-	60,691,458	24,916,868	24,916,868
Other plant and equipment	411,972,275	83,585,224	-	-	-	495,557,499	10%	199,452,897	34,540,442	-	-	233,993,339	261,564,159	261,564,159
	98,579,843,872	10,054,107,945	-	(4,870,118)	-	108,629,981,000		12,024,607,183	5,489,349,030	-	-	17,512,956,213	91,116,124,786	91,116,124,786

2019

Freehold land	12,888,841,460	231,000,001	-	-	-	13,119,841,461	33 years	-	-	-	-	-	-	13,119,841,461
Leasehold land	4,824,460,000	-	-	-	-	4,824,460,000	2%	-	-	-	-	-	-	4,824,460,000
Buildings on freehold land	3,341,185,552	226,737,876	-	-	102,300,001	3,670,223,429	2%	144,864,362	88,067,011	18,891,298	-	251,822,671	3,418,400,758	3,418,400,758
Buildings on leasehold land	391,963,344	(0)	-	-	-	391,963,344	2%	17,482,679	9,906,291	-	-	27,388,970	364,574,314	364,574,314
Distribution equipment	67,630,511,746	7,325,722,260	(15,799,600)	-	-	74,940,434,406	3.5%	6,232,156,911	4,525,066,556	(1,974,276)	-	10,755,249,191	64,185,185,215	64,185,185,215
Vehicles	704,666,912	(0)	-	-	-	704,666,912	10%	557,636,285	26,963,805	-	-	584,600,990	119,467,515	119,467,515
Computer and ancillary equipment	135,568,656	798,433,340	(99,997)	-	-	433,901,999	33%	128,803,841	22,423,851	-	-	151,227,692	282,674,308	282,674,308
Furniture and fixtures	78,986,185	3,992,867	-	-	-	82,979,052	10%	49,432,502	5,433,171	-	-	54,865,673	28,113,379	28,113,379
Other plant and equipment	292,844,554	119,123,721	-	-	-	411,972,275	10%	172,356,299	27,096,598	-	-	199,452,897	212,518,318	212,518,318
	98,289,028,403	8,295,914,065	(15,498,493)	-	102,300,001	98,579,843,872		7,392,732,619	4,704,457,482	18,891,298	-	12,024,607,183	86,555,236,387	86,555,236,387

3.1.1 The Company's freehold land, leasehold land, buildings thereon and distribution assets are carried at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value measurements of the Company's buildings and distribution equipments as at June 30, 2016 were performed by F.K.S Building Services, independent valuers not related to the Company. Fair valuation of land was performed on June 30, 2014 by the same valuer. F.K.S are on list of approved valuers issued by Pakistan Banks Association. They have the appropriate qualifications and experience in fair value measurement in the relevant locations.

The fair value of the buildings were determined based on market rate per square foot of the covered area after taking into account factors such as provision of utilities and allied services, location and condition of property, legality of occupation of property, type of construction, state of maintenance, building depreciation and law and order situation prevailing in the country. The market value/cost of construction has been worked out on the analysis of the rates of material and labor prevailing in the local market.

The fair value of the grid stations were determined based on new cost and freight (C&F) values obtained from various sources. Further, factors such as capacity and type of the installed equipment, year of make and its manufacturer and overall condition of these assets were also taken into account while assessment of the fair values. For transmission lines and related equipment, 70% of the new price of distribution material have been taken for assets valuation after taking into account the type of material used, and overall condition of these assets.

Had there been no revaluation, the related figures of revalued assets would have been as follows:

	Cost	Accumulated depreciation	Written down value
	-----Rupees-----		
2020			
Freehold land	106,989,320	-	106,989,320
Leasehold land	56,887,270	(23,004,920)	33,882,350
Buildings on freehold land	4,891,568,818	(954,713,313)	3,936,855,505
Buildings on leasehold land	474,603,224	(120,941,625)	353,661,599
Distribution equipment	87,010,184,993	(29,389,274,841)	57,620,910,152
	<u>92,540,233,625</u>	<u>(30,487,934,700)</u>	<u>62,052,298,925</u>
2019			
Freehold land	106,989,320	-	106,989,320
Leasehold land	56,887,270	(23,004,920)	33,882,350
Buildings on freehold land	4,433,852,067	(856,881,937)	3,576,970,130
Buildings on leasehold land	466,026,224	(111,449,561)	354,576,663
Distribution equipment	77,524,562,943	(26,343,918,366)	51,180,644,577
	<u>82,588,317,824</u>	<u>(27,335,254,784)</u>	<u>55,253,063,040</u>

3.1.2 Depreciation charge for the year has been allocated as follows:

		30 Jun, 2020	2019
		-----Rupees-----	
Administrative expenses	28	130,618,556	84,992,218
Distribution costs	29	5,219,164,421	4,529,343,369
Customer service costs	30	134,592,305	84,992,218
Included in capital work-in-progress		<u>3,973,749</u>	<u>5,629,478</u>
		<u>5,488,349,030</u>	<u>4,704,957,283</u>

On 11 March 2009, the Company entered into an agreement with Bahria Town Private Limited (BTPL) for the distribution of electricity to the society. As per the agreement, BTPL transferred 32 kanals land in the name of the Company and agreed to bear all costs associated with the construction of a grid station and a buildings on the land. Later on, the Company assumed the ownership of the land, building and grid station, currently having carrying value of Rs. 232.77 million as at June 30, 2020 (2019: 234.44), and recognized these assets in its books of accounts, during the year ended June 30, 2009.

On November 24, 2010, National Electric Power Regulatory Authority (NEPRA) granted a license to BTPL for distribution of electricity to licensed locations. The Company considers the territory granted under distribution licensees to BTPL as its inalienable right and any action to withdraw a part thereof would be violation of the Company's right under the NEPRA Act. Accordingly, the Company filed writ petition in Islamabad High Court to challenge NEPRA's decision of granting license to BTPL. In the meantime, BTPL approached Ministry of Water and Power, Government of Pakistan (MOWP) and submitted a request for settlement of the matter through arbitration process. On BTPL's request Secretary MOWP requested the chairman of the Board of Directors of the Company to withdraw the writ petition and settle the matter through arbitration. Shareholders of the Company in their Extra Ordinary General Meeting held on 14 June 2011 resolved to withdraw the writ petition filed in Islamabad High Court and enter into arbitration process with BTPL. However, the arbitration process could not yield the desired results to the Company and subsequent to which Board of Directors of the Company in their meeting held on July 03, 2012 decided to re-file a writ petition with Islamabad High Courts against the decision of NEPRA to grant distribution license to BTPL, which was filed on September 01, 2012. During the year no hearing was held and the matter is pending for adjudication.

The management of the Company is confident of a favorable outcome of the writ petition filed with the Honorable Islamabad High Court and accordingly the fixed assets and land received from BTPL, having carrying values in aggregate of Rs. 232.77 million (2019: Rs. 234.44 million) have not been derecognized in these financial statements.

- 3.1.4 On 01 March 2019, the Company entered into an Authorization and Interest agreement with Power Holding (Private) Limited (PHPL) and Meezan Bank Limited (MBL), in which Company authorized PHPL to carry out "Certain Actions" in relation to Relevant Transaction Assets representing freehold land at Rawalpindi, Islamabad, Jhelum and Taxila, having combined area of 853 kanal and 19 marla amounting to Rupees 7,215.64 million. Certain Actions include selling the Relevant Transaction Assets to MBL and creating a security interest over the same for the purpose of enabling PHPL to raise financing through the Sukuk issue. In addition to this agreement, PHPL entered into an Asset Purchase Agreement with MBL for selling the Relevant Transaction Assets to MBL which include the land of the Company and of other distribution and generation companies for a total purchase price of Rupees 200,000 million against which Sukuk certificates will be issued by PHPL for a period of ten years.

- 3.1.5 Lands amounting to Rupees 17,713 million are under the possession of the Company but the Company does not have the title of the lands amounting to Rupees 11,971 million, whereas, lands amounting Rupees 8,995 are under the title of WAPDA.

		30 Jun, 2020	2019
3.2	Capital work-in-progress		
	Civil works	192,254,990	272,836,499
	Distribution equipment	3,214,950,870	6,074,448,663
	Distribution equipment - Deposit	3,709,940,970	3,951,895,918
		6,924,891,840	10,026,344,581
		7,117,146,830	10,299,161,080
		7,117,146,830	10,299,161,080
	Capital stores	3,428,793,277	2,904,413,899
	Advances to suppliers	27,247,435	33,902,002
		10,573,187,542	13,237,476,981
3.2.1	Movement in capital work-in-progress during the year		
	Balance at the beginning of the year	10,299,161,080	8,111,793,452
	Additions during the year	6,769,901,551	9,726,002,436
	Transfers to operating fixed assets during the year:		
	- Building on freehold land	(457,716,751)	(226,737,872)
	- Building on leasehold land	(8,577,000)	
	- Distribution equipment	(9,485,622,050)	(7,311,896,936)
		(9,951,915,801)	(7,538,634,808)
	Balance at the end of the year	7,117,146,830	10,299,161,080
3.2.1.1	The capitalization ratio for the year is ?% (2019: 15%)		

2019

- 3.1.1 The Company's freehold land, leasehold land, buildings thereon and distribution assets are carried at the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value measurements of the Company's buildings and distribution equipments as at June 30, 2019 were performed by F K S Building Services, independent valuers not related to the Company. Fair valuation of land was performed on June 30, 2014 by the same valuer. F K S are on list of approved valuers issued by Pakistan Banks Association. They have the appropriate qualifications and experience in fair value measurement in the relevant locations.

The fair value of the buildings were determined based on market rate per square foot of the covered area after taking into account factors such as provision of utilities and allied services, location and condition of property, legality of occupation of property, type of construction, state of maintenance, building depreciation and law and order situation prevailing in the country. The market value/cost of construction has been worked out on the analysis of the rates of material and labor prevailing in the local market.

The fair value of the grid stations were determined based on new cost and freight (C&F) values obtained from various sources. Further factors such as capacity and type of the installed equipment, year of make and its manufacturer and overall condition of these assets were also taken into account while assessment of the fair values. For transmission lines and related equipment, 70% of the new price of distribution material have been taken for assets valuation after taking into account the type of material used and overall condition of these assets.

Had there been no revaluation, the related figures of revalued assets would have been as follows:

	Cost	Accumulated depreciation	Written down value
	-----Rupees-----		
2020			
Freehold land	106,989,320	-	106,989,320
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	<u>92,540,233,625</u>	<u>(30,487,934,700)</u>	<u>62,052,298,925</u>
2019			
Freehold land	106,989,320	-	106,989,320
Leasehold land	56,887,270	(23,004,920)	33,882,350
Buildings on freehold land	4,433,862,067	(856,881,937)	3,576,970,130
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Distribution equipment	77,524,562,943	(26,343,918,366)	51,180,644,577
	<u>82,588,317,824</u>	<u>(27,335,254,784)</u>	<u>55,253,063,040</u>

- 3.1.2 Depreciation charge for the year has been allocated as follows:

		30 Jun. 2020	2019
		-----Rupees-----	
Administrative expenses	28	130,618,556	84,992,215
Distribution costs	28	5,219,164,421	4,529,343,369
Customer service costs	30	134,592,305	84,992,218
Included in capital work-in-progress		<u>3,973,749</u>	<u>5,629,476</u>
		<u>5,488,349,030</u>	<u>4,704,957,283</u>

- 3.1.3 In 2002, the Company entered into an agreement with Bahra Town Private Limited (BTPL) for the distribution of electricity to the society. As per the agreement, BTPL transferred 32 kanals land in the name of the Company and agreed to bear all costs associated with the construction of a grid station and a buildings on the land. Later on, the Company assumed the ownership of the land, building and grid station, currently having carrying value of Rs. 232.77 million as at June 30, 2020 (2019: 234.44) and recognized these assets in its books of accounts during the year ended June 30, 2009.

On November 24, 2010, National Electric Power Regulatory Authority (NEPRA) granted a license to BTPL for distribution of electricity to licensed locations. The Company considers the territory granted under distribution licensees to BTPL as its inalienable right and any action to withdraw a part thereof would be violation of the Company's right under the NEPRA Act. Accordingly, the Company filed writ petition in Islamabad High Court to challenge NEPRA's decision of granting license to BTPL. In the meantime, BTPL approached Ministry of Water and Power, Government of Pakistan (MOWP) and submitted a request for settlement of the matter through arbitration process. On BTPL's request, Secretary MOWP requested the chairman of the Board of Directors of the Company to withdraw the writ petition and settle the matter through arbitration. Shareholders of the Company in their Extra Ordinary General Meeting held on 14 June 2011 resolved to withdraw the writ petition filed in Islamabad High Court and enter into arbitration process with BTPL. However, the arbitration process could not yield the desired result to the Company and subsequent to which Board of Directors of the Company in their meeting held on July 03, 2012 decided to re-file a writ petition with Islamabad High Courts against the decision of NEPRA to grant distribution license to BTPL, which was filed on September 01, 2012. During the year no hearing was held and the matter is pending for adjudication.

