

**URBAN SECTOR PLANNING & MANAGEMENT  
SERVICES UNIT (PRIVATE) LIMITED**

**FINANCIAL REPORT**

**For the year ended June 30, 2016**



**THE URBAN UNIT**  
Urban Sector Planning & Management Services Unit (PSU) Ltd.  
A Public Sector Company



# THE URBAN UNIT

Urban Sector Planning & Management Services Unit (Pvt.) Ltd.

A Public Sector Company.



No: \_\_\_\_\_

Date: \_\_\_\_\_

## **DIRECTORS' REPORT TO THE MEMBERS:**

Dear Members,

The Board of Directors is pleased to present the fourth Audited Financial Statements together with the Auditors' Report thereon of Urban Sector Planning and Management Services Unit (Pvt.) Limited (the Company) for the year ended 30 June 2016.

These Financial Statements present fairly the state of affairs of the Company as well as the result of its operations, assets, liabilities, revenues, expenses, cash flows and changes in equity. The accounting policies, mentioned in the Notes to these Financial Statements, have been consistently applied and prudent judgments have been used in the application of accounting estimates. Further, all expenditures are within the limits approved by the Board at the start of the financial year.

The Board of Directors met eleven times during the year and Dr. Nasir Javed remained the Chief Executive Officer of the Company throughout the year. There was no change in the composition of the Board of Directors during the year. Detail of attendance of the Directors in board meetings held during the year is as follows:

Name of Directors:	Board Meeting Number										
	18 <sup>th</sup>	19 <sup>th</sup>	20 <sup>th</sup>	21 <sup>st</sup>	22 <sup>nd</sup>	23 <sup>rd</sup>	24 <sup>th</sup>	25 <sup>th</sup>	26 <sup>th</sup>	27 <sup>th</sup>	28 <sup>th</sup>
Dr. Ali Cheema	P	P	P	P	P	P	P	-	P	P	-
Mr. Rafay Alam	P	P	P	P	P	P	-	P	P	P	P
Mr. Aslam Javed	P	P	P	P	P	P	P	P	P	P	P
Dr. Nasir Javed	P	P	P	-	P	P	P	P	P	P	P
Finance Deptt Rep.	-	P	P	P	P	P	P	P	P	P	-

The Directors were paid Rupees 10,000/- in lieu of travelling and other costs for attending every Board Meeting, Committee Meeting and General Meeting during the year. Rupees 40,000 were paid to one of our Directors for his participation as a speaker on the "Waste Management Companies Orientation Session" held on 14<sup>th</sup> November 2015. No other benefits or salaries or fee was paid to any Non-Executive Director during the year.

As per the revised Articles of Association of the Company, the number of Directors of the Company were increased to nine, however appointment of further Directors on the Board is awaited from the competent authority. The Board currently comprises of five Directors including the Chief Executive Officer with four vacant slots.

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Directors' Report of Urban Sector Planning and Management Services (Pvt.) Limited for the year ended June 30, 2016

All correspondence must be addressed to the **Chief Executive Officer**

### Pattern of Shareholding:

Categories of shareholders required under Public Sector Companies (Corporate Governance) Rules, 2013.

Shareholders' Categories	Number of Shares held	Percentage
<b>Government</b>		
1. Representative Government of the Punjab, Planning and Development Department	997	99.70%

### Directors, Chief Executive, and their spouse and minor child (name wise details)

1. Dr. Nasir Javed	1	0.10%
2. Dr. Ali Cheema	1	0.10%
3. Mr. Ahmed Rafay Alam	1	0.10%

### Shareholders holding five percent or more voting right in the Public Sector Company (name wise details)

1. Representative Government of the Punjab, Planning and Development Department.	997	99.70%
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### Main activities during the year:

The Urban Unit gave support services to the Excise and Taxation Department in connection with the Urban Immoveable Property Tax (UIPT) Project which was concluded in the previous financial year to ensure 100% accurate computerized tax challans were printed and distributed to 2.2 million households from five large cities of the Punjab. Based on the unprecedented success of this project, the PC-1 for launching the next phase covering the remaining districts of the Punjab has been approved and is currently being executed by the Urban Unit.

The World Bank's Punjab Cities Governance and Improvement Project (PCGIP) has entered into its final year of implementation. The funding from the World Bank for the upcoming financial year has been delayed but is expected to be released by December 2016 on completion of IDAMP component in five CDGs and five WASAs. Lahore CDG, Lahore & Gujranwala WASAs have already been completed along with IDAMP framework.

Some of the other major projects completed during the year included:

- Implementation of GIS Plan under the Sub-National Governance Program in four Districts of the Punjab and Khyber Pakhtunkhwa
- Punjab Skill Development Fund's "Skill for Employability 2015" Scheme funded by UKAID
- Punjab Healthcare Commission's "Census of Healthcare Establishments all over the Punjab" covering Five Divisions of the Punjab

- First and Second Phase of the GIS based monitoring of the “Khadim-e-Ala Punjab Rural Roads Program.”
- Consultancy Services for Development of Pedestrian Precincts and Parking Facilities in Peshawar
- Joint Capacity Building Program with the Punjab Procurement Regulatory Authority (PPRA)
- Collaborative project with DAI-EDACE and Punjab Commission on the Status of Women for executing the “Punjab Gender Management Information System Project” funded by the Foreign Commonwealth Office, UK

The Urban Unit completed setting up the Punjab Water and Sanitation Academy funded by WASA, Lahore and a number of successful courses were conducted during the year in collaboration with the Japan International Cooperation Agency (JICA). The Company is also close to completing its landmark project titled “the Development of Eco-Tourism in Soon Valley at Khabeki and Uchali Lake, Khushab”, in cooperation with the Tourism Development Corporation Punjab, Youth Affairs, Sports, Archeology & Tourism Department, Government of the Punjab.

Other projects which are close to completion include the Asset Management of Pakistan Railway Land through GIS based Computerization and Development of Database Software for MIS, Spatial Data Infrastructure Management System and Computerization and Automation of Estate Wing Processes for the Federal Government Housing Foundation, Detailed Design and Construction Supervision of the Sewerage and Sanitary System of Gilgit City for the Gilgit Development Authority, Feasibility and Technical Support on the New City Development along Motorway (M-2) Corridor, MIS/GIS Survey Project for Punjab Saaf Pani Company, Government of the Punjab and Technical Assistance on the Asian Development Bank’s Punjab Cities Improvement Investment Plan.

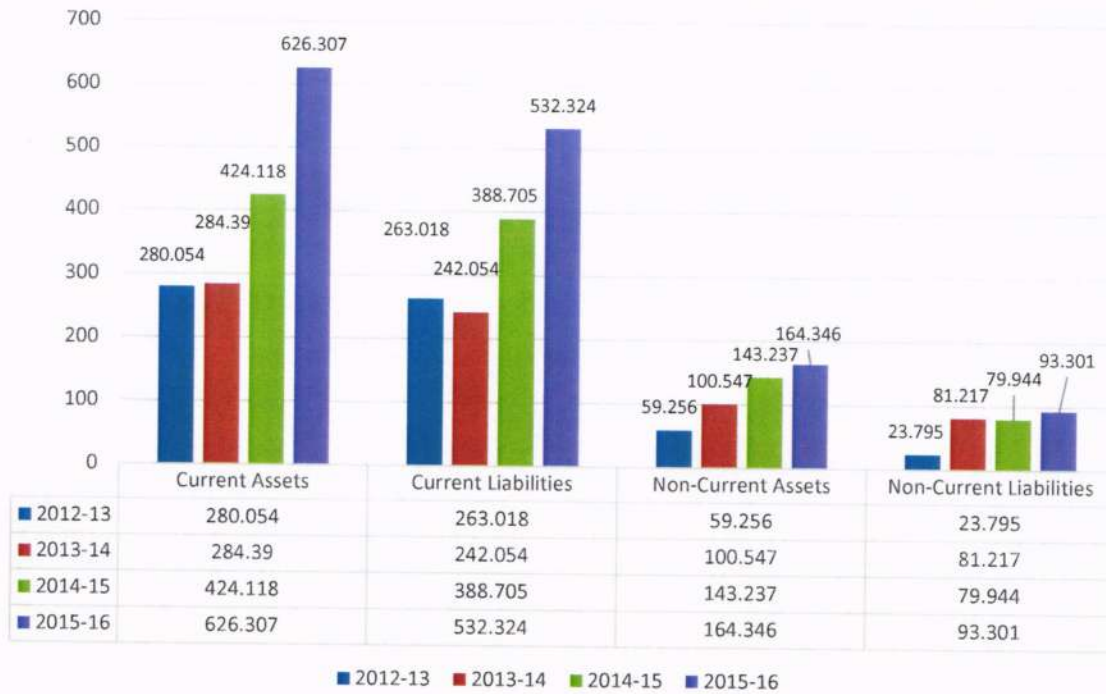
The second phases of the Implementation of GIS Plan under the Sub-National Governance Program funded by Oxform Policy Management Limited covering eight further districts of the Punjab and Khyber Pakhtunkhwa along with the previous four districts covered in the first phase and the Punjab Healthcare Commission’s “Census of Healthcare Establishments all over the Punjab” covering the remaining divisions of the Punjab were initiated during the year based on the success of the initial phases. In addition, the third phase of the GIS based monitoring of the “Khadim-e-Ala Punjab Rural Roads Program” was also awarded to the Urban Unit which is expected to be completed in December 2016.

Other projects initiated during the year included Conservation and Restoration of Government House Murree, Establishment of Segregation, Treatment & Disposal Plant (Sahiwal), Restoration and Up-gradation of Murree Mall Road, Establishment of Media Monitoring Cell and various smaller projects. In addition, the Urban Unit has been awarded the Punjab Spatial Strategy Project 2016-2020 which will start in the FY 2016-17 along with the Property Tax Survey to Develop Provincial Digitization Model, Sukkar.

