

Islamabad Electric Supply Company Limited

Balance Sheet

As at 30 June 2012

| Note | 2012 Rupees | 2011 Rupees Restated | 2010 Rupees Restated |
|--|------------------------|----------------------------|----------------------------|
| EQUITY AND LIABILITIES | | | |
| SHARE CAPITAL AND RESERVES | | | |
| <i>Authorized:</i> | | | |
| 5,000,000,000 ordinary shares of Rupees 10 each | <u>50,000,000,000</u> | <u>50,000,000,000</u> | <u>50,000,000,000</u> |
| Issued, subscribed and paid up share capital | 4 5,798,253,342 | 5,798,253,342 | 5,798,253,342 |
| Accumulated (loss) / profit | (7,109,732,237) | 6,137,789,662 | 5,218,386,118 |
| Shareholders' equity | <u>(1,311,478,895)</u> | <u>11,936,043,004</u> | <u>11,016,639,460</u> |
| Surplus on revaluation of property, plant and equipment - net of tax | 5 14,696,560,125 | 11,257,545,937 | 11,510,219,904 |
| NON-CURRENT LIABILITIES | | | |
| Long term loans - secured | 6 4,473,913,093 | 2,476,935,840 | 2,869,024,951 |
| Deferred liabilities | | | |
| Staff retirement benefits | 7 5,499,532,219 | 5,064,211,276 | 4,450,460,001 |
| Deferred tax liability | 8 3,221,979,634 | 2,807,182,821 | 2,943,238,034 |
| Deferred credit | 9 17,322,509,427 | 15,035,459,377 | 12,372,881,094 |
| | <u>26,044,021,280</u> | <u>22,906,853,474</u> | <u>19,766,579,129</u> |
| TOTAL NON-CURRENT LIABILITIES | <u>30,517,934,373</u> | <u>25,383,789,314</u> | <u>22,635,604,080</u> |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 10 46,534,635,522 | 28,255,870,107 | 21,387,361,929 |
| Accrued markup | 1,530,747,793 | 781,205,626 | 337,801,248 |
| Current maturity of long term loans | 1,057,931,373 | 1,643,846,390 | 421,778,968 |
| | <u>49,123,314,688</u> | <u>30,680,922,123</u> | <u>22,146,942,145</u> |
| | <u>93,026,330,291</u> | <u>79,258,300,378</u> | <u>67,309,405,589</u> |

CONTINGENCIES AND COMMITMENTS 11

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

CHIEF EXECUTIVE

ASSETS

NON-CURRENT ASSETS

| | | | |
|-----------------------------------|-----------------------|-----------------------|-----------------------|
| Property, plant and equipment | 12 57,409,636,553 | 48,564,776,931 | 43,765,499,157 |
| Long term loans - considered good | 13 33,231,043 | 28,338,396 | 18,209,408 |
| Long term deposits | 135,830 | 125,830 | 125,830 |
| TOTAL NON-CURRENT ASSETS | <u>57,443,003,426</u> | <u>48,593,241,157</u> | <u>43,783,834,395</u> |

CURRENT ASSETS

| | | | |
|--|-----------------------|-----------------------|-----------------------|
| Short term investments - loans and receivable | 14 1,500,538,046 | - | - |
| Stores, spare parts and loose tools | 15 2,783,206,026 | 2,613,168,094 | 3,148,167,635 |
| Trade debts | 16 23,011,154,306 | 18,184,868,890 | 11,125,836,106 |
| Loans and advances - considered good | 17 515,219,142 | 301,167,953 | 506,835,109 |
| Prepayments | 131,035 | 10,000 | 2,951,501 |
| Interest accrued | 52,597,755 | 29,009,646 | 28,491,303 |
| Advance income tax | 103,691,333 | 79,147,387 | 55,308,828 |
| Other receivables | 18 6,348,172,299 | 6,860,269,581 | 5,332,330,112 |
| Receivable from Government (Ministry of Finance) | 19 - | - | 958,029,840 |
| Cash and bank balances | 20 1,268,616,923 | 2,597,417,670 | 2,367,620,760 |
| | <u>35,583,326,865</u> | <u>30,665,059,221</u> | <u>23,525,571,194</u> |
| | <u>93,026,330,291</u> | <u>79,258,300,378</u> | <u>67,309,405,589</u> |

