

FINANCIAL STATEMENTS

M/S SINDH TRANSMISSION & DISPATCH
COMPANY (PVT.) LIMITED

JUNE 30, 2015

SALAHUDDIN & CO.

CHARTERED ACCOUNTANTS

514, 5TH FLOOR, MADINA CITY MALL,
ABDULLAH HAROON ROAD, SADDAR,
KARACHI - 744000

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SALAHUDDIN & CO.

CHARTERED ACCOUNTANTS

AUDITORS' REPORT TO THE MEMBERS

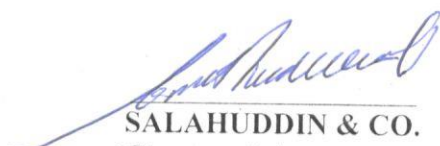
We have audited the annexed Statement of Financial Position of **M/S SINDH TRANSMISSION & DISPATCH COMPANY (PVT.) LIMITED** as at June 30, 2015 and related Income & Expenditure Account, Statement of Cash Flows, Statement of Changes in Equity and notes to the accounts forming part thereof, for the best of our knowledge and belief, were necessary for the purpose of our audit.

It is the responsibility of the company's management to establish and maintain a system of internal control, and prepare and present the above said statement in conformity with accounting standards and requirement of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these financial statements based on our audit.

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

- (a) In our opinion proper books of accounts have been kept by the company as required by the Companies Ordinance, 1984.
- (b) In our Opinion:
 - (i) The Statement of Financial Position and notes thereon have been drawn up in conformity with Companies Ordinance, 1984 and in agreement with the books of account and are further accordance with accounting policies consistently applied;
 - (ii) The expenditure incurred during the period was for the purpose of the Company's business; and
 - (iii) The expenditure incurred during the period of twelve months were in accordance with the company; and
- (c) In our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet notes forming part thereof confirm with approved accounting standards as applicable in Pakistan, and give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs at June 30, 2015, and net loss for the year ended; and
- (d) In our opinion, no Zakat was deductible at source under the Zakat & Ushr Ordinance 1980.

KARACHI.
Dated: October 16, 2015


SALAHUDDIN & CO.
(Chartered Accountants)



M/S SINDH TRANSMISSION & DISPATCH COMPANY (PVT.) LIMITED
BALANCE SHEET
AS AT JUNE 30, 2015

	Note	2015 Rupees		Note	2015 Rupees
<u>SHARE CAPITAL & RESERVE</u>			<u>OPERATING FIXED ASSETS</u>		
SHARE CAPITAL			Tangible Assets (W.D.V.)		
Authorized:					
100,000 ordinary shares of Rs 10 each /-		<u>1,000,000</u>			
Issued, subscribed and paid-up	3	1,000,000			
RESERVES					
Un Appropriated Profit/(Loss)		(241,513)			
		<u>758,487</u>			
 <u>CURRENT LIABILITIES</u>			<u>CURRENT ASSETS</u>		
Creditors, Accrued and Other Liability	4	363,000	Advances, Deposits & Prepayments		166,602
Other Payable - Government of Sindh		299,000,000	Advance Income Tax		16,460
		<u>299,363,000</u>	Cash & Bank Balances	5	299,938,425
					<u>300,121,487</u>
		<u>300,121,487</u>			<u>300,121,487</u>

Annexed notes form an integral part of these financial statements


 Chief Executive


 Director



M/S SINDH TRANSMISSION & DISPATCH COMPANY (PVT.) LIMITED
INCOME & EXPENDITURE ACCOUNT
FOR THE YEAR ENDED ON JUNE 30, 2015

	Note	2015 (Rupees)
<u>Income</u>		
Return on Bank Balances		185,113
Other Income		20,000
		205,113
<u>Expenditure</u>		
Staff Salaries & Benefits		100,000
Stationary / Office Supplies		10,150
Legal & Professional Charges		43,700
Honorarium Expense		290,000
Misc Expense		225
Financial Charges		500
		(444,575)
Net Profit / (Loss) before Taxation		(239,462)
Less Income Tax		(2,051)
Net Profit / (Loss) after Taxation		(241,513)
<u>Un-Appropriated Profit & Loss Account:</u>		
Un-Appropriated Profit & Loss B/F		-
Profit / (Loss) for the Year		(241,513)
Un-Appropriated Profit & Loss Carried Over to Balance Sheet		(241,513)

Annexed notes form an integral part of these financial statements



Chief Executive



Director



M/S SINDH TRANSMISSION & DISPATCH COMPANY (PVT.) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED ON JUNE 30, 2015

	2015 (Rupees)
Cash flows from operating activities	
Net Profit for the period before Tax	(239,462)
Adjustment for Depreciation	-
Adjustment for Financial Expenses	500
Operating Profit before changes in working capital	(238,962)
(Increase)/decrease in Current Assets	
Advances, Deposits & Prepayments	(166,602)
Advance Income Tax	(16,460)
(Decrease)/increase in Current Liabilities	
Creditors, Accrued & Other Liabilities	299,363,000
	299,179,938
Income Tax paid	(2,051)
Financial Charges Paid	(500)
Net cash from Operating Activities	298,938,425
Cash flows from investing activities	
Increased in Fixed Assets	-
Long Term Deposits	-
	-
Cash flows from financial activities	
Issued, Subscribed and Paid up	1,000,000
Long Term Loan	-
	1,000,000
Net (decrease)/increase in cash and cash equivalents	299,938,425
Cash and cash equivalents at beginning of the year	-
Cash and cash equivalents at end of the year	299,938,425