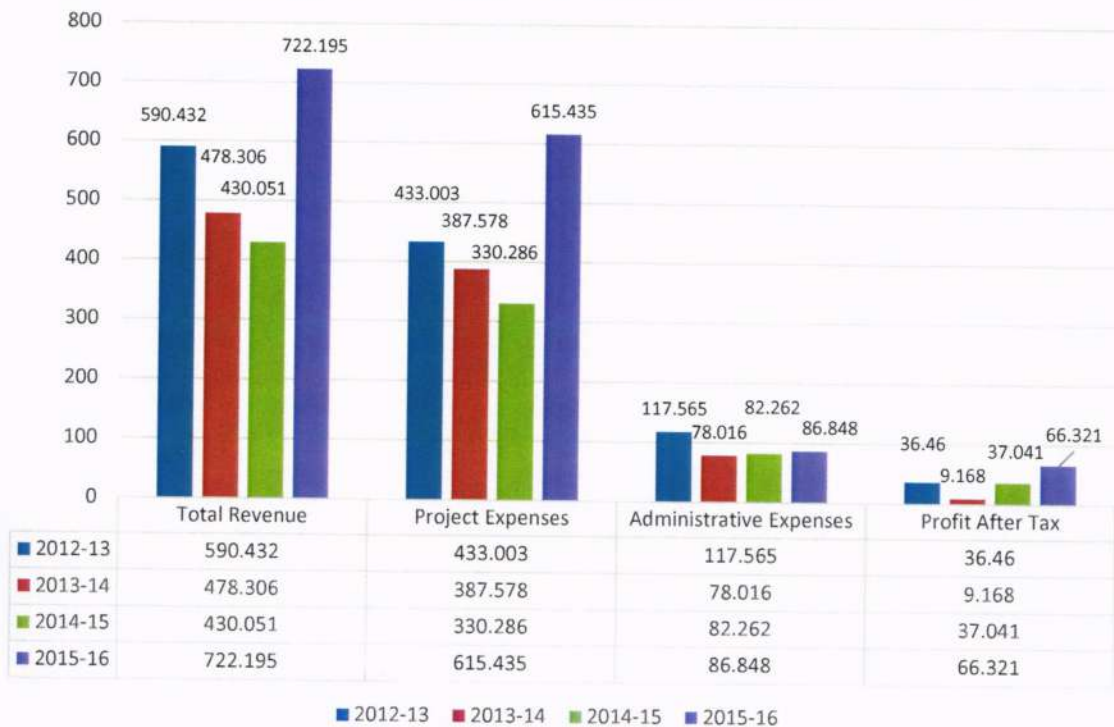
#### **Financial Position of the Company:**

Following the Company’s goal to run on self-sustainable basis, the Company successfully generated revenue of Rupees 722.195 million (2015: Rupees 430.051 million) in its fourth year of incorporation recording a profit before tax of Rupees 66.321 million (2015: Rupees 37.040 million), which is 55% more than the combined profits for the last two years, without any budgetary support from the Government. A brief summary of financial results since incorporation is as follows:

Balance Sheet Items 4 year comparison (Rupees in millions)



Profit and Loss Items 4 year comparison (Rupees in millions)



**Internals Control and Compliance:**

The Board is fully compliant with the Public Sector Companies (Corporate Governance) Rules, 2013 however most of the sub committees of the Board have been unable to perform their functions properly

**Internals Control and Compliance:**

The Board is fully compliant with the Public Sector Companies (Corporate Governance) Rules, 2013 however most of the sub committees of the Board have been unable to perform their functions properly due to the vacancies prevalent in the Board since a year and a half. Once further nominations are made to the Board, the sub committees would be re-constituted and would be able to play a more active role. The Board is aware of its responsibility of establishing and maintaining a sound system of internal control within the Company. Proper books of accounts have been maintained by the management and financial statements for the first, second and third quarter were presented to the Board for approval during the year.

**Statutory Audit for the Financial Year 2015-16:**

The annual audit of the Company for the year ended 30 June 2016 was conducted by M/s Horwath Hussain Chaudhry & Co., a reputable and well renowned audit firm. The Audit Report on the financial statements gave a clean and unqualified opinion. The financial statements of the Company have been prepared on the basis of going concern since the management satisfactorily believes that the Company will continue in existence for the foreseeable future.

On behalf of the Board of Directors



**(Dr. Nasir Javed)**

Chief Executive Officer

# ڈائریکٹرز کی ممبرز کو رپورٹ

پیارے ممبران!

بورڈ آف ڈائریکٹرز نہایت خوشی کے ساتھ اربن سیکٹر پلاننگ اور مینجمنٹ سروسز یونٹ (پرائیویٹ) لمیٹڈ (جس کیلئے اس رپورٹ میں ”کمپنی“ کا لفظ استعمال کیا جائے گا) کی چوتھی آڈٹ شدہ فنانشل سٹیٹمنٹس اور ان پر آڈیٹر کی رپورٹ برائے سال معتمہ 30 جون 2016 پیش کر رہا ہے۔

یہ فنانشل سٹیٹمنٹس نہایت عمدگی سے کمپنی کے حالات کے ساتھ ساتھ اس کے کاموں کے نتائج، اثاثہ جات، بقرضہ جات، محاصل، اخراجات، کیش فلوز اور ایکویٹی میں تبدیلیوں کو بیان کرتی ہیں۔ حساب کتاب کرنے کی پالیسیاں جو کہ ان فنانشل سٹیٹمنٹس کے نوٹس میں درج کی گئی ہیں ان کا تسلسل سے اطلاق کیا گیا ہے اور حسابی تخمینوں کا اطلاق کرنے میں محتاط فیصلوں سے کام لیا گیا ہے۔ مزید برآں، تمام تر اخراجات ان حدود کے اندر اندر ہیں جن کی بورڈ نے اس مالی سال کے آغاز میں منظوری دی تھی۔

اس سال بورڈ آف ڈائریکٹرز کی میٹنگ گیا رہ مرتبہ منعقد ہوئی اور ڈاکٹر ناصر جاوید سال بھر کمپنی کے چیف ایگزیکٹو آفیسر رہے۔ دوران سال بورڈ آف ڈائریکٹرز کے اراکین میں کوئی تبدیلی نہیں ہوئی۔ دوران سال منعقد ہونے والی بورڈ کی میٹنگز میں ڈائریکٹرز کی حاضری کی تفصیل درج ذیل ہے:

بورڈ کی میٹنگ کا نمبر											ڈائریکٹر کا نام
28	27	26	25	24	23	22	21	20	19	18	
ویں	ویں	ویں	ویں	ویں	ویں	ویں	ویں	ویں	ویں	ویں	
-	ح	ح	-	ح	ح	ح	ح	ح	ح	ح	ڈاکٹر علی چیمہ صاحب
ح	ح	ح	ح	-	ح	ح	ح	ح	ح	ح	جناب احمد رافع عالم صاحب
ح	ح	ح	ح	ح	ح	ح	ح	ح	ح	ح	جناب اسلم جاوید صاحب
ح	ح	ح	ح	ح	ح	ح	-	ح	ح	ح	ڈاکٹر ناصر جاوید صاحب
-	ح	ح	ح	ح	ح	ح	ح	ح	ح	-	نمائندہ فنانس ڈیپارٹمنٹ

دوران سال ڈائریکٹرز کو ہر بورڈ میٹنگ، کمیٹی میٹنگ اور جنرل میٹنگ میں شرکت کیلئے سفر خرچ اور دیگر اخراجات کی مد میں -/10,000 روپے ادا کئے گئے۔ ہمارے ایک ڈائریکٹر کو 14 نومبر 2015 کو منعقد ہونے والے ”ویسٹ مینجمنٹ کمیٹی بورڈ مینٹیننس سیشن“ میں بحیثیت مقرر شرکت کی غرض سے -/40,000 روپے ادا کئے گئے۔ دوران سال کسی نام ان ایگزیکٹو ڈائریکٹر کو کوئی دیگر مراعات، تنخواہیں یا فیس ادا نہیں کی گئی۔

کمپنی کی ایسوسی ایشن کے نظر ثانی شدہ آئیٹلز کے مطابق کمپنی کے ڈائریکٹرز کی تعداد بڑھا کر نو کر دی گئی تھی تاہم افسر مجازی کی جانب سے بورڈ میں مزید ڈائریکٹرز کی تعیناتی کا انتظار ہے۔ اس وقت بورڈ چیف ایگزیکٹو آفیسر سمیت پانچ ڈائریکٹرز پر مشتمل ہے جبکہ چار نشستیں خالی ہیں۔

## شیئر ہولڈنگ کی صورتحال:

پبلک سیکر کمپنیز (کارپوریٹ گورننس) ایکٹ 2013 کے تحت شیئر ہولڈرز کی مطلوبہ کیٹیگریز:

فیصد	رکھے گئے شیئرز کی تعداد	شیئر ہولڈرز کی کیٹیگریز
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99.70%

997

حکومت

1. نمائندہ حکومت پنجاب، پلاننگ اینڈ ڈویلپمنٹ ڈپارٹمنٹ

ڈائریکٹرز، چیف ایگزیکٹو اور ان کے بیوی بچے (اسم وار تفصیلات)

0.10%

1

1- ڈاکٹر ناصر جاوید صاحب

0.10%

1

2- ڈاکٹر علی چیمہ صاحب

0.10%

1

3- جناب احمد رفیع عالم صاحب

پبلک سیکر کمپنی میں ایسے شیئر ہولڈرز جو پانچ فیصد یا زائد وٹنگ کا حق رکھتے ہوں (اسم وار

تفصیلات)