The management of the Company is confident of a favorable outcome of the writ petition filed with the Honorable Islamabad High Court and, accordingly the fixed assets and land received from BTPL, having carrying values in aggregate of Rs. 232.77 million (2019: Rs. 234.44 million), have not been derecognized in these financial statements.

- 3.1.4 On 01 March 2019, the Company entered into an Authorization and Interest agreement with Power Holding (Private) Limited (PHPL) and Meezan Bank Limited (MBL), in which Company authorized PHPL to carry out "Certain Actions" in relation to Relevant Transaction Assets representing freehold land at Rawalpindi, Islamabad, Jhelum and Taxila, having combined area of 853 kanal and 19 marla amounting to Rupees 7,215.64 million. Certain Actions include selling the Relevant Transaction Assets to MBL and creating a security interest over the same for the purpose of enabling PHPL to raise financing through the Sukuk issue. In addition to this agreement, PHPL entered into an Asset Purchase Agreement with MBL for selling the Relevant Transaction Assets to MBL, which include the land of the Company and of other distribution and generation companies for a total purchase price of Rupees 200,000 million against which Sukuk certificates will be issued by PHPL for a period of ten years.
- 3.1.5 Lands amounting to Rupees 17,713 million are under the possession of the Company but the Company does not have the title of the lands amounting to Rupees 11,971 million, whereas, lands amounting Rupees 8,995 are under the title of WAPDA.

		30 Jun, 2020	2019
3.2	Capital work-in-progress		
	Civil works	192,254,990	272,810,459
	Distribution equipment	3,214,950,870	6,074,448,633
	Distribution equipment - Deposit	3,709,940,970	3,951,895,918
		6,924,891,840	10,029,344,581
		7,117,146,830	10,299,161,060
		7,117,146,830	10,299,161,060
	Capital stores	3,428,793,277	2,904,413,696
	Advances to suppliers	27,247,435	33,902,002
		10,573,187,542	13,237,476,581
3.2.1	Movement in capital work-in-progress during the year		
	Balance at the beginning of the year	10,299,161,060	8,111,793,452
	Additions during the year	6,769,901,551	9,725,092,422
	Transfers to operating fixed assets during the year		
	- Building on freehold land	(457,716,751)	(225,737,572)
	- Building on leasehold land	(5,577,000)	
	- Distribution equipment	(9,485,822,050)	(7,311,596,936)
		(9,951,915,601)	(7,536,634,508)
	Balance at the end of the year	7,117,146,830	10,299,161,060
3.2.1.1	The capitalization ratio for the year is 7% (2019: 15%)		

3.2.2 Breakup of distribution equipment is as follows.

Material	4,531,595,987	5,186,916,108
Labour	532,055,828	493,776,135
Overheads		
Borrowing costs		376,539,241
Other charges	884,102,732	1,295,340,465
	884,102,732	1,572,079,546
Contract work	977,133,293	2,763,576,391
	<u>6,924,891,840</u>	<u>10,028,344,581</u>

3.2.3 This represents costs incurred on various capital projects which are no longer viable and are therefore fully provided for by the Company.

3.2.4 These represent

4 INTANGIBLE ASSET UNDER DEVELOPMENT

This represents advance given for Enterprise Resource Planning (ERP) system, which is in the implementation phase

30 Jun, 2020 2019

5. LONG-TERM LOANS

Secured, considered good

To employees

Current portion shown under current assets

237,940,334	159,181,607
(45,441,077)	(37,129,738)
<u>191,499,257</u>	<u>122,051,869</u>

5.1 These represent long term loans given to employees for purchase of houses, plots, cars, motor cycles and bicycles. House building and plot loans are repayable in 10 years, car and motor-cycle loans in 5 years and bicycle loans in 4 years. Loans are secured by a mortgage of immovable property and hypothecation of vehicles.

30 Jun, 2020 2019

Note

6. STORES, SPARES AND LOOSE TOOLS

Stores, spares and loose tools

Provision for slow moving/ obsolete items

1,562,753,758	1,306,436,232
(149,697,698)	(149,697,698)
<u>1,413,056,060</u>	<u>1,156,738,534</u>

30 Jun, 2020 2019

6.1 Movement in provision during the year is as follows:

Balance at the beginning of the year

Charge for the year

Balance at the end of the year

149,697,698	149,697,698
<u>149,697,698</u>	<u>149,697,698</u>

7. TRADE DEBTS

Considered good

Considered doubtful

Provision for doubtful debts

7.1 7.2

7.3

128,660,358,568	96,970,187,679
565,070,232	565,070,232
129,225,428,800	97,535,257,911
(565,070,232)	(565,070,232)
<u>128,660,358,568</u>	<u>96,970,187,679</u>

- 7.1 These include an amount of Rupees 100,346 million (2018: Rupees 11,151 million), recoverable from the Government of Azad Jammu and Kashmir (GoAJK), representing the differential of the amount billed to GoAJK on tariff notified by Government of Pakistan (GoP) and the tariff approved by the sub-committee constituted at the time of a presentation given to the Chief Executive of Pakistan, in September 2002, on the raising of the Mangla Dam. The rate approved by the sub-committee at that time was Rupees 2.32 per unit which was increased to Rupees 2.59 per unit subsequently. However, the Company has a practice to bill electricity supplied to GoAJK, on the basis of tariffs notified by the GoP from time to time. The GoAJK has been settling its dues at a tariff of Rupees 2.59 per unit and contesting the applicability of tariff approved by NEPRA and notified by the GoP by claiming that AJK does not fall under notified tariff.

The Company has taken up the matter with the Ministry of Finance and GoAJK. Further, the Ministry of Water and Power had decided in a meeting held on 29 May 2015 to constitute a committee to deliberate the tariff issue with NEPRA and sort out an amicable tariff for all stakeholders. The said committee, in its meeting held on 06 December 2015, has formulated a proposal to revise the tariff by increasing it to Rupees 5.79 per unit, with effect from 01 July 2015, which has also been agreed by GoAJK vide letter No. SE/PS/70-82/2015 dated 01 January 2016. However, Ministry of Water and Power is further deliberating on the matter, thus no official notification has been received in this regard. Further, the Company has filed a claim of Rupees 66,610 million representing the AJK receivable balance, as tariff differential, with the Ministry of Water and Power for the period from April 2008 to June 2018, for onward submission to Ministry of Finance, pursuant to the decision made in meeting of such committee.

Ministry of Energy (Power Division) submitted a summary regarding cash and non-cash settlement for power sector @ Rupees 3/KWh subsidy announced by the Prime Minister for the industrial support Package and GoAJK. ECC of the Cabinet in its meeting held on 13 June 2019, considered the summary and approved that adjustment of payable industrial support package and GoAJK subsidy will be made through memorandum authorization by Finance Division. Receivable from GoAJK amounting to Rupees 80,580 million net of charges amounting to Rupees 12,352 million will be settled in cash, non-cash against re-lent loan and equity, however, claims of AJK subsidy beyond 30 June 2018, will be dealt in accordance with the agreement with GoAJK.

Finance Division vide its letter No. F-1(14)CF-1/2015-16/1290 dated 26 September 2019, allowed adjustment of GoAJK receivables amounting to Rupees 10,265,945 million against foreign re-lent loans till 30 June 2018.

Accordingly, the management is confident that the remaining amount will be recovered in near future.

- 7.2 The Company's receivable from non-government consumers are secured to the extent of the consumers' security deposits, against electricity connections, as disclosed in note 19.

- 7.3 Movement in provision for doubtful debts is as follows:

	Note	30 Jun. 2020	2019
Balance at the beginning of the year		565,070,232	565,070,232
Write-offs against provision		-	-
Balance at the end of the year		565,070,232	565,070,232

- 7.4 Bogus receipts were recorded in the consumer accounts at Revenue Office - I, Islamabad with the collusion of some employees. The matter was initially identified during July 2019, subsequent to reporting period, where the employees involved in the matter collected bills from the consumers in cash through bargaining and prepared bogus scrolls for posting of receipts against their clients' accounts (IESCO consumers bargaining for lesser payments against electricity bills). To settle the receipts from such clients, the employees involved prepared bogus bank scrolls, billing stubs, bank statements and other documents on the basis of which bogus receipts were fed to the computer center. The arrangement was designed in a manner that the bank reconciliation process could not reveal the misstatements. Accordingly, bank balance and trade receivables were misstated in the books of accounts of the Company to the extent of amount of fraud.

An internal inquiry committee was constituted vide order No. 6196-94 dated 22 July 2019, subsequent to reporting date, to investigate the matter which submitted its interim inquiry report. According to the inquiry committee's findings the amount of fraud worked out so far was Rupees 207.75 million for the period from July 2018 to June 2019. The committee apprehended that the amount of fraud may increase than the above reported figure through detailed scrutiny of previous periods. Internal auditors of the Company and the Federal Investigation Agency (FIA) are also investigating the matter. Further, we have also been given to understand that the management intends to conduct detailed audit of the matter through an independent firm of Chartered Accountants.

On the basis of preliminary investigation, the management initially identified bogus receipts amounted to Rupees 207.75 million, out of which the management claims that it has recovered amount of Rupees 145.12 million from the consumers. In addition to this, it can also be suspected that the same arrangement of fraud might be in place at other revenue offices. Since the matter is under investigation the exact amount of fraud cannot be determined at this stage. Accordingly, no adjusting entry has been made in the bank and trade receivable balances as at 30 June 2019.

8. SHORT-TERM ADVANCES

Considered good

To suppliers

To employees against operating expenses

363,698,607.80	236,925,272.00
71,348,097.64	97,105,684.00
435,046,705	334,030,956

9. RECEIVABLE FROM GOVERNMENT OF PAKISTAN

Balance at the beginning of the year

Subsidy recognized during the year on account of

- Tariff differential

- Applicable Quarterly Tariff Adjustments (AQTA)

Note

30 Jun. 2020 2019

9.1	6,325,113,489	5,859,696,983
	18,267,513,761	15,964,938,061
	1,146,398,919	
9.2	19,413,912,680	16,964,938,061

Debit note received from Central Power Purchasing Agency

Credit note received from Central Power Purchasing Agency

82,677,718.00

(20,173,167,034)

15,496,521,535

Subsidy received from GoP during the year
Balance at the end of the year

11.2

5,651,536,853	5,328,113,489
---------------	---------------

- 9.1 This includes subsidy recognized of Rupees 2,614.65 million in previous financial years for the period from August 2011 to March 2013, in respect of non-charging of Fuel Price Adjustment to domestic consumers, having consumption of units from 51 to 350 units, pursuant to the determination of the IESCO's tariff by the NEPRA, duly notified by the GoP vide SRO No. 701 dated 05 August 2013 and SRO No. 914 dated 11 October 2013 and the NEPRA's clarification issued in the case of another distribution company.

9.2 This represents Tariff Differential Subsidy (TDS) receivable from GoP as a difference between NEPRA rates notified as per "Schedule-I" and "Schedule-II" as notified by Federal Government in S.R.O. 569 (I)/2015 dated 10 June 2015, S.R.O. 377(I)/2018 dated 22 March 2016 and SRO 04(I)/2019 dated 01 January 2019.

10

These include deposit related to a court case titled "Ball Bibi vs "IESCO" in which a woman filed case against Company before Civil Judge Rawalpindi regarding compensation of sudden death of her son due to electric shock. The Company filed a civil revision before Lahore High Court Rawalpindi Bench, Rawalpindi and Court vide order dated 03 February 2016 remanded back the case to lower court and further instructed to submit bank guarantee. The Company submitted a bank guarantee of Rupees 40 million. The case was again decided against the Company by additional District and Session Judge on 31 January 2017 and reduced the claim amount to Rupees 33.65 million.

The Company filed a civil revision before Lahore High Court Rawalpindi Bench, Rawalpindi, who granted stay order and directed to submit Rupees 16.82 million with registrar High court and furnish bank guarantee of the remaining amount of Rupees 16.82 million. The case is still pending adjudication.