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 Chief Executive



 Director



M/S SINDH TRANSMISSION & DISPATCH COMPANY (PVT.) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED ON JUNE 30, 2015

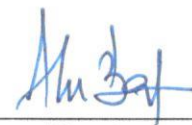
Issued, subscribed and paid up capital	Accumulated Profit & (Loss)	Total
Rupees		

Balance as at June 30, 2014	1,000,000	-	1,000,000
Profit / (Loss) for the year ended June 30, 2015	-	(241,513)	(241,513)
Balance as at June 30, 2015	1,000,000	(241,513)	758,487

Annexed notes form an integral part of these financial statements



Chief Executive



Director



M/S SINDH TRANSMISSION & DISPATCH COMPANY (PVT.) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON JUNE 30, 2015

1 STATUS AND NATURE OF BUSINESS

SINDH TRANSMISSION & DISPATCH COMPANY (PVT.) LIMITED was incorporated on 7th January 2015 as a private limited company under companies ordinance 1984. The company is a wholly owned subsidiary of Sindh Energy Holding Company (Pvt.) Limited which is a provincial holding company of Government of Sindh. The company is mainly engaged in the business of Transmission & Distribution of electricity in the province of Sindh under license issued by National Electric Power Regulatory Authority (NEPRA).

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Accounting convention

These financial statements have been prepared under historical cost convention without taking into account the effect of inflation or current cost.

2.2 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan and the requirements of the Companies Ordinance, 1984. Approved accounting standards comprise of such International Accounting Standards as notified under the provisions of the Companies Ordinance, 1984. Wherever, the requirements of the Companies Ordinance, 1984 or directives issued by the Securities and Exchange Commission of Pakistan differ with the requirements of these standards, the requirements of Companies Ordinance, 1984 or the requirements of the said directives take precedence.

2.3 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 judgments in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods effective.

These estimates and judgments that have a significant effect on the financial statements are in respect of the followings:

- (i) Determining the residual values and useful lives of assets and methods of depreciation
- (ii) Impairment of assets

2.4 Fixed assets - tangible

Owned

The rates used are stated in note 4 to the financial statements. Full year's depreciation is charged in the year of addition whereas no depreciation is charged in the year of disposal.

Maintenance and normal repairs are charged to statement of comprehensive income as and when incurred; whereas major renewals and improvements are capitalized and the assets so replaced, if any, are retired. Any gains and losses on disposal of assets are taken to the statement of comprehensive income.

2.5 Impairment of assets

At each Reporting date, the carrying value of fixed assets is reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If such indications exist and where the carrying value exceeds the estimated recoverable amount, the assets are written down to the recoverable

2.6 Trade debts

Trade debts originated by the Company are recognized and carried at original invoice amount less provision for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written-off when identified.

2.7 Taxation

Provision for current taxation is based on taxable income at the current rates of taxation after taking into account tax credits and rebates available. The company provides for deferred taxation on all timing differences.

2.8 Trade and other payables

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



2.9 **Provisions**

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

2.10 **Financial instruments**

All financial assets and financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. All the financial assets are derecognized at the time when the Company loses control of the contractual rights that comprise the financial assets. All financial liabilities are derecognized at the time when they are extinguished that is, when the obligation specified in the contract is discharged, cancelled, or expired. Any gain or loss on recognition / derecognizing of the financial assets and financial liabilities is taken to statement of comprehensive income.

2.11 **Offsetting of financial assets and financial liabilities**

A financial asset(s) and a financial liability(ies) is offset and the net amount reported in the statement of changes in financial position if the Company has a legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously, if any. Corresponding income and expenditure if any, are also netted off and reported on a net basis in the statement of comprehensive

2.12 **Foreign currency translation**

Transactions in foreign currencies are translated into Pak Rupees (presentation currency) at the rates of exchange prevailing on the date of transactions. Monetary assets and liabilities denominated in foreign currencies are translated in to Pak Rupees at the rates ruling at the reporting date. Exchange differences on foreign currency translations are included in statement of comprehensive income.

2.13 **Revenue recognition**

Commission is recorded at the time of issuance of ticket.

2.14 **Cash and cash equivalents**

For the purpose of the cash flow statement, cash and cash equivalents consist of cash in hand, cheques / pay orders in hand, bank balances .

	<u>2015</u> <u>(Rupees)</u>
3 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL:	
30.06.15	
(Numbers of Shares)	
<u>100,000</u> Ordinary shares of Rs. 10/- each fully paid in cash	<u>1,000,000</u>
4 CREDITORS, ACCRUED AND OTHER LIABILITIES:	
Creditors, Accrued and Other Liabilities	<u>363,000</u>
5 CASH & BANK BALANCES:	
Cash and Bank Balances	<u>299,938,425</u>



**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON JUNE 30, 2015**

6 PRESENTATION OF ACCOUNTS:

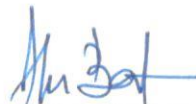
- 6.1 Figures have been rounded off to the nearest rupee.
- 6.2 Previous year's figures have been re-arranged and re-classified wherever necessary for the purpose of comparison.

7 DATE OF AUTHORISATION:

These financial statements were authorized for issue on **October 16, 2015** by the Board of Directors of the Company.



Chief Executive



Director