1- نمائندہ حکومت پنجاب، پلاننگ اینڈ ڈویلپمنٹ ڈپارٹمنٹ

99.70%

997

## دوران سال اہم سرگرمیاں:

دی آر بی اینٹ نے ایکسٹرنل اینڈ ٹیکسیشن ڈپارٹمنٹ کو آر بی اینٹ اور ایبل پرائیویٹ ٹیکس (پرائیویٹ ٹیکس) کے سلسلہ میں معاونت کی خدمات مہیا کیں۔ یہ پراجیکٹ گزشتہ مالی سال میں مکمل ہوا تاکہ 100% درست کمپیوٹرائزڈ ٹیکس چالان طبع کر کے پنجاب کے پانچ بڑے شہروں کے 2.2 ملین گھرانوں میں تقسیم کرنے کو یقینی بنایا جاسکے۔ اس پراجیکٹ کی شمال کامیابی کی بنیاد پر اگلے مرحلے کے آغاز کیلئے پی سی ون کی منظوری دے دی گئی ہے جو پنجاب کے بقیہ اضلاع کا احاطہ کرتا ہے، اس وقت آر بی اینٹ کے ذریعہ اس پر عملدرآمد کیا جا رہا ہے۔

ورلڈ بینک کا پنجاب شیئر گورننس اینڈ امپروومنٹ پراجیکٹ (پی سی جی آئی پی) اپنے عملدرآمد کے آخری سال میں داخل ہو گیا ہے۔ آئندہ مالی سال کیلئے ورلڈ بینک کی فنڈنگ میں تاخیر ہو گئی ہے لیکن پانچ واساز اور پانچ سی ڈی جیز میں آئی ڈی اے ایم پی کی کمیٹی کی تکمیل پر دسمبر 2016 تک اس کا اجراء متوقع ہے۔ لاہور اور کوئٹہ انوالد کے واساز اور لاہوری ڈی جی تو پہلے ہی آئی ڈی اے ایم پی فریم ورک کے ساتھ مکمل ہو چکے ہیں۔

دوران سال مکمل ہونے والے چند دیگر اہم پراجیکٹس درج ذیل ہیں:

☆ پنجاب کے چار اضلاع اور خیبر پختونخواہ میں سب نیشنل گورننس پروگرام کے تحت جی آئی ایس پلان کا نفاذ

☆ پنجاب سکل ڈویلپمنٹ فنڈ کی ”سکل فار ایملپلائمنٹ 2015“ سکیم جسے یو کائیڈ نے فنڈ زفرہ اہم کئے۔

☆ پنجاب کے پانچ ڈویژنز میں پنجاب ہیلتھ کیئر کمیشن کا ”سنس آف ہیلتھ کیئر اسٹریٹیجی“ آل اورڈی پنجاب“

☆ ”خادم اعلیٰ پنجاب رورل روڈز پروگرام“ کی جی آئی ایس کی بنیاد پر مانیٹرنگ کا پہلا اور دوسرا مرحلہ



☆ پشاور میں پیدل چلنے والوں کے راستے اور پارکنگ کی سہولیات کی تعمیر کیلئے مشاورتی خدمات  
 ☆ پنجاب پرو کیورمنٹ ریگولٹری اتھارٹی (پی پی آر اے) کے ساتھ جائنٹ کونسلٹی بلڈنگ پروگرام  
 ☆ ”پنجاب جینڈر منجمنٹ انفارمیشن سسٹم پراجیکٹ“ جس کیلئے فارن کامن ویلتھ آفس یو کے نے فنڈز فراہم کئے ہیں، پر عملدرآمد کیلئے ڈی اے آئی۔ ای ڈی اے سی  
 ای اور پنجاب کمیشن آن دی سٹیٹس آف وومن کے ساتھ مشترکہ پراجیکٹ

دی آر این یونٹ نے پنجاب واٹر اینڈ سینٹی ٹیشن اکیڈمی قائم کرنے کا کام مکمل کیا جس کیلئے واسالا ہور نے فنڈز فراہم کئے تھے اور جاپان انٹرنیشنل کوآپریشن ایجنسی (جیکا)  
 کے ساتھ مل کر دوران سال کئی کامیاب کورسز بھی منعقد کئے۔

کمپنی اپنا ایک ممتاز پراجیکٹ جسے ”دی ڈویلپمنٹ آف ایکوسٹم ان سون ویلی ایٹ کھائی کی اینڈ اچانی لیک، خوشاب“ کا نام دیا گیا ہے کوٹو و رازم ڈویلپمنٹ کوآپریشن  
 پنجاب، یوتھ انیورسٹی، سپورٹس اور آرکیالوجی اینڈ ٹورازم ڈیپارٹمنٹ حکومت پنجاب کے تعاون سے مکمل کرنے کے قریب ہے۔

دیگر پراجیکٹس جو تکمیل کے قریب ہیں ان میں جی آئی ایس کی بنیاد پر کمپیوٹرائزیشن کے ذریعے پاکستان ریلوے کی اراضی کے اثاثہ جات کا انتظام چلانا اور ایم آئی ایس  
 کیلئے ڈیٹا بیس سافٹ ویئر تیار کرنا، فیڈرل کورنمنٹ ہاؤسنگ فاؤنڈیشن کیلئے ڈیٹا انفراسٹرکچر منجمنٹ سسٹم اور کمپیوٹرائزیشن اور اسٹیٹ ونگ پراسسز کی  
 آڈیٹیشن، گلگت ڈویلپمنٹ اتھارٹی کیلئے گلگت شہر کی نکاسی آب اور صفائی کے نظام کا تفصیلی ڈیزائن اور تعمیرات کی نگرانی، موٹروے (ایم ٹو) راہداری کے ساتھ ساتھ نئے  
 شہر کی تعمیر کی فریبلٹی اور تکنیکی معاونت، پنجاب صاف پانی کمپنی حکومت پنجاب کیلئے ایم آئی ایس ارجی آئی ایس سروے پراجیکٹ اور اینڈر ڈویلپمنٹ بینک کے پنجاب  
 سٹیز امپروومنٹ انوٹمنٹ پلان پر تکنیکی معاونت شامل ہیں۔

جن منصوبوں کے ابتدائی مرحلے میں کامیابی کے بعد دوران سال دوسرے مرحلے میں کام کا آغاز کیا گیا ان میں سب نیشنل کورنرس پروگرام جسے آکسفیم پالیسی منجمنٹ  
 لمیٹڈ نے فنڈز فراہم کئے ہیں کے تحت جی آئی ایس پلان پر پنجاب اور خیبر پختونخوا کے آٹھ مزید اضلاع میں عملدرآمد جبکہ پہلے مرحلے میں چار اضلاع میں یہ کام کیا گیا  
 تھا اور پنجاب ہیلتھ کیئر کمیشن کے ”سنس آف ہیلتھ کیئر انیٹیٹیوٹ آل اور دی پنجاب“ پر پنجاب کے باقی ڈویژنز میں عملدرآمد شامل ہیں۔ علاوہ ازیں جی آئی  
 ایس کی بنیاد پر ”خادم اعلیٰ پنجاب رول روڈز پروگرام“ کی مانیٹرنگ کے تیسرے مرحلے کا کام بھی دی آر این یونٹ کو تفویض کیا گیا تھا جس کی تکمیل دسمبر 2016 میں  
 متوقع ہے۔

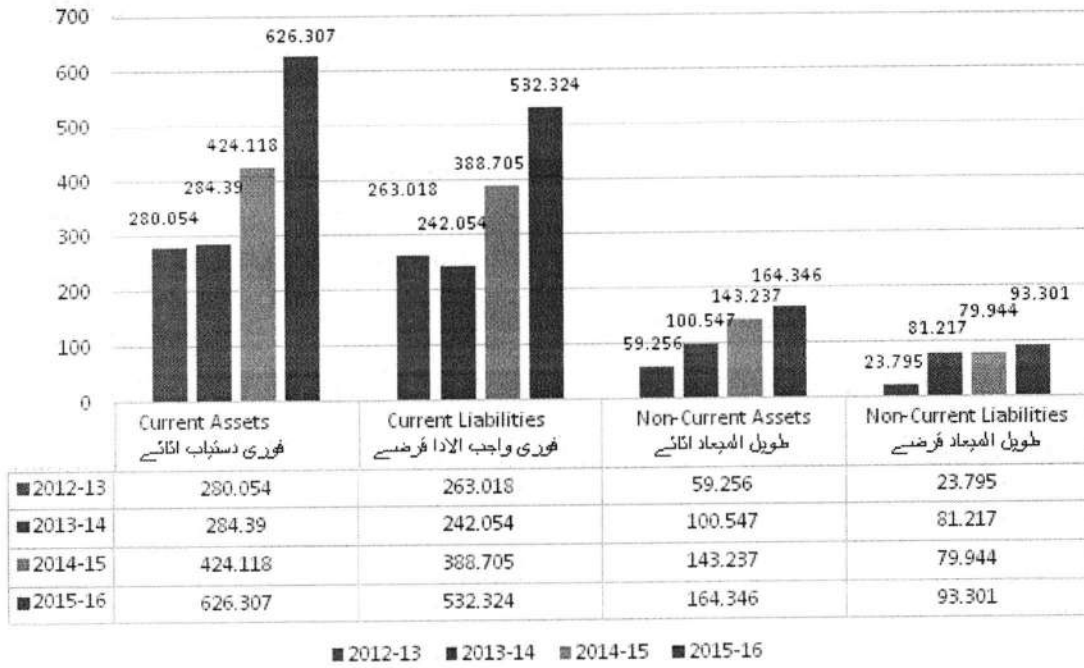
دوران سال جو دیگر پراجیکٹس شروع کئے گئے ان میں کورنمنٹ ہاؤس مری کا تحفظ و بحالی، سگریٹیشن، ہڈیٹنٹ اینڈ ڈسپوزل پلانٹ (ساہیوال) کا قیام، مری مال روڈ  
 کی بحالی اور اپ گریڈیشن، میڈیا اینڈنگ سیل کا قیام اور مختلف چھوٹے پراجیکٹس شامل ہیں۔ مزید برآں دی آر این یونٹ کو پنجاب سوشیل سٹرٹیجی پراجیکٹ  
 2016-20 کا کام بھی تفویض کیا گیا ہے جو کہ پرنٹل ڈیجیٹائزیشن ماڈل، سکھرتیار کرنے کیلئے پراپرٹی ٹیکس سروے کے ساتھ مالی سال 2016-17 میں شروع  
 ہوگا۔