	Note	30 Jun. 2020	2019
11. OTHER RECEIVABLES			
Unsecured, considered good			
Receivable from related parties:			
- CPPA (Current Account)			
- Receivable from GoP on account of SMEDA Relief COVID-19		1,805,996,136.00	
- Other related parties on account of			
- Free electricity and other transactions	11.1	1,053,853,734	1,684,302,793
- Pensions	11.2	1,792,378,179.00	1,639,882,960.00
Others		55,362,243.21	52,129,132.44
Current Accounts		0.01	0.00
		<u>4,708,590,342</u>	<u>3,386,314,935</u>
11.1	This represents the net amount receivable from WAPDA and other related parties on account of free electricity provided to the employees of these companies residing within the Company's territorial jurisdiction, a party wise breakup is as follows		
		30 Jun. 2020	2019
Wapda Current A/c (all wings)		542,099,296.80	939,765,755.50
WAPDA (CP-91) (all wings)		186,440,443.85	
WAPDA WWF		286,763,031.20	
National Transmission and Dispatch Company Limited			710,452,115.00
Pakistan Electric Power Company Limited			
Quetta Electric Supply Company Limited		14,570,666.58	12,663,686.00
Northern Power Generation Company Limited		8,145,263.46	7,480,121.00
Central Power Generation Company Limited		6,085,223.33	5,410,234.00
Tribal Electric Supply Company Limited		6,294,643.13	5,350,436.00
Jamshoro Power Generation Company Limited		2,030,409.25	1,824,453.00
Lakhra Power Generation Company Limited		1,404,756.00	1,325,993.00
		<u>1,053,853,733.60</u>	<u>1,684,302,793.50</u>
11.2	This represents the amount receivable from WAPDA and other related parties on account of pension paid to the retired employees of these companies residing within the Company's territorial jurisdiction, a party wise breakup is as follows		
		30 Jun. 2020	2019
WAPDA		1,084,616,080.00	1,084,544,972.00
National Transmission and Dispatch Company Limited		339,663,616.00	286,697,238.00
Lahore Electric Supply Company Limited		97,179,854.00	53,093,117.00
Faisalabad Electric Supply Company Limited		10,329,366.00	15,795,369.00
Gujranwala Electric Power Company Limited		65,990,192.00	37,717,074.00
Peshawar Electric Supply Company Limited		51,803,776.00	29,178,175.00
Multan Electric Power Company Limited		8,640,211.00	15,975,458.00
Hyderabad Electric Supply Company Limited		25,647,077.00	13,385,391.00
Northern Power Generation Company Limited (GENCO-III)		23,465,721.00	22,126,475.00
Central Power Generation Company Limited (GENCO-II)		20,678,521.00	12,644,472.00
Quetta Electric Supply Company Limited		34,260,987.00	28,706,344.00
Jamshoro Power Generation Company Limited (GENCO-I)		3,583,190.00	1,544,993.00
Lakhra Power Generation Company Limited (GENCO-IV)		1,026,661.00	601,776.00
PEPCO		20,513,295.00	20,513,295.00
PITC			1,127,698.00
GHCL		243,099.00	256,278.00
Tribal Area Electric Supply Company		3,038,757.00	2,047,623.00
Sukkur Electric Supply Company		1,897,974.00	243,099.00
		<u>1,792,378,179.00</u>	<u>1,639,882,960.00</u>

12. RECOVERABLE FROM TAX AUTHORITIES

30 Jun. 2026

2017

-----Rupees-----

Sales tax		(359,496,241)	218,884,530
Other receivables from tax authorities		21,161,840,051.88	21,642,333,209.1
Advance income tax		3,345,179,014.00	371,538,339.57
		<u>24,137,322,824</u>	<u>22,662,826,479</u>

- 12.1 These represent amounts recovered by the taxation authorities, alleging that the Company, in the current or prior years, has either failed to recover sales tax from various customers or have adjusted incorrect input tax in its returns related to subsidy provided by GoP to IESCO. The Company has filed various appeals against these cases which are pending before the taxation authorities and different courts of law. The management of the Company is confident of a favorable outcome of these pending cases and accordingly a provision has not been recognized in the financial statements against these balances.

13. RECEIVABLE FROM TIBL

- 13.1 These represent investment made in the TDRs of Trust Investment Bank Limited (TIBL) in accordance with the Ministry of Finance Regulations, which were matured in January 2013. However, the Bank was facing liquidity issues, due to which the full amount of investment made could not be recovered on the maturity date. During the year ended 30 June 2014, under a Settlement Agreement dated 09 Apr. 2014 between the Company and TIBL, the Company recovered an amount of Rupees 2.15 million in cash, and for the remaining principal amount of Rupees 96.68 million and accumulated interest thereon amounting to Rupees 10.29 million, TIBL transferred the possession of certain properties in the name of the Company representing various lands and buildings.

Further, under another separate agreement dated 04 July 2014, it was agreed that if the Company would sell or transfer all of the properties to a bona fide third party / parties on an arm's length basis before 30 June 2015, and the sales considerations paid by such third party / parties would be less than the outstanding amount as per the original agreement, then TIBL would be required to compensate the Company for shortfall amount, either in the form of cash or any other means within seven days of notification by the Company.

During the year 2015, the Company was able to obtain the legal transfer of only one property in its name, having current market value of Rupees 16 million at that time, while steps were being taken to obtain the physical possession and to transfer the remaining properties in the name of the Company. The Separate Agreement mentioned above was also extended to 30 June 2016. However during the year ended 30 June 2016, BoD, in the light of the fact that TIBL has not honored its commitments under the Separate Agreement mentioned above, resolved not to extend the above mentioned agreement between IESCO and TIBL. The Company has filed a reference with National Accountability Bureau (NAB).

During the year 2017, another property having value of Rupees 49 million was transferred in the name of the Company. Matter for the remaining settlement is pending with NAB.

An amount of Rupees 30.79 million representing the principal amount of investment not recovered from TIBL, so far is being carried as receivable from TIBL in these financial statements while the fair value of transferred property is still carried as non-current assets held-for-sale as the management has the positive intention to dispose off this property in near future. Provision has not been recognized based on management's view that the amount will be fully recovered.

	Note	30 Jun. 2020	2019
14. CASH AND BANK BALANCES			
Cash			
In hand		24,797.0	1,107.0
At banks in:			
- Deposit accounts	14.1, 14.2 & 14.3	3,203,313,534	1,741,896,663
- Deposit/Work/Capital Contribution accounts	14.1	323,523,602	166,909,597
- Current accounts		1,600,060,138	1,424,043,995
		5,126,897,974	3,332,850,255
		<u>5,126,897,974</u>	<u>3,332,850,255</u>
14.1 These carry mark-up ranging from 7% per annum (2019: 7% to 11.25% per annum).			
14.2 Included herein is an amount of Rupees 7 million (2019: Rupees 1,095 million) kept in separate bank accounts relating to customers' and employees' security deposits.			
14.3 Included herein is an amount of Rupees 7 million (2019: Rupees 520.77 million) kept in separate bank accounts relating to employees' pension fund.			

15. ISSUED, SUBSCRIBED AND PAID UP CAPITAL

30 Jun. 2020	2019		30 Jun. 2020	2019
-----Number of shares-----				
1,000	1,000	Ordinary shares of Rs. 10 each issued for consideration in cash.	10,000	10,000
579,824,334	579,824,334	Ordinary shares of Rs. 10 each issued for consideration other than in cash.	5,798,243,340	5,798,243,340
<u>579,825,334</u>	<u>579,825,334</u>		<u>5,798,253,340</u>	<u>5,798,253,340</u>

- 15.1 The President of Pakistan, WAPDA and the IESCO Employees Trust Fund, respectively hold 1,000 (2019: 1,000), 510,245,414 (2019: 510,245,414) and 69,578,920 (2019: 69,578,920) Ordinary shares of the Company at the year end. In 2012, 69,578,920 shares previously owned by WAPDA, were transferred to the IESCO Employees Trust Fund under the Benazir Employees Stock Option Scheme.

16. DEPOSIT FOR SHARES

This represents Government of Pakistan's investment / equity in the Company channelized through PEPSCO / NTDC as a measure taken to clear circular debts prevailing in the power sector, with slight adjustment made during the year.

30 Jun. 2020 2019

17. SURPLUS ON REVALUATION OF OPERATING FIXED ASSETS - net of tax

Balance at the beginning of the year	30,534,963,137	31,736,024,864
Surplus on revaluation/(Adjustment) during the year	(103,390)	(649,002)
Transfer of surplus on revaluation of Assets to accumulated loss on disposal of assets		(1,690,722,140)
Transfer to unappropriated profit in respect of incremental depreciation		490,309,421
Related deferred tax liability	(103,390)	(1,201,061,721)
Impact of deferred taxation	30,534,859,747	30,534,963,137
Deferred tax liability at the beginning of the year		
adj. during the year		
Deferred tax liability on incremental depreciation charged during the year		
Balance at the end of the year - net of tax	<u>30,534,859,747</u>	<u>30,534,963,137</u>

18. LONG-TERM LOANS

From Government of Pakistan out of:

Asian Development Bank - Trench I	920,027,451	920,027,451
Asian Development Bank - Trench II	1,422,445,365	1,422,445,365
International Bank for Reconstruction and Development	1,813,122,986	1,813,122,986
Asian Development Bank - Trench III	2,240,254,225	2,240,254,225
Earthquake Reconstruction and Rehabilitation Authority	294,893,982	290,858,259
Asian Development Bank - Trench IV	1,933,887,407	1,933,887,407
	<u>8,624,631,416</u>	<u>8,610,596,693</u>
Current maturity shown under current liabilities	8,624,631,416	8,610,596,693
	<u>(1,843,594,939)</u>	<u>(1,557,571,177)</u>
	<u>6,781,037,376</u>	<u>7,053,024,516</u>

15.1 This represents re-lent portions of the total term finance facility obtained by the Government of Pakistan (GoP) from Asian Development Bank (ADB) for power distribution and enhancement projects. Out of total finance facility an amount of US \$ 30.06 million has been allocated to the Company vide letter No. 619) ADB-1/98 dated 30 March 2009 of the Ministry of Economic Affairs and Statistics (MEAS), against which the Company has utilized US \$ 23.31 (2018: US \$ 23.31 million) up to the year end. The loan carries interest at 17% per annum inclusive of exchange risk coverage fee of 6% charged both on the principal amount and the interest amount, separately. The initial agreed amount was later revised to a total allocation of US \$ 23.31 million via letter No. 6654 from ADB dated 17 July 2013.

The loan is repayable in 26 semi-annual instalments, excluding a grace period of 2 years, ending 15 August 2023 with first repayment due on 15 February 2011. No repayment was made till 30 June 2018. However, ECC of the Cabinet in its meeting held on 10 June 2019, decided that receivable from GoAJK will be settled in cash, non-cash adjustment against re-lent loan and injection of equity.

Further, Finance Division vide its letter No. F.1(14)CF-1/2015-16/1290 dated 26 September 2019, allowed adjustment of GoAJK receivables amounting to Rupees 10,265,945 million against foreign re-lent loans till 30 June 2018. As a result, the Company adjusted over due principal and mark-up outstanding till 30 June 2018 amounting to Rupees 1,136.77 million and Rupees 1,728.87 million respectively against receivable from GoAJK.

The Company has withheld the principal repayments along with related interest accrued up to 30 June 2019, aggregating to Rupees 167.27 million and Rupees 149.29 million respectively. However, the principal amount due for repayment within next 12 months of the reporting date has been transferred to the current portion.

18.2 This represents re-lent portions of the total term finance facility obtained by the GoP from ADB for power distribution and enhancement projects. Out of the total finance facility of US \$ 172.30 million, an amount of US \$ 18.58 million has been allocated to the Company vide ADB letter dated 26 March 2018, against which the Company has utilized US \$ 18.33 million (2018: US \$ 18.33 million) up to the year end. The loan carries interest at 15% per annum inclusive of exchange risk coverage fee of 6.3% charged on both the principal amount and the interest amount separately.

The loan is repayable in 34 semi-annual instalments, excluding a grace period of 3 years, ending on 01 December 2030 with a first repayment due on 01 June 2014. No repayment was made till 30 June 2018. However, ECC of the Cabinet in its meeting held on 10 June 2019, decided that receivable from GoAJK will be settled in cash, non-cash adjustment against re-lent loan and injection of equity.

Further, Finance Division vide its letter No. F.1(14)CF-1/2015-16/1290 dated 26 September 2019, allowed adjustment of GoAJK receivables amounting to Rupees 10,265,945 million against foreign re-lent loans till 30 June 2018. As a result, the Company adjusted over due principal and mark-up amounting to Rupees 418,669 million and Rupees 1,064,201 million respectively against receivable from GoAJK.

The Company has withheld the principal repayments along with related interest accrued up to 30 June 2019, aggregating to Rupees 121,656 million and Rupees 218,057 million respectively. However, the principal amount due for repayment within next 12 months of the reporting date has been transferred to the current portion.

18.3 This represents re-lent portions of the total term finance facility obtained by the GoP from the International Bank for Reconstruction and Development (IBRD) for electricity distribution and transmission projects. Out of the total finance facility an amount of US \$ 58.50 million has been allocated to the Company vide letter No. 1(28) IDA-1/2006 dated 16 November 2011 of the MEAS, against which the Company has utilized US \$ 40.974 million (2018: US \$ 40.974 million) up to the year end. The loan carries interest at 17% p.a. inclusive of exchange risk coverage fee of 6% charged on both the principal amount and the interest amount, separately. The total amount of loan to be utilized has been revised for IESCO to a figure of US \$ 40.98 via the letter from World Bank dated 16 July 2015 and this closes the total loan from the World Bank.