CHAIRMAN

CHAIRMAN

Islamabad Electric Supply Company Limited

Profit and Loss Account

For the year ended 30 June 2012

| | Note | 2012 Rupees | 2011 Rupees |
|--|--------|-------------------------|-------------------------|
| Sale of electricity | 21 | 62,716,430,181 | 57,386,072,089 |
| Subsidy from Government of Pakistan on sale of electricity | | <u>10,160,292,299</u> | <u>10,744,000,785</u> |
| | | 72,876,722,480 | 68,130,072,874 |
| Rental and service income | 22 | <u>31,925,999</u> | <u>27,298,134</u> |
| | | 72,908,648,479 | 68,157,371,008 |
| Amortization of deferred credit | 9 | <u>735,960,265</u> | <u>700,935,908</u> |
| | | 73,644,608,744 | 68,858,306,916 |
| OPERATING COST | | | |
| Cost of electricity | 23 | (80,312,851,968) | (63,027,738,855) |
| Other operating cost excluding depreciation | 24 | (6,129,805,407) | (5,199,751,855) |
| Depreciation on property, plant and equipment | 12.1.1 | (1,528,288,105) | (1,286,714,496) |
| | | <u>(87,970,945,480)</u> | <u>(69,514,205,206)</u> |
| | | (14,326,336,736) | (655,898,290) |
| Other income | 25 | <u>1,260,062,674</u> | <u>1,410,139,400</u> |
| | | (13,066,274,062) | 754,241,110 |
| Financial charges | 26 | (574,361,036) | (195,636,516) |
| Workers' Profit Participation Fund (WPPF) | | - | (27,930,230) |
| Net (loss)/profit before taxation | | <u>(13,640,635,098)</u> | <u>530,674,364</u> |
| Taxation - deferred | 27 | <u>137,589,620</u> | <u>136,055,213</u> |
| Net (loss)/profit after taxation | | <u>(13,503,045,478)</u> | <u>666,729,577</u> |

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

CHIEF EXECUTIVE

CHAIRMAN

Islamabad Electric Supply Company Limited

Cash Flow Statement

For the year ended 30 June 2012

| | Note | 2012 Rupees | 2011 Rupees |
|--|--------|-------------------------|------------------------|
| CASH FLOW FROM OPERATING ACTIVITIES | | | |
| Net (loss) / profit before taxation | | (13,640,635,098) | 5,30,674,364 |
| Adjustments for non-cash charges and other items: | | | |
| Depreciation | 12.1.1 | 1,537,885,568 | 1,295,836,485 |
| Provision for staff retirement benefits | 7.2 | 1,030,400,018 | 955,775,736 |
| Amortization of deferred credit | 9 | (735,960,265) | (700,935,908) |
| Items of property, plant and equipment written off | | - | 988,213 |
| Profit on bank deposits | | (240,134,948) | (260,979,684) |
| Exchange difference - net | | (105,710,906) | 16,144,559 |
| Financial charges | 26 | 574,361,036 | 195,636,517 |
| | | <u>2,060,840,503</u> | <u>1,502,465,918</u> |
| Cash flows from operations before working capital changes | | (11,579,794,595) | 2,033,140,282 |
| (Increase) / decrease in current assets: | | | |
| Stores, spare parts and loose tools | | (170,037,932) | 534,999,541 |
| Trade debts | | (4,826,285,416) | (7,059,032,784) |
| Loans and advances | | (214,051,189) | 205,667,156 |
| Prepayments | | (121,035) | 2,941,501 |
| Other receivables | | 512,097,282 | (1,527,939,468) |
| Receivable from GOP | | - | 958,029,840 |
| Long term deposits | | (10,000) | - |
| | | <u>(4,698,408,290)</u> | <u>(6,885,334,213)</u> |
| Increase in trade and other payables | | <u>21,301,775,730</u> | <u>10,367,954,788</u> |
| Cash flows from operations | | 5,023,572,845 | 5,515,760,857 |
| Staff retirement benefits paid | | (595,079,075) | (342,024,461) |
| Income tax paid | | (24,543,946) | (23,838,559) |
| Financial charges paid (including Rs. 221.184 million (2011: Rs.873.492 million) capitalised during the year) | | <u>(46,002,903)</u> | <u>(199,886,581)</u> |
| Net cash generated from operating activities | | 4,357,946,921 | 4,950,011,256 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Capital expenditure incurred during the year | | (5,914,636,956) | (5,648,448,032) |
| Profit received on bank deposits | | 216,546,839 | 260,461,341 |
| Long term loans repaid during the year | | (4,892,647) | (10,128,988) |
| Short term investments - loans and receivable | | (1,500,538,046) | - |
| Net cash used in investing activities | | (7,203,520,810) | (5,398,115,679) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Repayment of long term loans | | (363,636,364) | (363,636,364) |
| Proceeds from long term loans | | <u>1,880,409,506</u> | <u>1,041,537,697</u> |
| Net cash generated from financing activities | | 1,516,773,142 | 677,901,333 |
| Net (decrease) / increase in cash and cash equivalents | | (1,328,800,747) | 229,796,910 |
| Cash and cash equivalents at beginning of the year | | <u>2,597,417,670</u> | <u>2,367,620,760</u> |
| Cash and cash equivalents at end of the year | 20 | 1,268,616,923 | 2,597,417,670 |

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

CHIEF EXECUTIVE

CHAIRMAN