## کمپنی کی مالی حیثیت:

خود انحصاری کی بنیاد پر چلایا جانا کمپنی کا نصب العین ہے جس کو پیش نظر رکھتے ہوئے حکومت کی جانب سے بجٹ کی امداد کے بغیر کمپنی نے اپنے قیام کے چوتھے سال  
 722.195 ملین روپے (2015-2016 430.051 ملین روپے) کی آمد پیدا کی جس میں ریکارڈ قبل از ٹیکس منافع 66.321 ملین روپے (2015-2016 37.040  
 ملین روپے) ہے جو کہ پچھلے دو سالوں کے مجموعی منافع سے 55% زائد ہے۔ قیام سے لیکر اب تک کے مالی نتائج کا مختصر خلاصہ درج ذیل ہے:

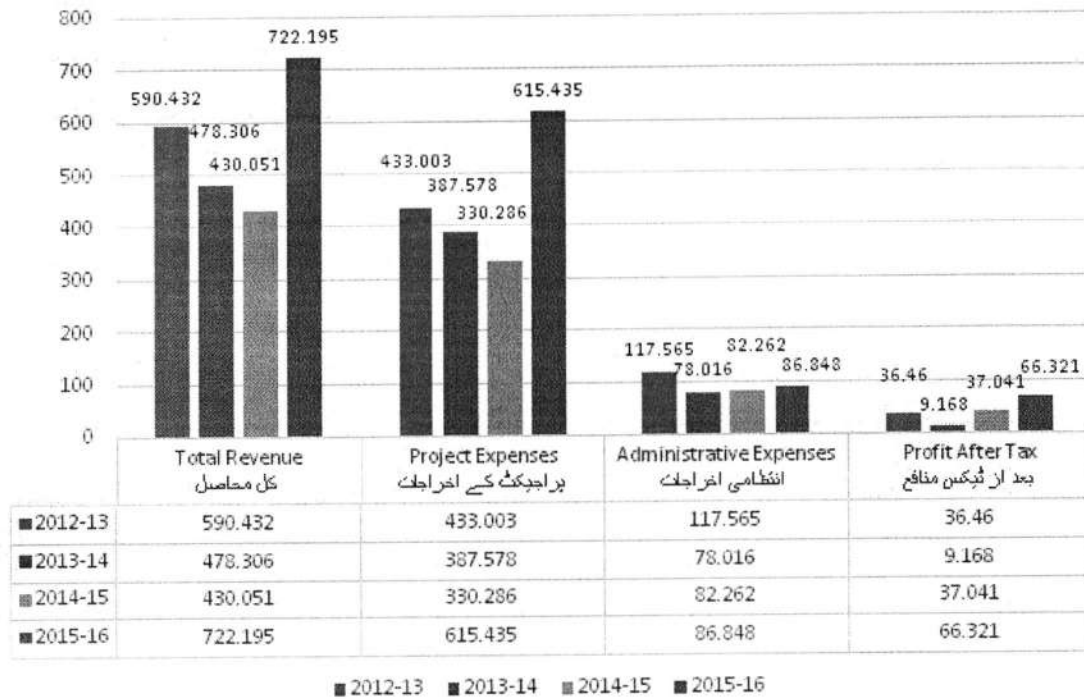
بیلنس شیٹ کے آئٹمز کا 4 سالہ تقابلی جائزہ (ملین روپوں میں)

Balance Sheet Items 4 year comparison (Rupees in millions)



نفع اور نقصان کے آئٹمز کا 4 سالہ تقابلی جائزہ (ملین روپوں میں)

Profit and Loss Items 4 year comparison (Rupees in millions)



## اندرونی کنٹرول اور قوانین کی پابندی:

یہ بورڈ پبلک سیکل کمپنیز (کارپوریٹ گورننس) ریٹرنز 2013 کی پوری طرح پابندی کرتا ہے۔ تاہم پچھلے ڈیڑھ سال سے بورڈ میں آسامیوں کے خالی پڑے رہنے کے باعث بورڈ کی بیشتر سب کمیٹیز اپنے افعال کو مکمل طور پر انجام دینے سے قاصر رہی ہیں۔ جس کی وجہ سے ایک بار بورڈ میں مزید نامزدگیاں ہو جائیں تو سب کمیٹیوں کی تشکیل نہ ہو جائیگی اور وہ زیادہ فعال کردار ادا کرنے کے قابل ہو جائیگی۔ بورڈ کمپنی میں اندرونی کنٹرول کا ایک مضبوط نظام قائم کرنے اور اسے بحال رکھنے کی اپنی ذمہ داری سے آگاہ ہے۔ انتظامیہ نے باقاعدہ کھاتہ جات تیار کئے ہیں اور دوران سال پہلی، دوسری اور تیسری سہ ماہی کی فنانشل شیٹمنٹس منظوری کیلئے بورڈ کے سامنے پیش کی گئی تھیں۔

## لازمی قانونی آڈٹ برائے سال 2015-16

کمپنی کا سالانہ آڈٹ برائے سال ختمہ 30 جون 2016 میسرز ہارو تھ حسین چوہدری اینڈ کمپنی نے کیا تھا جو کہ اچھی ساکھ کی حامل ایک معروف فرم ہے۔ فنانشل شیٹمنٹس پر دی گئی آڈٹ رپورٹ میں حسابات کو صاف و شفاف قرار دیا گیا ہے۔ کمپنی کی فنانشل شیٹمنٹس کو ٹنگ کنسرن کی بنیاد پر تیار کی گئی ہیں کیونکہ انتظامیہ اطمینان بخش طور پر یقین رکھتی ہے کہ یہ کمپنی قابل قیاس مستقبل میں قائم رہے گی۔

بورڈ آف ڈائریکٹرز کی جانب سے



ڈاکٹر ناصر جالووی

چیف ایگزیکٹو آفیسر



# THE URBAN UNIT

Urban Sector Planning & Management Services Unit (Pvt.) Ltd.

A Public Sector Company.



No: \_\_\_\_\_

Date: \_\_\_\_\_

## Statement of compliance with the Public Sector Companies (Corporate Governance) Rules, 2013

**Name of company:** Urban Sector Planning & Management Services Unit (Pvt.) Limited

**Name of line ministry:** Planning and Development Department

**For the year ended:** 30<sup>th</sup> June, 2016

- I. This statement is being presented to comply with the Public Sector Companies (Corporate Governance) Rules, 2013 (hereinafter called "the Rules") issued for the purpose of establishing a frame work of good governance, whereby a public sector company is managed in compliance with the best practices of public sector governance.
- II. The company has complied with the provisions of the Rules in the following manner:

S. No.	Provision of the Rules	Rule no.	Y	N														
			Tick the relevant box															
1.	The independent directors meet the criteria of independence, as defined under the rules.	2(d)	✓															
2.	The Board has the requisite percentage of independent directors. At present the board includes:	3(2)	✓															
	<table border="1"><thead><tr><th>Category</th><th>Names</th><th>Date of Appointment</th></tr></thead><tbody><tr><td>Independent Directors</td><td>Dr. Ali Cheema Mr. Ahmad Rafay Alam</td><td>25.06.2012 25.06.2012</td></tr><tr><td>Executive Directors</td><td>Dr. Nasir Javed</td><td>19.06.2012</td></tr><tr><td>Non-Executive Directors</td><td>Mr. Aslam Javed</td><td>14.10.2014</td></tr></tbody></table>				Category	Names	Date of Appointment	Independent Directors	Dr. Ali Cheema Mr. Ahmad Rafay Alam	25.06.2012 25.06.2012	Executive Directors	Dr. Nasir Javed	19.06.2012	Non-Executive Directors	Mr. Aslam Javed	14.10.2014		
	Category				Names	Date of Appointment												
	Independent Directors				Dr. Ali Cheema Mr. Ahmad Rafay Alam	25.06.2012 25.06.2012												
Executive Directors	Dr. Nasir Javed	19.06.2012																
Non-Executive Directors	Mr. Aslam Javed	14.10.2014																
3.	A casual vacancy occurring on the board was filled up by the directors within ninety days.	3(4)	N/A															
4.	The directors have confirmed that none of them is serving as a director on more than five public sector companies and listed companies simultaneously, except their subsidiaries.	3(5)	✓															

All correspondence must be addressed to the **Chief Executive Officer**



# THE URBAN UNIT

Urban Sector Planning & Management Services Unit (Pvt.) Ltd.

A Public Sector Company.