The loan is repayable in 26 semi-annual instalments, excluding a grace period of 2 years, ending on 15 March 2024 with first repayment due on 15 September 2011. No repayment was made till 30 June 2018. However, ECC of the Cabinet in its meeting held on 10 June 2019, decided that receivable from GoAJK will be settled in cash, non-cash adjustment against re-lent loan and injection of equity.

Further, Finance Division vide its letter No. F.1(14)CF-1/2015-16/1290 dated 26 September 2019, allowed adjustment of GoAJK receivables amounting to Rupees 10,265,945 million against foreign re-lent loans till 30 June 2018. As a result, the Company adjusted over due principal and mark-up outstanding amounting to Rupees 1,874,765 million and Rupees 3,445,091 million respectively against receivable from GoAJK.

The Company has withheld the principal repayments along with related interest accrued up to 30 June 2019, aggregating to Rupees 302,167 million and Rupees 301,122 million respectively. However, the principal amount due for repayment within next 12 months of the reporting date has been transferred to the current portion.

18.4 This represents re-lent portions of the total term finance facility obtained by the GoP from ADB for power distribution and enhancement projects. Out of the total finance facility an amount of US \$ 24.55 million has been allocated to the Company vide letter No. 2(9) ADB-1/12 dated 31 December 2013 of the MEAS, against which the Company has utilized US \$ 20.221 million (2018: US \$ 15,386 million) up to the year end. The loan carries interest at 15% p.a. inclusive of exchange risk coverage fee of 6.8% charged on both the principal amount and the interest amount, separately.

The loan is repayable in 40 semi-annual instalments, excluding a grace period of 5 years, ending 31 December 2037, with a first repayment due on 01 June 2016. No repayment was made till 30 June 2018. However, ECC of the Cabinet in its meeting held on 10 June 2019, decided that receivable from GoAJK will be settled in cash, non-cash adjustment against re-lent loan and injection of equity.

Further, Finance Division vide its letter No. F.1(14)CF-1/2015-16/1290 dated 26 September 2019, allowed adjustment of GoAJK receivables amounting to Rupees 10,265,945 million against foreign re-lent loans till 30 June 2018. As a result, the Company adjusted over due principal and mark-up amounting to Rupees 35,826 million and Rupees 474,227 million respectively against receivable from GoAJK.

The Company has withheld the principal repayments along with related interest accrued up to 30 June 2019, aggregating to Rupees 103,725 million and Rupees 283,498 million respectively. However, the principal amount due and is due for repayment within next 12 months of the reporting date, has been transferred to the current portion.

- 18.5 This represents re-lent portions of the total term finance facility obtained by the GoP from ADB for Earthquake Emergency Assistance Project. Out of total finance facility an amount of US \$ 1.40 million has been allocated to the Company vide letter No. 8(9) ADB-1988 dated 22 July 2008 of MEAS, against which the Company has fully utilized US \$ 1.79 million in year 2011. The loan carries interest at 1% p.a. upto 14 December 2025 and thereafter 2% interest on the amount of loan withdrawn from loan account and outstanding from time to time.

The loan is repayable in US \$ in 60 semi-annual installments, excluding a grace period of 10 years, ending 15 December 2041, with the first repayment due on 15 June 2016. No payment on this loan has yet been made. No repayment was made till 30 June 2018. However, ECC of the Cabinet in its meeting held on 10 June 2019, decided that receivable from GoAJK will be settled in cash, non-cash adjustment against re-lent loan and injection of equity.

Further, Finance Division vide its letter No. F.1(14)CF-1/2015-16/1290 dated 26 September 2019, allowed adjustment of GoAJK receivables amounting to Rupees 10,285,945 million against foreign re-lent loans till 30 June 2018. As a result, the Company adjusted over due principal and mark-up amounting to Rupees 5,635 million and Rupees 14,667 million respectively against receivable from GoAJK.

The Company has withheld the principal repayments along with related interest accrued up to 30 June 2019, aggregating to Rupees 14,444 million and Rupees 14,354 million respectively. However, the principal amount due for repayment within next 12 months of the reporting date has been transferred to the current portion.

- 18.6 This represents re-lent portions of the total term finance facility obtained by the GoP from ADB for power distribution and enhancement projects. Out of the total finance facility, an amount of US \$ 17,610 million has been allocated to the Company vide ADB letter dated 23 February 2017, against which the Company has utilized US \$ 16,056 million (2018: US \$ 9,978 million) up to the year end. The loan carries interest at 15% p.a. inclusive of exchange risk coverage fee of 6.6% charged on both the principal amount and the interest amount separately.

The loan is repayable in 40 semi-annual installments, excluding a grace period of 5 years, ending 01 December 2038, with a first repayment due on 01 June 2018. No repayment was made till 30 June 2018. However, ECC of the Cabinet in its meeting held on 10 June 2019, decided that receivable from GoAJK will be settled in cash, non-cash adjustment against re-lent loan and injection of equity.

Further, Finance Division vide its letter No. F.1(14)CF-1/2015-16/1290 dated 26 September 2019, allowed adjustment of GoAJK receivables amounting to Rupees 10,285,945 million against foreign re-lent loans till 30 June 2018. As a result, the Company adjusted over due principal and mark-up amounting to Rupees Nil and Rupees 87,223 million respectively against receivable from GoAJK.

The Company has withheld the principal repayments along with related interest accrued up to 30 June 2019, aggregating to Rupees 41,041 million and Rupees 244,110 million respectively. However, the principal amount which has fallen due for repayment within next 12 months of the reporting date has been transferred to the current portion.

- 18.7 This includes overdue amount of Rupees 757.02 million.

19 LONG TERM SECURITY DEPOSITS

These represent security deposits received from consumers at the time of installation of electricity connections and are refundable, adjustment on disconnection of electricity supply.

STAFF RETIREMENT BENEFITS If our types of defined benefit plans are offered by the Company, namely pension obligations, medical benefits, free electricity and compensated absences.

STAFF RETIREMENT BENEFITS

Our types of defined benefit plans are offered by the Company namely pension obligations, medical benefits, free electricity and compensated absences.

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1. Introduction

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Figure 1. The effect of the initial concentration of the monomer on the polymerization of α -methylstyrene initiated by BuLi in THF at -78°C . The polymerization was carried out in a 100 ml. three-necked round-bottomed flask equipped with a magnetic stirrer, a nitrogen inlet, and a thermometer. The monomer was added to the flask containing the initiator solution, and the mixture was stirred for 10 min. The polymerization was stopped by adding methanol. The polymer was isolated by filtration and dried under vacuum. The polymerization was carried out in a 100 ml. three-necked round-bottomed flask equipped with a magnetic stirrer, a nitrogen inlet, and a thermometer. The monomer was added to the flask containing the initiator solution, and the mixture was stirred for 10 min. The polymerization was stopped by adding methanol. The polymer was isolated by filtration and dried under vacuum.

20.6 Sensitivity analysis

The calculations of the defined benefit obligations is sensitive to the significant actuarial assumptions set out in note 21.4. The table below summarizes how the defined benefit obligations at the end of the reporting period would have increased / (decreased) as a result of change in the respective assumptions.

	Present value of defined benefit obligation			
Pension obligations	Medical benefits	Free electricity	Compensated absences	Total
	Rupees			
Current Liability	33,851,557,968	-	-	33,851,557,968
Discount Rate +1%	29,355,712,592	1,646,493,020	1,578,223,882	40,123,468,365
Discount Rate -1%	39,515,017,932	1,383,466,518	1,423,463,974	34,760,230,541
Salary increase +1%	35,219,693,652	1,990,790,780	1,761,635,667	46,867,206,153
Salary decrease -1%	32,650,139,269	1,730,680,613	1,761,635,667	38,712,009,932
Pension increase rate +1%	35,950,354,562	1,573,659,015	1,420,807,767	35,644,606,051
Pension decrease rate -1%	32,307,926,924	-	-	35,950,354,562
Medical Inflation rate increase +1%	-	-	-	32,307,926,924
Medical Inflation rate decrease -1%	-	-	-	3,683,142,778
Electricity Rate +1%	-	-	-	2,620,586,406
Electricity Rate -1%	-	1,874,861,602	-	1,874,861,602
	-	1,452,206,844	-	1,452,206,844

Remeasurement (gain) / loss on Obligation		Remeasurement (gain) / loss recognized in OCI	
	Pension scheme	Medical benefits	Free electricity
		Rupees	
- Financial Assumptions	(1,568,892,868)	1,405,911,163	26,307,542
- Demographic Assumptions			
- Experience Adjustments	(2,668,323,741)	(69,170,814)	(13,251,263)
Total Remeasurement (gain) / loss	(4,237,216,609)	1,336,740,349	13,056,279
Total Remeasurement (gain) / loss	(4,237,216,609)		

The above sensitivity analyses are based on changes in assumptions while holding all other assumptions constant. In practice, this is unlikely to occur. Real changes in some of the assumptions may be correlated.

			30 Jun 2020	2019
			Rupees	
21	DEFERRED TAXATION - net			
	Deferred tax asset	21.1	13,565,912,870	13,565,912,870
	Deferred tax liability	21.2	(13,565,912,870)	(13,565,912,870)
21.1	Movement in deferred tax asset:			
	Balance at the beginning of the year		13,565,912,870	13,565,912,870
	Charged for the year			277,134,546
	Reversal for the year			
			13,565,912,870	13,843,047,416
21.2	Movement in deferred tax liability			
	Balance at the beginning of the year		(13,565,912,870)	(13,565,912,870)
	Reversal for the year			(277,134,546)
	Transfer to profit and loss account on account of incremental depreciation			
			(13,565,912,870)	(13,843,047,416)
21.3	In view of the uncertainty of taxable profits in the foreseeable future against which the tax losses could be utilized, the Company has not recognized net deferred tax asset of Rupees 7 million (2019: Rupees 45,001.21 million)			
	Business tax losses aggregating to Rupees 59,516.23 million against which deferred tax asset has not been recognized will expire as follows:			
	Tax year		Rupees	
	2024		4,112,551,171	
	2025		20,505,348,421	
			59,516,233,189	
21.4	Movement in deferred tax relating to revaluation surplus on operating fixed assets			
	Deferred tax liability at the beginning of the year		6,281,592,605	6,771,602,026
	Deferred tax liability reversal on incremental depreciation charged during the year			(490,304,421)
	Deferred tax liability at the closing of the year		6,281,592,605	6,281,297,605
22	DEFERRED CREDIT			
	Balance at the beginning of the year		40,918,290,978	17,645,418,344
	Additions during the year		2,827,242,138	2,370,971,534
	Consumer Financed Store & Spares		6,893,223	
			43,750,125,339	40,016,389,878
	Amortization			
	Balance at the beginning of the year		(11,918,763,312)	(12,460,883,128)
	For the year		(1,531,023,659)	(1,432,370,354)
			(15,449,776,971)	(13,893,253,482)
	Balance at the end of the year		28,300,348,368	26,123,136,396
23	TRADE AND OTHER PAYABLES			
	Creditors			
	Associated undertakings - Central Power Purchase Agency	23.1	146,419,813,641	103,340,599,478
	Others	23.2	1,413,878,529	806,566,709
			147,833,692,170	104,147,166,187
	Other payables:			
	Receipts against deposit works	23.3	9,866,116,057	9,589,340,632
	Advances from customers		1,020,424,568	747,111,215
	Provision for Workers' Profit Participation Fund (WPPF)	23.4	1,179,422,185	1,179,422,185
	Due to related parties on account of			
	Due to associated undertakings - net	23.5	1,873,558,400	1,397,489,587
	Payable to associated undertakings on account of pension	23.6	861,623,165	844,604,531
			2,535,181,565	2,242,094,118
	Capital contributions awaiting connections		378,438,248	477,434,101
	Accrued liabilities		777,518,791	843,302,387
	Retention money - contractors / suppliers		243,814,924	264,134,104
	Government surcharges payable			
	- Realized			
	Equalization surcharge	23.7	1,639,347,666	1,659,139,627
	Tariff rationalization surcharge			
	IOIRS		2,024,875,771	
	Electricity duty		1,408,278,835	1,276,142,898
	Neelum Jhelum surcharge		2,174,833,260	2,108,311,241
	TV License fee		96,471,024	87,689,011
	Financing cost	23.8	3,934,535,539	3,232,906,197
	Withholding tax (inc 235A+B)		373,155,898	373,731,575
			11,649,503,692	8,726,821,192
	- Unrealized			
	Equalization surcharge	23.7	208,391,580	178,889,657
	Electricity duty		42,970,293	72,412,092
	Neelum Jhelum surcharge		1,466,290,396	1,256,443,664
	TV license fee		71,064,749	48,760,487
	Tariff rationalization surcharge	23.8	4,421,551,906	3,367,842,708
	Financing cost	23.8	3,372,409,596	2,572,716,841
	Income tax		67,386,524	110,531,533
	Advance income tax		10,093,292	1,123,341
	Steel melters income tax		459,213	
			9,760,519,359	10,109,219,593
	Others		83,730,418	92,064,551
			185,328,466,911	138,137,045,837

- 23.1 During the year, CPPA issued certain debt notes to all DISCOs including the Company to make alignments in certain account heads related to CPPA payables. Tariff Rationalization Surcharge (TRS) and Finance Cost (FC) surcharge. Accordingly, the Company made adjustments to TRS payable and surcharge payable to CPPA account.
- 23.2 This represents payable to various suppliers on account of materials purchased.
- 23.3 These represent amounts received directly by the Company for electrification of villages, colonies and other deposit works, mainly provided through Government funding against which the related works / jobs have not been completed.
- 23.4 The Company has held payment of its contribution towards Workers' Profit Participation Fund (WPPF) amounting to Rupees 1,179 million. The Company's liability on account of WPPF till 30 June 2014, which is long outstanding, PESCO has forwarded its recommendation to Ministry of Power, Government of DISCOs, GENCOs, and NTOC from the liability of the payment to be made under the Companies Profit (Workers' Participation) Act, 1999, which is pending decision. Hence, no payments are being made till the outcome of the decision. Moreover, during the year Company incurred a loss, therefore, no provision was booked during the year.