No: \_\_\_\_\_

Date: \_\_\_\_\_

S. No.	Provision of the Rules	Rule no.	Tick the relevant box	
			Y	N
5.	The appointing authorities have applied the fit and proper criteria given in the Annexure in making nominations of the persons for election as board members under the provisions of the Ordinance.	3(7)	✓	
6.	The chairman of the board is working separately from the chief executive of the Company	4(1)	✓	
7.	The chairman has been elected from amongst the independent directors.	4(4)	✓	
8.	The Board has evaluated the candidates for the position of the chief executive on the basis of the fit and proper criteria as well as the guidelines specified by the Commission.	5(2)	✓	
9.	a) The company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures, including posting the same on the company's website. b) The Board has set in place adequate systems and controls for the identification and redressal of grievances arising from unethical practices.	5(4)	✓	
10.	The Board has established a system of sound internal control, to ensure compliance with the fundamental principles of probity and propriety; objectivity, integrity and honesty; and relationship with the stakeholders, in the manner prescribed in the Rules.	5(5)	✓	
11.	The Board has developed and enforced an appropriate conflict of interest policy to lay down circumstances or considerations when a person may be deemed to have actual or potential conflict of interests, and the procedure for disclosing such interest.	5(5)(b)(ii)	✓	
12.	The Board has developed and implemented a policy on anticorruption to minimize actual or perceived corruption in the Company.	5(5)(b)(vi)	✓	
13.	a) The Board has ensured equality of opportunity by establishing open and fair procedures for making appointments and for determining terms and conditions of service.	5(5)(c)(ii)	✓	

All correspondence must be addressed to the **Chief Executive Officer**



# THE URBAN UNIT

Urban Sector Planning & Management Services Unit (Pvt.) Ltd.

A Public Sector Company.



No: \_\_\_\_\_

Date: \_\_\_\_\_

S. No.	Provision of the Rules	Rule no.	Tick the relevant box	
			Y	N
	b) A Committee has been formed to investigating deviations from the company's code of conduct			
14.	The Board has ensured compliance with the law as well as the company's internal rules and procedures relating to public procurement, tender regulations, and purchasing and technical standards, when dealing with suppliers of goods and services, in accordance with the PPR Rules.	5(5)(ii) i)	✓	
15.	The board has developed a vision or mission statement, corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.	5(6)	✓	
16.	The board has quantified the outlay of any action in respect of any service delivered or goods sold by the Company as a public service obligation, and has submitted its request for appropriate compensation to the Government for consideration.	5(8)	✓	
17.	a) The board has met at least four times during the year.	6(1)		
	b) Written notices of the board meetings, along with agenda and working papers, were circulated at least seven days before the meetings.	6(2)	✓	
	c) The minutes of the meetings were appropriately recorded and circulated.	6(3)		
18.	The board has carried out performance evaluation of its members, including the chairman and the chief executive, on the basis of a process, based on specified criteria, developed by it. The board has also monitored and assessed the performance of senior management on annual basis.	8	✓ To the extent of Sr. Management	
19.	The board has reviewed and approved the related party transactions placed before it after recommendations of the audit committee. A party wise record of transactions entered into with the related parties during the year has been maintained.	9	N/A	
20.	The board has approved the profit and loss account for, and balance sheet as at the end of, the first, second and third quarter of the year as well as the financial year end, and has	10	✓	

All correspondence must be addressed to the **Chief Executive Officer**



# THE URBAN UNIT

Urban Sector Planning & Management Services Unit (Pvt.) Ltd.

A Public Sector Company.



No: \_\_\_\_\_

Date: \_\_\_\_\_

S. No.	Provision of the Rules	Rule no.	Y	N																		
			Tick the relevant box																			
	placed the annual financial statements on the company's website. Monthly accounts were also prepared and circulated amongst the board members.																					
21.	All the board members underwent an orientation course arranged by the company to apprise them of the material developments and information as specified in the Rules.	11	✓																			
22.	a) The board has formed the requisite committees, as specified in the Rules	12	✓																			
	b) The committees were provided with written term of reference defining their duties, authority and composition.																					
	c) The minutes of the meetings of the committees were circulated to all the board members.																					
	d) The committees were chaired by the following non-executive directors:																					
	<table border="1"><thead><tr><th>Committee</th><th>Number of members</th><th>Name of chair</th></tr></thead><tbody><tr><td>Audit Committee</td><td>Mr. Ahmad Rafay Alam Mr. Aslam Javed</td><td>Mr. Ahmad Rafay Alam</td></tr><tr><td>Risk Management Committee</td><td>N/A.</td><td>N/A.</td></tr><tr><td>Human Resource Committee</td><td>Mr. Ahmad Rafay Alam Mr. Aslam Javed Dr. Nasir Javed</td><td>Mr. Aslam Javed</td></tr><tr><td>Procurement Committee</td><td>-</td><td>-</td></tr><tr><td>Nomination Committee</td><td>Mr. Ahmad Rafay Alam Mr. Aslam Javed Dr. Nasir Javed</td><td>Mr. Ahmad Rafay Alam</td></tr></tbody></table>				Committee	Number of members	Name of chair	Audit Committee	Mr. Ahmad Rafay Alam Mr. Aslam Javed	Mr. Ahmad Rafay Alam	Risk Management Committee	N/A.	N/A.	Human Resource Committee	Mr. Ahmad Rafay Alam Mr. Aslam Javed Dr. Nasir Javed	Mr. Aslam Javed	Procurement Committee	-	-	Nomination Committee	Mr. Ahmad Rafay Alam Mr. Aslam Javed Dr. Nasir Javed	Mr. Ahmad Rafay Alam
	Committee				Number of members	Name of chair																
	Audit Committee				Mr. Ahmad Rafay Alam Mr. Aslam Javed	Mr. Ahmad Rafay Alam																
Risk Management Committee	N/A.	N/A.																				
Human Resource Committee	Mr. Ahmad Rafay Alam Mr. Aslam Javed Dr. Nasir Javed	Mr. Aslam Javed																				
Procurement Committee	-	-																				
Nomination Committee	Mr. Ahmad Rafay Alam Mr. Aslam Javed Dr. Nasir Javed	Mr. Ahmad Rafay Alam																				

All correspondence must be addressed to the **Chief Executive Officer**



# THE URBAN UNIT

Urban Sector Planning & Management Services Unit (Pvt.) Ltd.

A Public Sector Company.



No: \_\_\_\_\_

Date: \_\_\_\_\_

S. No.	Provision of the Rules	Rule no.	Tick the relevant box													
			Y	N												
23.	The board has approved appointment of Chief Financial Officer, Company Secretary and Chief Internal Auditor, with their remuneration and terms and conditions of employment, and as per their prescribed qualifications	13/14	✓													
24.	The company has adopted International Financial Reporting Standards notified by the Commission under clause (i) of subsection (3) of section 234 of the Ordinance.	16	✓													
25.	The directors' report for this year has been prepared in compliance with the requirements of the Ordinance and the Rules and fully describes the salient matters required to be disclosed.	17	✓													
26.	The directors, CEO and executives do not hold any interest in the shares of the company other than that disclosed in the pattern of shareholding.	18	✓													
27.	A formal and transparent procedure for fixing the remuneration packages of individual directors has been set in place. The annual report of the company contains criteria and details of remuneration of each director.	19	✓													
28.	The financial statements of the company were duly endorsed by the chief executive and chief financial officer, before approval of the board.	20	✓													
29.	The board has formed an audit committee, with defined and written terms of reference, and having the following members:	21	✓													
	<table border="1"><thead><tr><th>Name of member</th><th>Category</th><th>Professional background</th></tr></thead><tbody><tr><td>Mr. Ahmad Rafay Alam</td><td>Independent</td><td>Law</td></tr><tr><td>Mr. Aslam Javed</td><td>Non- Executive</td><td>Govt. Servant</td></tr><tr><td>Additional Sec. Finance</td><td>Non- Executive</td><td>Govt. Servant</td></tr></tbody></table>				Name of member	Category	Professional background	Mr. Ahmad Rafay Alam	Independent	Law	Mr. Aslam Javed	Non- Executive	Govt. Servant	Additional Sec. Finance	Non- Executive	Govt. Servant
	Name of member				Category	Professional background										
	Mr. Ahmad Rafay Alam				Independent	Law										
Mr. Aslam Javed	Non- Executive	Govt. Servant														
Additional Sec. Finance	Non- Executive	Govt. Servant														
	The chief executive and chairman of the Board are not the members of the audit committee.															
30.	The board has set up an effective internal audit function, which has an audit charter, duly approved by the audit committee, and which worked in accordance with the applicable standards.	22	✓													

All correspondence must be addressed to the **Chief Executive Officer**





# THE URBAN UNIT

Urban Sector Planning & Management Services Unit (Pvt.) Ltd.

A Public Sector Company.



No: \_\_\_\_\_

Date: \_\_\_\_\_

S. No.	Provision of the Rules	Rule no.	Tick the relevant box	
			Y	N
31.	The company has appointed its external auditors in line with the requirements envisaged under the Rules.	23	<input checked="" type="checkbox"/>	<input type="checkbox"/>
32.	The external auditors of the company have confirmed that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on Code of Ethics as applicable in Pakistan.	23(4)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
33.	The external auditors have not been appointed to provide non-audit services and the auditors have confirmed that they have observed applicable guidelines issued by IFAC in this regard.	23(5)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
34.	The company has complied with all the corporate and financial reporting requirements of the Rules		<input checked="" type="checkbox"/>	<input type="checkbox"/>

**DR. NASIR JAVED**  
CHIEF EXECUTIVE OFFICER

**MR. AHMAD RAFAY ALAM**  
INDEPENDENT DIRECTOR

All correspondence must be addressed to the **Chief Executive Officer**

## Review Report to the Members on Statement of Compliance with the Public Sector Companies (Corporate Governance) Rules, 2013

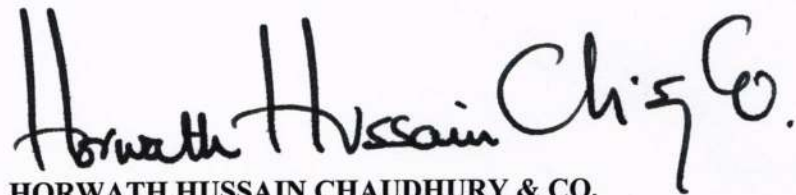
We have reviewed the Statement of Compliance with the Public Sector Companies (Corporate Governance) Rules, 2013 for the year ended June 30, 2016 prepared by the Board of Directors of **M/S URBAN SECTOR PLANNING AND MANAGEMENT SERVICES UNIT (PRIVATE) LIMITED** to comply with the provisions of the Rules.

Based on our review, nothing has come to our attention, except the following, which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material aspects with the Public Sector Companies (Corporate Governance) Rules, 2013, as applicable to the Company for the year ended June 30, 2016.

- a. The board has not carried out performance evaluation of its members, including chairman and the chief executive, on the basis of a process, based on specified criteria, developed by it. The board has also not monitored and assessed the performance of senior management on annual basis.

LAHORE

Dated: 09 NOV 2016

HORWATH HUSSAIN CHAUDHURY & CO.  
Chartered Accountants

(Engagement Partner: Amin Ali)





# THE URBAN UNIT

Urban Sector Planning & Management Services Unit (Pvt.) Ltd.

A Public Sector Company.



No: \_\_\_\_\_

Date: \_\_\_\_\_

## Explanation for Non-Compliance with the Public Sector Companies (Corporate Governance) Rules, 2013

We confirm that all other material requirements envisaged in the Rules have been complied with [except for the following, toward which reasonable progress is being made by the Company to seek compliance by the end of the next accounting year.]

Sr. No.	Rule / Sub rule no.	Reasons for non-compliance	Further course of action
1	<b>8(1)</b> . The performance evaluation of the members of the Board including the Chairman and the Chief Executive shall be under taken for which board shall establish a process, based on specified criteria, the Chairman of the Board shall take ownership of such an evaluation. The committees shall also carry out their evaluation on annual basis.	There is no guidance in the relevant laws which facilitate the formulation of performance evaluation criteria for the member of the Board including the Chairman and the Chief Executive. Board has met twice in the last year to resolve the issue but the matter was deferred due to lack of clarity.	The Board is working with due diligence to resolve the issue as early as possible. The Board is hopeful that it would formulate a transparent process for evaluation of its members before the end of next accounting year.

**DR. NASIR JAVED**  
CHIEF EXECUTIVE OFFICER

**MR. AHMAD RAFAY ALAM**  
INDEPENDENT DIRECTOR

All correspondence must be addressed to the **Chief Executive Officer**

## URBAN SECTOR PLANNING AND MANAGEMENT SERVICE UNIT (PRIVATE) LIMITED

### AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **URBAN SECTOR PLANNING AND MANAGEMENT SERVICE UNIT (PRIVATE) LIMITED** as at June 30, 2016 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity, together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of 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 statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

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

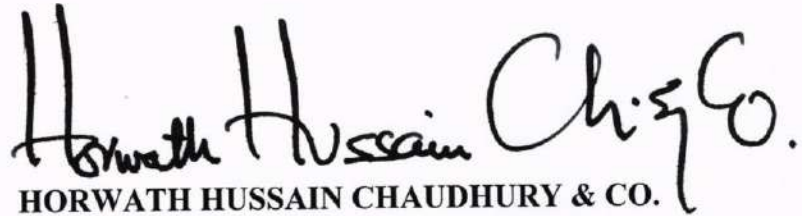
- a) in our opinion, proper books of accounts have been kept by the Company as required by the Companies Ordinance, 1984;
- b) in our opinion;
  - (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;
  - (ii) the expenditure incurred during the year was for the purpose of the Company's business; and
  - (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;

HK

- (c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform 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 as at June 30, 2016 and of the profit, total comprehensive income, its cash flows and changes in equity for the year then ended; and
- (d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

LAHORE

Dated: 09 NOV 2016



**HORWATH HUSSAIN CHAUDHURY & CO.**

*Chartered Accountants*

(Engagement Partner: Amin Ali)



**September 28, 2016**

Ref. No.A/C00149/15691/16

Board of Directors  
Urban Sector Planning and Management  
Services Unit (Private) Limited  
503 – Shaheen Complex, Egerton Road  
Lahore.

Dear Sirs,

We are pleased to inform you that we have completed the audit of financial statements of Urban Sector Planning and Management Services Unit (Private) Limited for the year ended June 30, 2016 and enclosing 4 copies of the financial statements including one initialed copy for identification purposes only. We shall be pleased to sign our report in present or amended form after:

- a) The financial statements have been approved by the Board of Directors and signed by the Chief Executive and another director authorized by the Board for the purpose.
- b) We have received a certified true copy of the minutes of the meeting of the Board of Directors approving these financial statements;
- c) We have seen the Board's specific approval for the matters referred to in Annexure "A" to this letter;
- d) We have received management's representation letter on the lines of the draft provided to the Company's Chief Financial Officer;

#### **Responsibilities of the Management and Auditors in relation to the Financial Statements**

The auditors are responsible for forming and expressing their opinion on the financial statements. The responsibility for preparation of these statements is primarily that of the management. The management responsibilities include the maintenance of adequate accounting records and internal controls, the selection and application of accounting policies, safeguarding assets of the Company and prevention and detection of fraud and irregularities.

We expect an early response so as to facilitate us to issue the signed Auditors' Report. Should you like to discuss any of the above matters or the audited financial statements, please feel free to contact us. We wish to place on record our appreciation for the co-operation and courtesy extended to us by your staff during the course of our audit.

Yours truly,



	<b>Amount Rupees</b>
1. Addition in property, plant and equipment during the year – owned	46,671,515
2. Addition in intangible assets	28,083,948
3. Disposal of vehicles – owned	880,500
4. Annual remuneration of Chief Executive for the year	7,161,084

*Wk*

**URBAN SECTOR PLANNING AND MANAGEMENT SERVICES  
UNIT (PRIVATE) LIMITED**

BALANCE SHEET AS AT JUNE 30, 2016

	Note	2016 Rupees	2015 Rupees		Note	2016 Rupees	2015 Rupees
<b>EQUITY AND LIABILITIES</b>				<b>ASSETS</b>			
<b>Share Capital and Reserves</b>				<b>Non Current Assets</b>			
Authorized share capital 1,000 (2015: 1,000) shares of Rs. 10,000 each		<u>10,000,000</u>	<u>10,000,000</u>	Property, plant and equipment	9	134,809,982	135,476,197
				Intangible assets	10	29,536,519	7,761,296
Issued, subscribed and paid up share capital 1,000 (2015: 1,000) shares of Rs. 10,000 each		10,000,000	10,000,000			164,346,501	143,237,493
Capital reserves		6,037,484	6,037,484	<b>Current Assets</b>			
Revenue reserve		<u>141,766,121</u>	<u>82,669,003</u>	Project receivables	11	371,029,485	313,719,725
		157,803,605	98,706,487	Project inventory	12	35,455,588	-
<b>Non Current Liabilities</b>				Advances, deposits, prepayments and other receivables	13	95,498,919	33,348,953
Deferred credits	4	93,301,552	79,944,092	Cash and bank balances	14	124,323,810	77,049,639
<b>Current Liabilities</b>						626,307,802	424,118,317
Project payables	5	152,322,073	205,073,969				
Advances for projects	6	315,065,672	101,487,333				
Accrued and other liabilities	7	49,382,741	77,734,414				
Provision for taxation		<u>22,778,660</u>	<u>4,409,515</u>				
		539,549,146	388,705,231				
<b>Contingencies and Commitments</b>	8	-	-				
		<u>790,654,303</u>	<u>567,355,810</u>			<u>790,654,303</u>	<u>567,355,810</u>

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

WAC



CHIEF EXECUTIVE OFFICER



DIRECTOR



**URBAN SECTOR PLANNING AND MANAGEMENT SERVICES  
UNIT (PRIVATE) LIMITED**

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED JUNE 30, 2016**

		<b>2016</b>	<b>2015</b>
	Note	Rupees	Rupees
Project revenue	15	722,195,431	430,051,351
Project expenses	16	<u>(615,435,451)</u>	<u>(330,286,289)</u>
<b>Gross Profit</b>		106,759,980	99,765,062
<b>Operating Expenses</b>			
Administrative expenses	17	<u>(86,848,346)</u>	<u>(82,262,516)</u>
<b>Operating Profit</b>		19,911,634	17,502,546
Finance cost - Bank charges		(94,539)	(138,616)
Other operating expenses	18	(192,500)	(137,500)
Other income	19	18,558,583	2,925,386
Amortization of deferred credit	4.2.3	<u>43,692,600</u>	<u>20,038,228</u>
<b>Profit before Taxation</b>		81,875,778	40,190,044
Taxation	20	(22,778,660)	(3,149,178)
<b>Net Profit for the Year</b>		<u><u>59,097,118</u></u>	<u><u>37,040,866</u></u>

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

*Under*

  
**CHIEF EXECUTIVE OFFICER**

  
**DIRECTOR**

**URBAN SECTOR PLANNING AND MANAGEMENT SERVICES  
UNIT (PRIVATE) LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED JUNE 30, 2016**

	<b>2016</b>	<b>2015</b>
	Rupees	Rupees
<b>Net Profit for the Year</b>	59,097,118	37,040,866
Other comprehensive income	-	-
<b>Total Comprehensive Income for the Year</b>	<u>59,097,118</u>	<u>37,040,866</u>

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

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**CHIEF EXECUTIVE OFFICER**

  
**DIRECTOR**

**URBAN SECTOR PLANNING AND MANAGEMENT SERVICES  
UNIT (PRIVATE) LIMITED**

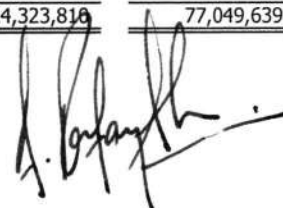
**CASH FLOW STATEMENT  
FOR THE YEAR ENDED JUNE 30, 2016**