23.5 Due to related parties

This represents the net amounts payable to related parties on account of free electricity provided to the families of IESCO's employees residing within the territorial jurisdiction of these companies. A party wise breakup is as follows:

	30 Jun. 2020	2019
Lahore Electric Supply Company Limited	897,554,190.15	97,547,344.92
National Transmission and Dispatch Company Limited	437,827,455.95	-
Peshawar Electric Supply Company Limited	303,926,055.12	211,769,194.77
Multan Electric Power Company Limited	79,114,334.57	18,203,540.00
Faisalabad Electric Supply Company Limited	128,214,513.44	122,276,913.00
Gujranwala Electric Power Company Limited	22,340,946.47	21,564,640.00
Hyderabad Electric Supply Company Limited	3,421,233.99	2,896,831.00
Sukkur Electric Power Company	3,049,743.06	2,523,844.00
Pakistan Electric Power Company Limited	(90,502.72)	(569,931.50)
	<u>1,873,558,399.85</u>	<u>1,387,482,587.00</u>

23.6 Payable to associated undertakings on account of pension

This represents amounts payable to related parties on account of pension paid to the retired employees of IESCO residing within the territorial jurisdiction of these Companies. A party wise breakup is as follows:

	30 Jun. 2020	2019
Peshawar Electric Supply Company Limited	204,160,501	256,553,830
Gujranwala Electric Power Company Limited	225,160,407	175,417,550
Faisalabad Electric Supply Company Limited	114,616,216	116,054,211
Lahore Electric Supply Company Limited	108,031,336	9,156,100
Hyderabad Electric Supply Company Limited	4,116,514	3,019,702
Multan Electric Power Company Limited	4,769,286	12,267,359
Quetta Electric Supply Company Limited	2,724,500	1,456,252
Sukkur Electric Power Company Limited	30,345	30,345
	<u>661,623,165</u>	<u>644,604,532</u>

- 23.7 This represents amounts collected from consumers, during the period from April 2011 to June 2012, pursuant to S.R.O 235(1)2011, dated 15 March 2011, issued by the Ministry of Water and Power. However, the amount was collected from customers during the period from April 2011 to May 2012 but further collection has been discontinued on account of a subsequent S.R.O 506(1)2012, dated 16 May 2012. The payment of this amount to the Federal Government is pending as payment mechanism has not been conveyed to the Company by the GoP.
- 23.8 Financing cost surcharge has been notified by GoP vide SRO 569 (1) / 2015 dated 10 June 2015, at the rates mentioned against categories of electricity consumers as specified in schedule of electricity tariff for the Company. The amount of surcharge is to be kept in escrow account of CPPA for the payment of the financing cost of various loans obtained to discharge liabilities of power producers against the sovereign guarantees of the GoP.
- 23.9 Tariff rationalization surcharge has been notified by GoP vide SRO 569 (1) / 2015 dated 10 June 2015, at the rates mentioned against categories of electricity consumers as specified in schedule of electricity tariff for the Company to maintain uniform rates of electricity across the country for each area.

24 CONTINGENCIES AND COMMITMENTS

24.1 Tax and other contingencies

- 24.1.1 The Additional Commissioner Inland Revenue (ACIR) amended the assessments of the Company for the tax years 2010-2011 and 2011-2012 by charging minimum tax on distribution margin, earned by the Company inclusive of subsidy, thereby raising an aggregate tax demand of Rupees 716 million. The Company filed an appeal with the Commissioner Inland Revenue which was decided against the Company. The Company filed an appeal before the Appellate Tribunal Inland Revenue (ATIR) and ATIR decided the case against the Company. The Company filed reference before Islamabad High Court (IHC) against decision of ATIR. Management of the Company is confident that the matter will be decided in favor of the Company and accordingly, no provision has been made in these financial statements.
- 24.1.2 The Deputy Commissioner Inland Revenue (DCIR) issued various orders u/s 124/161/205 of the Income Tax Ordinance, 2001 for the tax year from 2007 to 2012, raising tax demand of Rupees 2,122 million by treating the Company as taxpayer in default on certain revenue and capital expenditure. CIR and ATIR both upheld the order in original. The Company filed reference before Islamabad High Court (IHC) which is pending.
- 24.1.3 The Deputy Commissioner Inland Revenue (DCIR) issued order u/s 161/205 of Income Tax Ordinance, 2001 for the tax year 2011-2012 raising an income tax demand of Rupees 304.5 million by treating the Company as taxpayer in default on certain revenue and capital expenditure. The Company appealed before the Commissioner Inland Revenue (CIR) which was unsuccessful. The Company preferred an appeal before ATIR which is pending adjudication.

- 24.1.4 The Deputy Commissioner Inland Revenue (DCIR) issued order under section 161/205 of the Income Tax Ordinance, 2001 for the tax year 2014 raising an income tax demand of Rupees 1,152 million by treating the Company as tax payer in default for short collection of approved tax on electricity consumption from its consumers. CIR upheld the order, however, ATIR remanded back the case for reconsideration. ATIR has reassessed the case and reduced tax demand to Rupees 996 million against which the Company has filed appeal before ATIR, which is pending adjudication. The Company has also filed reference before Islamabad High Court (IHC) against earlier decision of ATIR.
- 24.1.5 Taxation Officer Inland Revenue (TOIR) passed the order against the Company in relation to alleged non-payment of sales tax on waste oil supplied to the Government of AJK (GoAJK) involving sales tax demand of Rupees 1,269 million including default surcharge and penalty. The amount was withdrawn from the Company's bank accounts or paid by the Company under protest under amnesty scheme. On the Company's appeal, Appellate Tribunal Inland Revenue (ATIR) Islamabad decided the case in favor of the Company, vide order No. 65/IB/2011 and declared electricity supply to GoAJK as exempt supply by considering the Mangla raising agreement as bilateral treaty between the GoP and GoAJK.
- Subsequently, ATIR vide order No. 207 dated 28 October 2015, granted sales tax adjustment of Rupees 1,269 million on monthly basis and return. FBR filed petition in Islamabad High Court (IHC) against the decision of ATIR. IHC decided the case against the Company, vide order No. 265/2011 dated 21 March 2016, declaring the supplies as taxable. The Company has filed review petition in Supreme Court of Pakistan which is pending.
- 24.1.6 Officer Inland Revenue (OIR) passed the order in original No. of 04/2011 dated 30 October 2010 raising sales tax demand of Rupees 1,700 million plus default surcharge and penalty thereon for the tax period from July 2007 to June 2008 on account of electricity supplies to AJK, supplies of free electricity to employees and other distribution companies, sales of scrap, demand notices for reimbursement of capital and other costs by electricity consumers, input tax apportionment on account of Government Subsidy and non-payment of unrealized sales tax. The Company filed an appeal before the CIR which was decided against the Company. The Company has preferred an appeal before Appellate Tribunal Inland Revenue (ATIR), which is pending adjudication.
- 24.1.7 Officer Inland Revenue passed Order-in-Original No. 13/2012 dated 03 September 2012 raising sales tax demand of Rupees 1,406 million plus default surcharge and penalty chargeable thereon for the tax period July 2008 to June 2009 on account of supplies of free electricity to employees and other distribution companies, sales of scrap, demand notices for reimbursement of capital and other costs by electricity consumers, input tax apportionment on account of Government Subsidy and non-payment of unrealized sales tax. CIR and ATIR both dismissed the appeals filed by the Company and upheld the order of the Officer Inland Revenue. The Company has preferred an appeal before IHC who remanded the case back to Appellate Tribunal Inland Revenue (ATIR), for reconsideration.
- 24.1.8 Officer Inland Revenue passed an Order-in-Original No. 02/2013 dated 14 October 2013 raising sales tax demand of Rupees 7,784 million plus default surcharge and penalty chargeable thereon for the tax period from July 2009 to June 2012 on account of free supply of electricity to employees and distribution companies, sale of scrap, demand notices for reimbursement of capital and other costs by electricity consumers, input tax apportionment on account of Government subsidy, and non-payment of unrealized sales tax. The Company preferred an appeal before CIR who dismissed the appeal filed by the Company and upheld the order of the Officer Inland Revenue. The Company has preferred an appeal before the ATIR, who deleted the demand to the extent of Rupees 1,324 million on account of unrealized sales tax and Rupees 6,504 million on account of sales tax on subsidy and sales tax on demand notes. Further, the ATIR remanded back the case on sales tax on free electricity to employees and distribution companies for re-consideration. This matter of sales tax on sale of scrap of Rupees 416 million has been decided against the Company against which the Company filed reference before IHC.
- 24.1.9 Officer Inland Revenue issued an Order-in-Original No. 21/2012 dated 24 April 2012 raising sales tax demand of Rupees 1,627 million plus default surcharge and penalty chargeable thereon for the tax period July 2010 to June 2011 on account of non-payment of sales tax on supply of electricity to AJK. In a similar case, the ATIR had declared the supply of electricity to AJK as exempt, vide order No. 65/IB/2011 dated 07 September 2011 against which FBR filed petition in IHC. The Company also preferred an appeal before the IHC to declare such sales as an export. The IHC decided the case against the Company, vide STR No. 265/2011 dated 21 March 2016, declaring the supplies as taxable. The Company has filed the reference before the honorable Supreme Court, which is still pending. Since, both the cases are of similar nature, the outcome of these is dependent on the decision of Supreme Court.
- 24.1.10 Officer Inland Revenue passed an Order-in-Original No. 55/2014 dated 14 May 2014 raising sales tax demand of Rupees 8,407 million plus default surcharge and penalty chargeable thereon for the tax year 2012 to 2013 on account of non-payment of sales tax on supply of electricity to AJK, non payment of sales tax on subsidy from GoP, demand notes for reimbursement of capital and other costs by electricity consumers and short payment of sales tax pertaining to miscellaneous receipts. The Company preferred an appeal before the CIR who upheld the order of the Officer Inland Revenue. The Company preferred an appeal before ATIR who passed the Order-in-Appeal vide OIA No. 326/IB/2014 dated 27 January 2016 whereby tax demand to the extent of Rupees 6,938 million on the matter of sales tax on demand notes, supply of electricity to AJK and subsidy from GoP has been deleted. The matter of sales tax amounting to Rupees 1,547 million pertaining to miscellaneous receipts has been remanded back to the original adjudicating authority for reconsideration. The demand of sales tax on scrap amounting to Rupees 58 million has not been confirmed by ATIR. The Company filed reference against demand of sales tax on scrap before IHC which is pending.
- 24.1.11 The ACIR passed an Order-in-Original No. 57/2014 dated 29 May 2014 raising sales tax demand of Rupees 212 million plus default surcharge and penalty chargeable thereon for the tax periods from July 2009 to June 2012 on account of inadmissible adjustment of input tax for steel sector. The Company filed an appeal before the CIR which was dismissed. The Company has preferred an appeal before ATIR which is pending adjudication.
- 24.1.12 The ACIR passed an Order-in-Original No. 14/2015 dated 26 January 2015 raising sales tax demand of Rupees 312 million plus default surcharge and penalty chargeable thereon for the tax period from July 2013 to June 2014 on account of inadmissible adjustment of input tax for steel sector. DCIR had redetermined the original sales tax demand to Rupees 182 million vide Order-in-Remand No. 05/14 of 2015. The Company has preferred an appeal before ATIR which is pending adjudication.
- 24.1.13 The ACIR passed an Order-in-Original No. 06/2016 dated 01 January 2016 raising sales tax demand of Rupees 1,042 million plus default surcharge and penalty chargeable thereon for the tax periods from July 2011 to March 2012 on account of inadmissible adjustment of input tax over output tax. The Company filed an appeal before the CIR which was dismissed. The Company preferred an appeal before ATIR who has directed the Company and department to reconcile the numbers and submit a report in the court. The reconciliation exercise has been completed and also submitted and presented at the last hearing of the case. No order is yet passed by ATIR.
- 24.1.14 DCIR passed an Order-in-Original No. 11/2016 dated 11 February 2016 raising sales tax demand of Rupees 1,948 million plus default surcharge and penalty chargeable thereon for the tax periods from July 2015 to February 2016 on account of inadmissible adjustment of input tax over output tax. The Company has filed an appeal before the CIR which was dismissed. The Company preferred an appeal before ATIR. ATIR vide order-in-Appeal No. STA No. 442/IB/2016 dated 2 May 2017 remanded back the case to the original adjudicating authority. The matter is pending adjudication.
- 24.1.15 The DCIR passed an Order-in-Original No. 145/2017 dated 22 May 2017 raising tax demand of Rupees 220 million plus default surcharge and penalty chargeable thereon for the tax periods from July 2015 to January 2017 on account of sales tax adjustment based on the

the sales tax returns for the period July 2015 to January 2017. CIR upheld the Order-in-Original. The Company has filed an appeal with ATIR which is pending adjudication.