	<b>2016</b>	<b>2015</b>
	Rupees	Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Net profit for the year before taxation</b>	81,875,778	40,190,044
Adjustments for:		
- Depreciation of property, plant and equipment	47,337,730	40,205,541
- Amortization of intangible assets	6,308,725	527,681
- Amortization of deferred credit	(233,741,912)	(236,290,145)
- Gain on disposal of property, plant and equipment	(715,000)	(812,000)
- Finance cost - Bank charges	94,539	138,616
	<u>(180,715,918)</u>	<u>(196,230,307)</u>
<b>Cash used in operating activities before working capital changes</b>	(98,840,140)	(156,040,263)
(Increase) in current assets:		
- Project receivables	(57,309,760)	(90,042,215)
- Project inventory	(35,455,588)	-
- Advances, deposits, prepayments and other receivables	(46,311,427)	(1,111,102)
Increase / (decrease) in current liabilities:		
- Project payables	(52,751,896)	32,957,881
- Advances for projects	213,578,339	97,456,077
- Accrued and other liabilities	(28,351,673)	16,297,489
	<u>(6,602,005)</u>	<u>55,558,130</u>
<b>Cash used in operations</b>	(105,442,145)	(100,482,133)
Finance cost - Bank charges paid	(94,539)	(138,616)
Income tax paid	(20,248,054)	(14,772,937)
<b>Net Cash used in Operating Activities</b>	(125,784,738)	(115,393,686)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(46,671,515)	(75,135,096)
Purchase of intangible assets	(28,083,948)	(8,288,977)
Proceeds from disposal of property, plant and equipment	715,000	812,000
<b>Net Cash used in Investing Activities</b>	(74,040,463)	(82,612,073)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Funds received during the year	247,206,356	235,048,000
Lapse of funds	(106,984)	(30,953)
<b>Net Cash generated from Financing Activities</b>	247,099,372	235,017,047
<b>Net Increase in Cash and Cash Equivalents</b>	47,274,171	37,011,288
Cash and cash equivalents at the beginning of the year	77,049,639	40,038,351
<b>Cash and Cash Equivalents at the End of the Year</b>	<u>124,323,810</u>	<u>77,049,639</u>

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



**CHIEF EXECUTIVE OFFICER**



**DIRECTOR**

**URBAN SECTOR PLANNING AND MANAGEMENT SERVICES  
UNIT (PRIVATE) LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED JUNE 30, 2016**

	<b>Share Capital</b>	<b>Capital Reserves</b>	<b>Accumulated Profits</b>	<b>Total Equity</b>
	Rupees	Rupees	Rupees	Rupees
<b>Balance as at June 30, 2014</b>	10,000,000	6,037,484	45,628,137	61,665,621
Total comprehensive income for the year	-	-	37,040,866	37,040,866
<b>Balance as at June 30, 2015</b>	10,000,000	6,037,484	82,669,003	98,706,487
Total comprehensive income for the year	-	-	59,097,118	59,097,118
<b>Balance as at June 30, 2016</b>	<u>10,000,000</u>	<u>6,037,484</u>	<u>141,766,121</u>	<u>157,803,605</u>

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

*WPC*

  
**CHIEF EXECUTIVE OFFICER**

  
**DIRECTOR**

## URBAN SECTOR PLANNING AND MANAGEMENT SERVICES UNIT (PRIVATE) LIMITED

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

Note 1

#### **The Company and its Operations**

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Urban Sector Planning and Management Services Unit (Private) Limited (the Company) was incorporated on June 18, 2012 as a Private Limited Company under the Companies Ordinance, 1984. The registered office of the Company is situated at 503-Shaheen Complex, Egerton Road, Lahore. The principal activity of the Company is to implement projects in the field of Urban Planning, Urban Transport, Solid Waste Management, Urban Water and Sanitation, Geographic Information Systems, Urban Property Tax, and Land Records and Municipal Finance.

Note 2

#### **Basis of Preparation**

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##### **2.1 Statement of compliance**

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984 and provisions and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

##### **2.2 Basis of measurement**

These financial statements have been prepared under the historical cost convention.

##### **2.3 Functional and presentation currency**

These financial statements are prepared and presented in Pak Rupees which is the Company's functional and presentation currency. All the figures have been rounded off to the nearest rupee, unless stated otherwise.

##### **2.4 Use of estimates and judgments**

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

Areas where various assumptions and estimates are significant to the Company's financial statements or where judgments are exercised in the application of accounting policies are as follows:

##### **2.4.1 Useful lives, patterns of economic benefits and impairments**

Estimates with respect to residual values, useful lives and pattern of flow of economic benefits are based on the analysis of the management of the Company. Further, the management reviews the value of assets for possible impairment.

##### **2.4.2 Doubtful project receivables**

The management records its project receivables after deducting appropriate provisioning using its prudence and experience. This estimate is subjective in nature. Recoveries of amounts already provided and / or the need of further provisioning cannot be determined with precision.

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*Note 2, Basis of Preparation - Continued...*

**2.4.3 Taxation**

The management takes into account the current income tax laws and decisions taken by appellate authorities. Instances where the management's view differs from the view taken by the tax department at the assessment stage and the management considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

**2.5 Changes in accounting standards, interpretations and pronouncements**

**2.5.1 Standards, interpretations and amendments to approved accounting standards which became effective during the year**

Amendments to IFRS 13 'Fair Value Measurement' (effective for annual periods beginning on or after 1 January 2015) aim to improve consistency and reduce complexity by providing a precise definition of fair value. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs. The adoption of this standard is not likely to have an impact on the Company's financial statements.

**2.5.2 Standards, interpretations and amendments to approved accounting standards which became effective during the year but are not relevant**

There were certain amendments to approved accounting standards which became effective during the year but are considered not to be relevant or have any significant effect on the Company's operations and are, therefore, not disclosed in these financial statements.

**2.5.3 Standards, interpretations and amendments to approved accounting standards that are relevant but not yet effective**

The following standards, amendments and interpretations of approved accounting standards are relevant and will be effective for accounting periods beginning on or after July 01, 2015. These amendments are not likely to have any impact on the Company's financial statements:

IFRS 9 'Financial Instruments' (effective for annual periods beginning on or after January 01, 2018). IASB has published the complete version of IFRS 9 which replaces the guidance in IAS 39. This final version includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the incurred loss impairment model used today.

IAS 1 'Presentation of Financial Statements' (effective for annual periods beginning on or after January 01, 2016). The amendments provide clarifications on a number of issues, including: Materiality - an entity should not aggregate or disaggregate information in a manner that obscures useful information. Where items are material, sufficient information must be provided to explain the impact on the financial position or performance. Notes - confirmation that the notes do not need to be presented in a particular order. Other comprehensive income (OCI) arising from investments accounted for under the equity method - the share of OCI arising from equity-accounted investments is grouped based on whether the items will or will not subsequently be reclassified to profit or loss. According to the transitional provisions, the disclosures in IAS 8 regarding the adoption of new standards / accounting policies are not required for these amendments.

IFRS 16 'Leases' (effective for annual periods beginning on or after 1 January 2019) is introduced during the year that aims to set out the principles for recognition, measurement, presentation and disclosure of leases. It introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all the leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make the lease payments. IFRS 16 substantially carries forward the lessor accounting requirements of IAS 17 Leases. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. IFRS 16 replaces IAS 17 Leases, IFRIC 4 Determining whether an arrangement contains a lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

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*Note 2, Basis of Preparation - Continued...*

**2.5.4 Standards, interpretations and amendments to approved accounting standards that are neither relevant and nor yet effective**

There are number of other standards, amendments and interpretations to the published standards that are neither relevant nor yet effective and, therefore, have not been presented here.

Note 3

**Significant Accounting Policies**

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The principal accounting policies applied in preparation of these financial statements are set out below. These policies have been applied consistently, unless otherwise stated.

**3.1 Deferred credit**

Deferred credit represents funds received from government departments and local and foreign donor agencies for a period of twelve months or more allocated to project expenses, administrative expenses and purchase of fixed assets based on actual basis as mentioned in Note 4.1.

These funds are recognized at their fair value where there is a reasonable assurance that the funds will be received and the Company will comply with all the attached conditions. Fair value signifies the amount received or receivable in cash. Funds relating to expenses are deferred and recognized in the profit and loss account over the period necessary to match them with the expenses that they are intended to compensate.

Funds relating to fixed assets are included in non-current liabilities as deferred credit and credited to the profit and loss account over the expected lives of the related assets.

The unamortized portion of deferred credit is recognized as a long-term liability in the balance sheet and comprises balance funds available with the Company, prepayments not recognized as expenses following the time proportion basis, unutilized short term advances and written-down values of fixed assets purchased from these funds.

**3.2 Accrued and other liabilities**

Liabilities for accrued and other amounts payable are recorded at their transaction cost.

**3.3 Taxation**

The tax expense consists of current and deferred income tax and is recognized in the profit and loss account, except to the extent that it relates to items recognized in other comprehensive income or directly in the equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively. Keeping in view the nature of its operation, the company, being prudent, has not recognized its deferred tax asset amounting to Rs. 3.082 million.

**3.4 Provisions**

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

**3.5 Property, plant and equipment**

Property, plant and equipment except capital work-in-progress are stated at cost less accumulated depreciation and impairment losses, if any. Capital work-in-progress is stated at cost less any identified impairment loss.

Subsequent costs are included in the property, plant and equipment carrying amount or recognized as a separate asset, based on the Company's Capitalization Policy, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to income during the period in which they are incurred.

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*Note 3, Significant Accounting Policies - Continued...*

Depreciation is charged to income using the straight line method so as to write off the cost of an asset over its estimated useful life at the rates given in Note 9. Depreciation charge commences from the month in which the asset is available for use and continues until the month of disposal.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of the property, plant and equipment (calculated as the difference between the net disposal proceeds and carrying amount of the asset) is included in the profit and loss account in the period the property, plant and equipment is disposed off.