- 24.1.16 The DCIR passed an Order-in-Original No. 09/2017 dated 12 May 2017 raising tax demand of Rupees 1,602 million plus default surcharge and penalty chargeable thereon for the tax period from July 2015 to June 2016 on account of short payment of sales tax based on difference between gross supplies and taxable supplies as appearing in the monthly sales tax returns, further alleging that the Company has wrongly treated supplies to AJK and others as zero rated. CIR upheld the Order-in-Original. The Company has filed an appeal with ATIR. ATIR vide order No. STA No. 523(IB)/2017 dated 8 July 2019 has decided the case in favor of the Company.
- 24.1.17 The DCIR passed an Order-in-Original No. 05/2017 dated 24 February 2017 raising tax demand of Rupees 1,726 million plus default surcharge and penalty chargeable thereon for the tax period from July 2014 to June 2015 on account of short payment of sales tax based on difference between gross supplies and taxable supplies as appearing in the monthly sales tax returns, further alleging that the Company has wrongly treated supplies to AJK and others as zero rated. CIR upheld the Order-in-Original. The Company has filed an appeal with ATIR which is pending adjudication.
- 24.1.18 The DCIR passed an Order-in-Original No. 17-25/2017 dated 02 February 2018 raising tax demand of Rupees 556 million plus default surcharge and penalty chargeable thereon for the tax periods July 2015 to June 2017 on account of short payment of sales tax based on difference between gross supplies and taxable supplies as appearing in the monthly sales tax returns, further alleging that the Company has wrongly treated supplies to AJK and others as zero rated. CIR upheld the Order-in-Original. The Company has filed an appeal with ATIR which is pending adjudication.
- 24.1.19 The DCIR passed an Order-in-Original No. 04/2017 dated 14 February 2017 raising tax demand of Rupees 4,817 million plus default surcharge and penalty chargeable thereon for the period from July 2014 to June 2015 on account of non-payment of sales tax on supply of free electricity to other distribution company's and to employees residing within the Company's territorial jurisdiction, non-payment of sales tax in taxable supplies other than electricity, short payment of sales tax, non-payment of sales tax on amount received on account of demand notices and non-payment of sales tax on subsidy from Government of Pakistan. CIR upheld the Order-in-Original. An appeal against the order has been filed with ATIR. ATIR vide its order No. STA No. 353(IB)/2017 dated 10 July 2018 has deleted that demand.
- 24.1.20 The Company's case was selected for audit u/s 214C of the Income Tax Ordinance, 2001 and information was called u/s 177 during the course of audit. The demand in this particular case was Rupees 2,403 million. The ACIR finalized the audit proceedings by issuing order vide DCR NO.04/02 dated 31 October 2016 u/s 122(1) of the Income Tax Ordinance, 2001. Being aggrieved, the Company had filed an appeal before the CIR (Appeal) against the order. CIR (Appeal) passed a partial judgement on certain issues. The Company has filed an appeal against the appellate order of CIR before Appellate Tribunal Inland Revenue Islamabad. Whereas, the main appeal is pending adjudication before the ATIR.
- 24.1.21 DCIR has issued order u/s 122(5A) of the Income Tax Ordinance, 2001 raising tax demand of Rupees 551 million vide order No. 5/756/17 dated 26 April 2016. The assessment of the Company was amended by disallowing subsidy amounting to Rupees 11,239 million and business losses from tax year 2010 to 2014 amounting to Rupees 72,866 million. CIR(A) upheld the order in original. The Company filed an appeal before ATIR which is pending adjudication.
- 24.1.22 The DCIR passed Order-in-Original No. 07/2018 dated 30 June 2018 raising demand for Rupees 534 million alleging that the Company has claimed input tax related to items which were not used for business purpose and input tax cannot be adjusted. The Company filed an appeal before CIR (A). The CIR (A) vide Order in Appeal No. 117/2019 dated 26 January 2019 decided case against the Company. The Company has filed an appeal before the ATIR which is pending adjudication.
- 24.1.23 The DCIR passed Order-in-Original No. 4/2018 dated 26 June 2018 raising demand of Rupees 639 million alleging that the Company has wrongly treated supplies to AJK and others as zero rated. The company has filed an appeal before CIR (A). The CIR (A) vide order in appeal No. ST-25/2018 dated 12 September 2019 reduced the demand to Rupees 346 million. The case is pending at ATIR level.
- 24.1.24 Deputy Commissioner Inland Revenue has issued order u/s 48 of the Income Tax Ordinance, 2001 raising demand of Rupees 35 million vide order No. 35402660 dated 7 August 2018. Being aggrieved the Company filed an appeal before CIR (Appeal) against the order. CIR (Appeal) vide order in Appeal No. 137/2018 dated 13 September 2018 upheld the order of DCIR. The company has filed appeal before ATIR which is pending adjudication.
- 24.1.25 No provision on account of above contingencies has been made in these financial statements as the management and the tax/legal advisors of the Company are of the view, that these matters will eventually be settled in favor of the Company.
- 24.1.26 In addition to above-mentioned matters, large number of small cases have been filed against the Company primarily by the Company's employees, customers and vendors, the quantum of which cannot be estimated reliably. However, the management is of the view that in the overall context of these financial statements, there would be no significant liability on the part of the Company in respect of such cases.
- 24.2 Books of account of the Company are not in agreement with the records of Central Power Purchasing Agency (Guarantee) Limited (CPPA) in respect of amount payable to CPPA. There is a net difference of Rupees 13,036.68 million between the amount confirmed by CPPA and the amount recorded in the books of the Company as at 30 June 2019. Reconciliation of this difference reveals that there are certain charges levied by CPPA which the management does not acknowledge, unless both the parties do not resolve these differences the amount of liability recognized in the books of the Company cannot be adjusted.

Claims not acknowledged as debts are as follows:

	Note	30 Jun. 2020	2019
Loans not acknowledged as debt by the Company	24.2.1		
Interest on syndicated loans	24.2.1	1,775,435,213	1,329,507,196
Supplemental charges of CPPA	24.2.2	6,864,324,906	7,395,993,557
Advertisement charges - net	24.2.3	459,949,668	469,949,381
O&M Cost of PEPCCO	24.2.4	410,326,649	535,349,539
Short cash remittance as per CPPA		271,535,913	13,394,331
Use of system charges	25.2.5	1,402,431,197	1,609,938,491
Others	25.2.6	1,159,736,336	1,717,838,288
		12,348,789,992	12,036,876,313

24.2.1 In order to curb the rampant power theft in the country, the Government of Pakistan (GoP) has directed PHPL (a Private Limited (PHPL) has injected money from time to time through borrowings from Government of Punjab (GoP) to Distribution Companies on the basis of outstanding payables towards Central Power Purchasing Agency (CPPA). These loans have been withdrawn by CPPA during the year. Originally, PHPL planned to re-lend the loan to DISCOs through tripartite agreement between Lenders, DISCOs and PHPL with each DISCO jointly and severally liable in case of default. The management of DISCOs objected to this arrangement and based on their observations the proposed mechanism of extending the loan was revised at a joint meeting held at the Ministry of Water and Power (MoWP) on 14 May 2012, whereby a bilateral agreement was proposed to be signed between each DISCO and PHPL with each DISCO being severally liable. The Board of Directors of the Company approved its approval in its 105th and 101st meeting subject to certain reservations. The draft of the re-lending agreement between the Company and PHPL was received on 13 August 2012. Subsequently, during a joint meeting held at LESCO Head Office on August 27, 2012, it was agreed among DISCOs that the re-lending agreement will be effective from the date it is signed by the respective DISCOs and the same was communicated to MoWP vide a letter issued by the LESCO Legal Director (L-1-Dir/12150-53 dated 28 August, 2012). As of June 30, 2014, CPPA has issued advices of loan amounting to Rupees MoWP vide its letter dated February 19, 2015, had directed the CPPA to re-allocate the loans obtained by the Federal Government between DISCOs on the basis of energy drawn basis instead of receivable basis. Therefore, CPPA issued two more credit advices to the Company amounting to Rupees 17,301 million and Rupees 6,562 million, resulting in total loan allocation of Rupees 34,241 million, along with related accrued mark-up of Rupees 7,716 million.

In 2017, CPPA on direction of MoWP issued one credit note amounting in Rupees 5,703 million and one debit note amounting in Rupees 15,545 million resulting in re-allocation of loans to the Company.

The World Bank, being the lender of the Company, and NEPRA being the power sector regulator have also raised certain concerns on the structure of the transaction which have been forwarded to the Ministry of Water and Power (MoWP) vide letter No. 1870-73 dated 01 September 2012. Pending resolution of matters raised by the World Bank and NEPRA, the re-lending agreement between PHPL and the Company was not finalized. Further during year 2016, Pak Electric Power Company (Private) Limited vide its letter No. 235-36 dated 21 January 2016, directed the Company to book the debit / credit notes already issued by CPPA in respect of its share in loans and markups thereon. However, the management believes that its obligation under the arrangement will arise once the bilateral re-lending agreement between the Company and PHPL is finalized, which is still pending. Accordingly, the Company has not accounted for the loan along with the related mark-up due to non-availability of terms and conditions of the loan and finalization of re-lending agreement between the Company and PHPL. Further, as per the management, NEPRA did not allow the Company to claim the markup cost in its tariff determination in previous years, hence, the markup cost has not been recorded in its books. The management also obtained a

24.2.2 This represents supplementary charges invoiced by CPPA to the Company on account of allocation of late payment charges. During year 2016, the matter was discussed in para 43 of tariff determination by NEPRA communicated through letter no. NEPRA/TRF-336/LESCO-2015 dated 29 February 2016. According, to which late payment charges recovered from consumers on utility bills shall be off set against the late payment invoices raised by CPPA to Company in determination of its consumer end tariff pertaining to financial years 2015-16 to 2019-20. However, matter of invoices raised prior to the year ended 30 June 2016 is still to be resolved and of which management is of the view that invoices should not be recorded until same is allowed by NEPRA in its tariff determination.

24.2.3 CPPA has charged Rupees 459,949 million (2018: Rupees 459,949 million) to the Company as its share in advertisement carried out by Pakistan Electric Power Company (PEPCO). The management of the Company asserts that these amounts will not be payable to CPPA as they do not relate to the Company and further detail of these amounts have not been received by the Company. Further, the management of the Company asserts that the Company will not be able to claim these amounts from NEPRA through tariff determination. Accordingly, these amounts have not been recognized in these financial statements as liability towards CPPA.

24.2.4 The amount was debited by the CPPA during 2015 on account of certain O&M cost of PEPCO formations which is still under consideration of management and has not been recorded at year end.

24.2.5 In 2017, CPPA has issued a credit note to the Company for an amount of Rupees 5,347 million on account of system charges payable to National Transmission and Dispatch Company Limited (NTDC). The Company has not recorded this amount as CPPA has not provided relevant details / calculations for this adjustment.

24.2.6 These represents debit notes / credit notes issued to the Company by CPPA on account of adjustments against the provisional monthly power purchase billing for previous years and certain other charges. Management do not agree with these adjustment, therefore these have not been recorded in the Company's books.

25. Commitments

25.1 Inland letters of credits as at 30 June 2020 amounted to Rs. 787 million (2019: 393 million).

	30 Jun. 2020	2019
26.1. SALE OF ELECTRICITY		
Gross sales	197,282,706,136.65	158,167,774,742.01
Sales tax	(23,613,109,790.00)	(29,241,046,758.00)
	<u>163,643,599,447</u>	<u>128,926,728,033</u>

26.1 THE REVENUE OFFICER
Islamabad dated 07.7.2019
For the year ended 30 June 2016 and from 01 July 2016 to 22 March 2018, the Company billed its customers on the rates notified by the Government of Pakistan (GoP) for the financial year 2015-16 vide S.R.O 569 (1) dated 10 June 2015 and recorded revenue accordingly. The Company filed a multi-year tariff petition on 10 October 2015 for determination of its tariff from 2016 to 2020. In response NEPRA through case No. NEPRA/TRF-336/LESCO-2015 filed the tariff determination on 29 February 2016 and same was intimated to GoP for notification in the official Gazette. LESCO being aggrieved by the aforesaid tariff determination filed Motion for Leave for Review which was disposed off vide decision dated 18 May 2016. LESCO filed writ petition in Islamabad High Court (IHC) against the aforementioned decision of the Authority. Pursuant to the directions of the honorable IHC vide judgment dated 22 June 2017, the tariff of the Company was re-determined by the Authority on 18 September 2017 and was intimated to the GoP for notification in the official Gazette. This new tariff was notified by GoP vide S.R.O. 377 dated 22 March 2018. Loss sustained by the Company during the year 2017-18 was mainly due to delay in notification of revised tariffs. NEPRA vide its determination letter number NEPRA/TRF/336/13637-13638 dated 31 August 2017 has allowed the Company certain positive tariff adjustments for the year 2017-18 which were notified by GoP through S.R.O. 04/11/2019 dated 01 January 2019.

26. SUBSIDY FROM GOVERNMENT OF PAKISTAN

Tariff differential subsidy	19,413,912,690	16,964,336,142
	<u>19,413,912,690</u>	<u>16,964,336,142</u>

27	COST OF ELECTRICITY	Note	30 Jun. 2020	2019
	Central Power Purchase Agency			
	Cost of electricity		149,666,177,205	150,154,895,311
	Supplementary charges		2,701,455,561	
			<u>149,666,177,205</u>	<u>150,154,895,311</u>
27.1	This represents tariff charged by Central Power Purchase Agency as determined by National Electric Power Regulatory Authority (NEPRA) and issued by the Government of Pakistan in the Gazette of Pakistan.			
27.2	As per para 43 of tariff determination by NEPRA communicated through letter No. NEPRA/TRF-355/NEPCO-2015 dated 29 February 2016, late payment charges recovered from consumers on utility bills shall be off set against the late payment invoices raised by CPPA-G to Company in determination of consumer and tariff pertaining to financial years 2015-16 to 2019-20.			
	During the year, the Company has recorded the invoiced amount of Rupees 7 million (2019: Rupees 3,102 million), received being Rupees 1 million, and late payment charges billed to consumers amounting to Rupees 7 million (2019: Rupees 1,499 million) during 2019-20.			
28.	ADMINISTRATIVE EXPENSES	Note	30 Jun. 2020	2019
	Salaries, wages and other benefits	28.1	6,921,267,717	6,761,776,691
	Transportation		105,687,306	129,552,367
	Depreciation	31.2	130,618,556	94,982,211
	Market operation fee		36,905,354	36,318,436
	Electricity bill collection charges		124,134,406	111,111,111
	Reversal of provision for doubtful debts			
	Office supplies and other expenses		158,170,577	66,051,001
	Rent, rates and taxes		1,392,000	
	Legal and professional charges		416,161,325	1,09,413,561
	Repairs and maintenance		4,918,789	4,457,792
	Power, light and water charges		16,299,950	16,299,950
	Postage and telephone		78,365,495	74,015,571
	Insurance expense		49,465,368	20,659,627
	NEPRA fee and charges		38,563,211	36,107,431
	Advertising and publicity		11,546,976	7,182,571
	Auditor's remuneration		2,000,000	1,725,000
	Miscellaneous expenses		34,405,133	17,647,439
			<u>8,077,202,082</u>	<u>7,463,592,975</u>

28.1 This includes a sum of Rupees 7 million (2019: Rupees 4.705 million) in respect of staff retirement benefits.

		30 Jun, 2020	2019
29.	DISTRIBUTION COSTS		
	Salaries, wages and other benefits	6,671,661,281	6,561,635,781
	Depreciation	5,219,164,421	4,520,343,359
	Repairs and maintenance	1,373,378,633	25,037
	Transportation	626,373,760	1,679,392,739
	(Reversal) / provision for slow moving stores, spares and loose tools		420,199,711
	Write-off of stores, spares and loose tools		
	Office supplies and other expenses	18,162,256	16,371,143
	Power, light and water charges	41,201,493	29,154,269
	Postage and telephone	22,944,543	21,667,651
	Advertising and publicity	190,330	168,690
	Miscellaneous expenses	56,551,054	70,284,641
		13,575,241,388	12,771,711,332

		30 Jun, 2020	2019
30.	CUSTOMER SERVICES COSTS		
	Salaries, wages and other benefits	489,753,673	501,464,171
	Transportation	29,366,454	38,090,541
	Electricity bill collection charges	213,774,367	65,564,199
	Depreciation	104,592,306	34,892,217
	Office supplies and other expenses	4,338,666	3,714,749
	Rent, rates and taxes	1,819,216	1,561,230
	Power, light and water charges	3,169,542	1,392,151
	Postage and telephone	2,207,456	1,106,117
	Repairs and maintenance	516,606	120,641
	Advertising and publicity		4,399
	Miscellaneous expenses	4,324,576	4,260,242
		879,995,673	652,264,241

		30 Jun, 2020	2019
31.	OTHER INCOME		
	Income from financial assets		
	Profit on bank deposits	430,259,307	35,139,131
	Late payment surcharge	1,038,411,399	1,498,639,174
		1,468,670,706	1,533,778,305
	Income from non-financial assets		
	Sale of scrap	78,376,137	71,664,471
	Valuing and processing fee	420700	51,363,316
	Income from Rest Houses	420700A	1,464,746
	Operating revenue	412008	338,323,826
	Gain on disposal of vehicles		
		372,601,117	443,366,359
	Others		
	Public lighting	16,034,491	14,843,143
	Commission on collection of electricity duty and PTV license fee	51,934,146	50,665,562
	Liquidated damages	420700	39,876,461
	Exchange gain		
	Meter / service rent	38,366,793	39,889,141
	Reconnection fees	4,445,853	3,692,160
	Miscellaneous	420700	108,094,373
		274,068,652	245,213,691
		2,113,341,146	2,243,368,296

32.	FINANCE COSTS		
	Interest on long-term loans	1,356,316,105	1,560,950,467
	Bank charges	4,577,646	7,023,563
	Exchange loss	14,085,720	88,589,530
		1,374,979,471	1,656,563,560

33.	TAXATION		
	Current		
	- For the year		1,508,924,451
	- Prior year		1,508,924,451
	Deferred		
			1,508,924,451

33.1 The provision for minimum taxation is calculated @ 7% (2019: 1.25%) of the Company's gross revenue and other income under the provisions of the Income Tax Ordinance, 2001.

33.2 The relationship between tax expense and accounting profit has not been presented in these financial statements as taxable income and tax liability are based on minimum tax payable on turnover for the year.

34 RECONCILIATION OF MOVEMENT OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

	NOTE	Rupees
Balance as at 01 July 2018		
Proceeds from long term loans		456,000,000
Non-cash settlement		1,417,000
Exchange loss		7,000,000
Balance as at 30 June 2019		10,742,485,000

35. REMUNERATION OF THE CHIEF EXECUTIVE AND DIRECTORS

35.1 Remuneration of the Chief Executive

	Chief Executive Officer		Executives	
	2020	2019	2020	2019
	Rupees			
Managerial remuneration and allowances	8,831,168	4,735,200	60,752,404	13,081,000
Bonus		172,820		1,100,000
Retirement benefits	4,012,228	1,771,311	64,258,602	25,100,121
	10,843,396	6,679,331	125,011,006	39,281,121

Number of persons

In addition, the Chief Executive is also provided with free transport, residential telephone and medical facilities.

The aggregate amount charged in the financial statements for the year as fee to directors is Rupees 8,309,000 (2019: Rupees 5,680,100) for attending Board of Directors and sub-committee meetings.

1 FINANCIAL RISK MANAGEMENT

1.1 Financial risk factors

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

Risk management is carried out by the Company's finance department under policies approved by the Board of Directors. The Company's finance department evaluates and hedges financial risks. The Board provides principles for overall risk management, as well as policies covering specific areas such as currency risk, other price risk, interest rate risk, credit risk, liquidity risk, use of derivative financial instruments and non-derivative financial instruments and investment of excess liquidity.

a) Market risk

i) Currency risk

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

Exposure to currency risk

The Company has taken foreign loans from Asian Development Bank and International Bank for Reconstruction and Development (IBRD) through Government of Pakistan (GoP), denominated in US \$, however, since the receipt and repayment of loan from GoP is in Pak rupee, and Exchange Risk Component is also being paid as part of its financing arrangement with GoP, it is not subject to currency risk on this financial instrument. However, the Company is exposed to currency risk on its loan from Asian Development Bank (ADB) for Earthquake Emergency Assistance Project as follows:

	30 Jun. 2020	2019
USD		
Long term loans - secured	1,754,794	1,167,000
Net exposure	1,754,794	1,167,000
The following significant exchange rates were applied during the year		
	30 Jun. 2020	2019
Rupees per USD		
Average rate		135.96
Reporting date rate	168.05	168.32

Sensitivity analysis

If the functional currency, at reporting date, had weakened / strengthened by 5% against the USD with all other variables held constant, the impact on loss after taxation for the year would have been Rupees 14.06 million (2019: Rupees 10.91 million) respectively higher / lower, mainly as a result of exchange gains / losses on translation of foreign exchange denominated financial instruments. Currency risk sensitivity to foreign exchange movements has been calculated on a symmetric basis. In management's opinion, the sensitivity analysis is unrepresentative of inherent currency risk as the year-end exposure does not reflect the exposure during the year.

$$f_{\text{max}} = f_0 \left(1 + \frac{\Delta f}{f_0} \right) = f_0 \left(1 + \frac{v}{c} \right)$$
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Rupees 5,339.00.

ii) Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is not exposed to commodity price risk.

iii) 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. At the reporting date, the Company has fixed interest rate due to which the Company is isolated from the financial risk due to change in interest rates.

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

	2019 Rupees	2018 Rupees
Fixed rate instruments		
Financial assets		
Deposit accounts		32,141,131
Financial liabilities		
Long term loans		3,262,680.47

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at reporting date would not affect profit or loss of the Company.

b) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

Exposure to credit risk

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

	2020 Rupees	2019 Rupees
Long term loans	237,942,334	15,151,301
Security deposits	73,738,230	71,381,121

Trade debts	128,680,358,558	98,970,187,577
Interest accrued on bank deposits	124,661,696	8,618,647
Other receivables	4,708,590,342	3,081,114,100
Receivables from TIBL	30,790,758	31,790,751
Bank balances	5,128,921,868	4,137,312,111
	<u>138,669,999,997</u>	<u>105,697,713,176</u>

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rate.
The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rate.

	Rating			2020	2019
	Short term	Long term	Agency	Rupees	Rupees
Public Sector Banks					
National Bank of Pakistan	A-1+	AAA	PACRA		10,000,000,000
Sindh Bank Limited	A-1	A+	VIS		1,000,000,000
The Bank of Khyber	A-1	A	PACRA		1,000,000,000
The Bank of Punjab	A-1+	AA	PACRA		1,000,000,000
Specialized Banks					
SME Bank Limited	B	CCC	PACRA		1,000,000,000
Zarai Taraqati Bank Limited	A-1+	AAA	VIS		1,000,000,000
Private Sector Banks					
Allied Bank Limited	A-1+	AAA	PACRA		1,000,000,000
Askari Bank Limited	A-1+	AA+	PACRA		1,000,000,000
Bank Alfiah Limited	A-1+	AA+	PACRA		1,000,000,000
Faysal Bank Limited	A-1+	AA	PACRA		1,000,000,000
Habib Bank Limited	A-1+	AAA	VIS		1,000,000,000
Habib Metropolitan Bank Limited	A-1+	AA+	PACRA		1,000,000,000
JS Bank Limited	A-1+	AA	PACRA		1,000,000,000
MCB Bank Limited	A-1+	AAA	PACRA		1,000,000,000
MCB Islamic Bank Limited	A-1	A	PACRA		1,000,000,000
Silkbank Limited	A-2	A-	VIS		1,000,000,000
Sonari Bank Limited	A-1+	AA	PACRA		1,000,000,000
Standard Chartered Bank (Pakistan) Limited	A-1+	AAA	PACRA		1,000,000,000
Summit Bank Limited	A-3	BBB	VIS		1,000,000,000
United Bank Limited	A-1+	AA	VIS		1,000,000,000
Other institutions	N/A	N/A	N/A		1,000,000,000
				<u>138,669,999,997</u>	<u>105,697,713,176</u>

The Company's exposure to credit risk and expected credit losses related to trade debts is disclosed in Note 7.

Due to the Company's long standing business relationships with these counter parties and after giving due consideration to their credit financial standing, management does not expect non-performance by these counter parties on their obligations to the Company. Accordingly, the credit risk is minimal.

c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient funds to meet its liabilities when due, under both normal and stressed conditions without incurring unacceptable losses or risking damage to the Company's reputation.

The following are the contractual maturities of financial liabilities:

	Carrying Amount	Contractual cash flows	Less than one year	One to five years	More than five years
			Rupees		
Non-derivative financial liabilities:					
2020					
Long term loans - secured					
Long term security deposits					
Trade and other payables	151,390,207,049				
Accrued mark-up					
	<u>151,390,207,049</u>				
2019					
Long term loans - secured	8,610,595,693	8,610,595,693	1,557,571,177	3,449,647,812	3,603,376,704
Long term security deposits	6,045,080,129	6,045,080,129			6,045,080,129
Trade and other payables	107,207,834,404	107,207,834,404	107,207,834,404		
Accrued mark-up	4,332,903,161	4,332,903,161	4,332,903,161		
	<u>126,195,413,387</u>	<u>126,195,413,387</u>	<u>113,098,308,742</u>	<u>3,534,335,742</u>	<u>9,648,456,833</u>

36.2 Financial Instruments by categories

	2020	2019
	Rupees	Rupees
At amortized cost	1,000,000,000	1,000,000,000

As at 30 June

Long term loans	231,941,214	-
Long term deposits	13,736,230	-
Trade debts	128,934,568,568	128,934,568,568
Interest accrued	124,561,896	124,561,896
Other receivables	4,706,690,343	4,706,690,343
Receivable from TIBT	39,792,756	39,792,756
Cash and bank balances	5,126,821,064	5,126,821,064
	138,962,999,897	138,962,999,897

At amortized cost:

Rupees

Liabilities as per statement of financial position:

Long term loans - secured	5,824,631,418	5,824,631,418
Long term security deposits	6,524,490,000	6,524,490,000
Trade and other payables	151,391,207,348	151,391,207,348
Accrued interest	5,889,221,266	5,889,221,266
	172,237,668,474	172,237,668,474

30 June 2024

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36.3 Offsetting financial assets and liabilities

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

36.4 Capital risk management

The objective of the Company when managing capital is to safeguard its ability to continue as a going concern. The Company is not exposed to any external capital requirement. As public interest entity, financial support is available to the Company from Federal Government and WAPDA in the form of delayed settlement of CPPA against electricity purchase, tariff revision and subsidy of the losses.

37 RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

Fair value hierarchy

Certain financial assets and financial liabilities are not measured at fair value if the carrying amounts are a reasonable approximation of fair value. Due to short term nature, carrying amounts of certain financial assets and financial liabilities are considered to be the same as their fair value. For the majority of the non-current receivables, the fair values are also not significantly different to their carrying amounts. Judgments and estimates are made in determining the fair values of the financial instruments that are recognized and measured at fair value in these financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company classifies its financial instruments into the following three levels. However, as at the reporting date, the Company has no such type of financial instruments which are required to be grouped into these levels. These levels are explained as under:

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market prices used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

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

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

38 RECOGNIZED FAIR VALUE MEASUREMENTS - NON FINANCIAL ASSETS

(i) Fair value hierarchy

The judgments and estimates made in determining the fair values of the non-financial assets that are recognized and measured at fair value are as follows:

At 30 June 2019	Level 1 Rupees	Level 2 Rupees	Level 3 Rupees	Total Rupees
Freehold land	-	13,119,841,459	-	13,119,841,459
Leasehold land	-	4,824,460,000	-	4,824,460,000
Buildings on freehold land	-	3,418,400,754	-	3,418,400,754
Buildings on leasehold land	-	364,574,374	-	364,574,374
Distribution equipment	-	84,185,185,216	-	84,185,185,216
	-	85,312,461,802	-	85,312,461,802

At 30 June 2018	Level 1 Rupees	Level 2 Rupees	Level 3 Rupees	Total Rupees
Freehold land	-	13,119,841,459	-	13,119,841,459
Leasehold land	-	4,824,460,000	-	4,824,460,000
Buildings on freehold land	-	3,279,729,893	-	3,279,729,893
Buildings on leasehold land	-	374,490,665	-	374,490,665
Distribution equipment	-	81,398,354,896	-	81,398,354,896
	-	82,998,666,852	-	82,998,666,852

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year. Further, there were no transfers out of level 3 measurements.

(ii) Valuation techniques used to determine level 2 fair values

The Company obtains independent valuations for its property, plant and equipment after regular intervals. The management updates the assessment of the fair value of each property, taking into account the most recent independent valuations. The management determines the property's value within a range of reasonable fair value estimates. The best evidence of fair value of land is current prices in the active market for similar lands. The best evidence of fair value of buildings is to calculate fair depreciated market value by applying a suitable annual rate of depreciation on the new construction / replacement value of the same building. The best evidence of fair value of plant, machinery and electric installations is to calculate fair depreciated market value by applying an appropriate annual rate of depreciation on the replacement value / new purchase of the same plant and machinery and electric installations.

39 RELATED PARTY TRANSACTIONS

WAPDA holds 88% (2019: 86%) shares of the Company, therefore all electricity generation and distribution undertakings of WAPDA as disclosed in note 11 and 23 to the financial statements are related parties of the Company. Other related parties comprise of directors, management personnel, Government of Pakistan and Government owned entities.

Revenue transactions with Government of Pakistan and Government owned entities are not disclosed as the management considers that it is impracticable to disclose such transactions due to the nature of the Company's operations.

Balances with related parties have been disclosed in respective notes to the financial statements. Transactions with electricity generation and distribution undertakings of WAPDA, other than remuneration and benefits to the Chief Executive as disclosed in note 30 to the financial statements, are as follows:

	30 Jun, 2020	30 Jun, 19
WAPDA		
Net Pension paid on behalf of WAPDA	71,108	83,950
Related parties		
Free electricity supplied on behalf of related parties	85,693,156	83,347,111
Free electricity supplied on behalf of Company	71,168,947	74,325,432
Assets transferred to the Company		
Electricity duty paid by the Company		
Pension paid on behalf of related parties	152,424,111	380,732,507
Pension paid on behalf of the Company	5,859,016	428,299,175
Cost of power purchased from CPPA	157,916,456,569	132,519,346,361
Cash remitted to CPPA	119,250,975,792	107,744,684,963
Payable to CPPA against subsidy adjustment		
Services provided to the Company	5,170,634,919	3,123,125,771
Government related entities		
Relevant loan received during the year		1,479,973,901
Adjusted during the year		(3,471,471,901)
Markup expense during the year		1,530,850,943
Subsidy claimed during the year		
Subsidy received through adjustment of CPPA	19,413,912,680	16,564,838,061
	(20,090,489,316)	116,496,621,638

40 NUMBER OF EMPLOYEES

The number of total employees at the year end were 10,698 (2019: 11,179) whereas the average number of employees during the year were 10,938 (2019: 12,350).

1 PROVIDENT FUND

The Company contributes to a general provident fund scheme, operated by WAPDA for all power sector companies.

2 CAPACITY

The Company's capacity of the electricity distribution depends on various factors including supply and demand of electricity and transmission and distribution losses. The Company distributed 10,442,004,735 (2019: 10,789,646,374) units of electricity to its consumers during the year.

3 BENAZIR EMPLOYEE STOCK OPTION SCHEME

On 14 August 2009, the Government of Pakistan (GoP) launched "Benazir Employee Stock Option Scheme" (the Scheme) for employees of certain State Owned Enterprises (SOEs) and Non-State Owned Enterprises (Non-SOEs) where GoP holds significant investments. The scheme is applicable to permanent and contractual employees who were in employment of these entities on the date of launch of the scheme, subject to completion of five year vesting period by all contractual employees and by permanent employees in certain instances.

The scheme provides for cash payments to employees on retirement or termination based on the price of shares of respective entities. In this scheme, GoP shall transfer 12% of its investments in such SOEs and Non-SOEs in a Trust Fund to be created for the purpose by each of such entities. The eligible employees are allotted units by each Trust Fund in proportion to their respective length of service. On retirement or termination, such employees would be entitled to receive such amounts from Trust Funds in exchange for the surrendered units as would be determined based on the price for listed entities or breakup value for non-listed entities. The shares relating to the surrendered units would be transferred back to GoP.

The scheme also provides that 50% of dividend related to shares transferred to the respective Trust Fund would be distributed amongst the participating employees. The balance 50% dividend would be transferred by the respective Trust Fund to the Central Revolving Fund managed by the Privatization Commission of Pakistan for payment to employees against surrendered units. The deficit, if any, in Trust Funds to meet the re-purchase commitment would be met by GoP. The Scheme, developed in compliance with the above stated GoP policy of empowerment of employees of SOEs need to be accounted for by the covered entities, including the Company, under the provisions of amended IFRS 2. However, keeping in view the difficulties that may be faced by the entities covered under the Scheme, the Securities and Exchange Commission of Pakistan in June 2011 vide SAC 587 (M2504) has received representations from some of entities covered under the Scheme and after having consulted the Institute of Chartered Accountants, has granted exemption to such entities from the application of IFRS 2 to the Scheme.

Management's report on the financial statements of the Company for the year ended 31st March 2019 has been audited by the auditors of the Company, who have issued their report on the financial statements of the Company for the year ended 31st March 2019.

10

10th Annual General Meeting of the Company

10th Annual General Meeting of the Company

4. CORRESPONDING FIGURES

Corresponding figures have been re-arranged wherever necessary for the purpose of comparison. Restatement due to rectification of prior period error described in the note 2.23. Deposit for issue of share capital is classified in equity for better presentation. No other reclassification / rearrangements of corresponding figures have been made except the following:

From	To	Rupees
Advances	Intangible asset under development	1,000,000
Long term deposits	Security deposits	1,000,000

5. DATE OF AUTHORIZATION FOR ISSUE

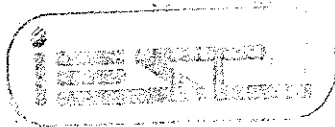
These financial statements were authorized for issue on _____ by the Board of Directors of the Company.

6. GENERAL

Figures in these financial statements have been rounded off to the nearest rupee.

CHIEF EXECUTIVE OFFICER

CHAIRMAN



ISLAMABAD ELECTRIC SUPPLY COMPANY LTD

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Fax: 051-9253286

Office of the
Finance Director IESCO
IESCO Head Quarters
Street # 40 G-7/4,
Islamabad

No. 4429 /IESCO/FDI/CPC/

Dated 20/09/2019

The Registrar, NEPRA
NEPRA Tower, G-5/1
Islamabad.

"ADDENDUM"

Subject: **REQUEST FOR DISTRIBUTION MARGIN FOR FY 2019-20**

Dear Sir,

In continuation of this office letter No. 3909/IESCO/FDI/CPC dated: 06th Sep, 2019 regarding annual component of adjustments for FY 2018-19 (under Multi Year Tariff Regime). The following addendum is incorporated here: -

Sr. No.	Description	Projected FY 2019-20 (Rs. In Millions)
01	Salaries and wages	10,954
02	Post Retirements Benefits	5,410
03	Other Operating Expenses	3,361
	O&M Cost	19,725
04	Depreciation	5,184
05	RORB	5,293
	Gross Distribution Margin	30,202
06	Other income	(809)
	Net Distribution Margin	29,393

01. **Salaries and Wages**

Subhead wise detail is as under please:

- Enhancement of 10% (BPS-1-16) & 5% (BPS-17-20) in Pay & Allowances allowed by GOP.

Rs. 400 (M)

- ii. Impact of New Recruitment (4,649 No.) Rs. 1,238 (M)
- iii. Incremental Effect. Rs. 225 (M)
- iv. Due to enhancement of different allowances allowed by IESCO-BOD Rs. 675 (M)
i.e. enhancement in Marriage Grant, enhancement in Danger Allowance,
adoption of PEPCO healthcare policy as a whole and procurement of
uniform sets for line staff.

02 Post Retirements Benefits

Post Retirement Benefit for FY 2018-19 is Rs. 4,918 Million, the projection for FY 2019-20 is Rs. 5,410 Million after incorporating inflationary impact.

03 Other Operating Expenses

These are the following reasons for Enhancement in Other Operating Expenses: -

- i. Due to Inflationary impact.
- ii. IESCO-BOD also approved Prime Minister Assistance Package amounting to Rs. 133 (M).

04 Depreciation

Depreciation for FY 2018-19 is Rs. 4,713 Million, 10% increase is projected.

05 RORB

Return is calculated at 13.25% at present KIBOR.

06 Other Income

Last payment surcharge is deducted from Other Income.

We shall be thankful if the authority shall allow the above mentioned addendum in the Distribution margin FY 2019-20. In case any further clarification/information is required, please intimate.

D.A/As above.

Regards

(Raees Haider)
Finance Director
IESCO Islamabad