**3.6 Intangible assets**

Amortization is charged on intangible assets using the straight line method so as to write off the cost of the asset over its estimated useful life of ten years. Amortization charge commences from the month in which the asset is available for use and continues upto the month of disposal.

**3.7 Impairment of assets**

Carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of such asset is estimated and impairment loss is recognized if the carrying amount of the asset exceeds its recoverable amount. Impairment losses are recognized in the profit and loss account.

A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the profit and loss account.

**3.8 Project receivable**

Project receivables are recognized initially at original invoice amount less provision for doubtful receivables. A provision for doubtful receivables is established when there is objective evidence that the Company will not be able to collect all the amount due according to the original terms of the receivable. Significant financial difficulties of the debtors, probability that the debtor will enter bankruptcy or financial reorganization and default or delinquency in payments are considered indicators that the Project receivable is impaired. The provision is recognized in the profit and loss account. When a Project receivable is uncollectible, it is written off against the provision. Subsequent recoveries of amounts previously written off are credited to the profit and loss account.

**3.9 Project inventories**

Project inventories are purchased for on ward handing over to the project management, as per the term of the individual project. These are recognized at purchase price which comprises invoice price and other costs incurred on procuring and bring these inventories into intended project use.

**3.10 Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand and cash at banks on current and deposit accounts.

**3.11 Revenue recognition**

Revenue is recognized when it is probable that the economic benefits associated with a transaction or activity will flow to the Company and the amount of receipt and associated cost can be measured reliably. Revenue is recognized based on the stage of completion. The stage of completion is calculated on the basis of deliverables completed and in some cases costs incurred to date as a percentage of total costs expected to be incurred. In addition, revenue for the following activities is recognized when the specified criteria as mentioned below have been met:

Profit on bank deposits is recognized on time proportion basis taking into account principal outstanding and rates of profit applicable thereon.

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*Note 3, Significant Accounting Policies - Continued...*

Amortization income on funds relating to expenses and purchase of fixed assets is recognized in the period in which the relevant expense is incurred and depreciation on the fixed asset is charged.

**3.12 Government grant**

Government grant is recognized in the profit and loss account to the extent of activities performed / services rendered in a given period. Such grants are recognized in the period in which the Company recognizes related expenses for which the grant was intended to compensate.

**3.13 Foreign currency transaction**

A foreign currency transaction is recorded, on initial recognition in the functional currency, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Exchange differences arising on the settlement of monetary items are recognized in the profit and loss account.

**3.14 Financial instruments**

***Financial assets***

The Company classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, available for sale and held to maturity. The classification depends on the purpose for which the financial assets were acquired. The management determines the classification of its financial assets at the time of initial recognition.

*Financial assets at fair value through profit and loss*

Financial assets at fair value through profit or loss are financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. A financial asset is classified as held for trading if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets.

*Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those having maturities greater than twelve months after the balance sheet date, which are classified as non-current assets.

*Available-for-sale financial assets*

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the management intends to dispose off these assets within twelve months from the balance sheet date.

*Held to maturity*

Financial assets with fixed or determinable payments and fixed maturity, where the management has the intention and ability to hold till maturity, are classified as held to maturity and are stated at amortized cost.

All financial assets are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Regular purchases and sales of investments are recognized on trade-date that is the date on which the Company commits to purchase or sell the asset.

Financial assets are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value and transaction costs are expensed in the profit and loss account. Dividend income from financial assets at fair value through profit or loss is recognized in the profit and loss account when the Company's right to receive payments is established.

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*Note 3, Significant Accounting Policies - Continued...*

Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. 'Loans and receivables' and 'held to maturity' instruments are carried at amortised cost using effective interest rate method.

Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

***Financial liabilities***

All financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognized in the profit and loss account.

**3.15 Offsetting of financial assets and liabilities**

Financial assets and financial liabilities are set off in the balance sheet, only when 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 assets and settle the liabilities simultaneously.

**3.16 Related party transactions**

Transaction with related parties are based on the transfer pricing policy that all transactions between the Company and the related party are at arm's length prices using the comparable uncontrolled price method except in circumstances where it is not in the interest of the Company to do so.

**3.17 Provident Fund**

The Company does not maintain any provident fund for its employees.

*None*

Note 4

**Deferred Credits**

	Note	2016 Rupees	2015 Rupees
Deferred Revenue	4.1	59,266,356	-
Deferred Credit	4.2	34,035,196	79,944,092
		<u>93,301,552</u>	<u>79,944,092</u>

**4.1 Deferred Revenue:**

- Ministry of Railways (Government of Pakistan)	17,091,351	-
- Sub-National Governance Project	35,857,277	-
- Punjab Water and Sanitation Academy	6,317,728	-
	<u>59,266,356</u>	<u>-</u>

**4.2 Deferred Credit**

	Utilization of Grants				Total Rupees
	Project expenses Rupees	Administrative expenses Rupees	Purchase of property, plant and equipment Rupees	Unallocated grant Rupees	
<b>Balance as on June 30, 2014</b>	5,521,691	-	51,627,148	24,068,351	81,217,190
Funds received during the year	216,390,646	-	12,572,544	13,084,810	242,048,000
Funds surrendered as at June 30, 2015	-	-	-	(7,000,000)	(7,000,000)
Funds lapsed as at June 30, 2015	-	-	-	(30,953)	(30,953)
Amortization for the year	(216,251,917)	-	(20,038,228)	-	(236,290,145)
<b>Balance as on June 30, 2015</b>	5,660,420	-	44,161,464	30,122,208	79,944,092
Funds received during the year	184,635,821	-	2,937,602	366,577	187,940,000
Funds lapsed as at June 30, 2016	-	-	-	(106,984)	(106,984)
Amortization for the year	(185,328,964)	-	(18,040,411)	(30,372,537)	(233,741,912)
<b>Balance as on June 30, 2016</b>	<u>4,967,277</u>	<u>-</u>	<u>29,058,655</u>	<u>9,264</u>	<u>34,035,196</u>

**4.2.1** During the year, the Company received Rs. 187.940 million (2015: Rs. 242.048 million) from the World Bank through Government of Punjab for Punjab Cities Governance Improvement Project (PCGIP). Amortization for the year of project expenses comprise Rs. 233.742 million (2015: Rs. 236.290 million) incurred on PCGIP.

**4.2.2 Basis of allocation**

Amortization of deferred credit with respect to administrative and project expenses is made on actual basis after adjusting prepayments which are amortized when the expense is recognized. Funds utilized for purchase of property, plant and equipment are amortized over the useful life of the property, plant and equipment when the related depreciation expense is recognized or on de-recognition due to disposal / write-off.

**4.2.3 Net amortized income**

	2016 Rupees	2015 Rupees
- Amortization of deferred credit during the year	233,741,912	236,290,145
- Less: Expenses related to grant	(190,049,312)	(216,251,917)
	<u>43,692,600</u>	<u>20,038,228</u>

Note 5

**Project Payables**

	<b>2016</b>	<b>2015</b>
	Rupees	Rupees
Bus Rapid Transit System (BRTS)	1,138,787	18,724,689
Urban Immoveable Property Tax (UIPT)	8,928,547	6,721,305
Punjab Cities Governance Improvement Project (PCGIP)	3,894,799	2,673,266
Gender Management Information System - DAI	6,566,928	-
Government House Murree	32,777,951	-
Development of Eco-Tourism in Soon Valley	6,776,828	-
Pakistan Urban Forum	2,290,593	-
Ministry of Railways (Government of Pakistan)	1,518,064	-
Establishment of Segregation, Treatment & Disposal Facility - Sahiwal	1,450,815	-
Murree Mall Road	1,116,770	-
Punjab Water and Sanitation Academy	3,045,094	-
Planning and Development Library	969,660	-
Punjab Saaf Pani Company	547,838	-
Sales tax payable	29,747,083	108,174,287
Project salaries payable	40,261,753	63,614,305
Retention money payable	3,288,590	1,527,969
Other project payables	8,001,973	3,638,148
	<u>152,322,073</u>	<u>205,073,969</u>

Note 6

**Advances for Projects**

	<b>2016</b>	<b>2015</b>
	Rupees	Rupees
Government House Murree	135,431,077	-
New City Project	54,770,964	-
Punjab Water and Sanitation Academy	44,954,100	-
Sub-National Governance Project	44,298	-
Development of Eco-Tourism in Soon Valley	21,886,528	76,880,455
Establishment of Communication Cell	19,697,000	-
Establishment of Segregation, Treatment & Disposal Facility - Sahiwal	6,710,544	-
Planning and Development Library	14,618,284	-
Restoration of Murree GPO	16,081,155	24,606,878
Gender Management Information System - DAI	-	-
Punjab Intermediate Cities Improvement Investment Program	871,722	-
	<u>315,065,672</u>	<u>101,487,333</u>

Note 7

**Accrued and Other Liabilities**

	<b>2016</b>	<b>2015</b>
	Rupees	Rupees
Accrued liabilities	9,237,131	34,521,999
Payable to suppliers	25,261,844	20,958,358
Salaries, benefits and other allowances payable	14,681,641	19,707,035
Audit fee	202,125	137,500
Tax deducted at source	-	2,409,522
	<u>49,382,741</u>	<u>77,734,414</u>

Note 8

**Contingencies and Commitments**

There were no outstanding contingencies and commitments as at the balance sheet date (2015: Nil).

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Note 9

**Property, Plant and Equipment**

**9.1 Reconciliation of carrying amounts of property, plant and equipment at the beginning and at end of the year is as follows:**

	<b>Leasehold Improvements</b>	<b>Office Furniture</b>	<b>Library Books</b>	<b>Vehicles</b>	<b>Office Equipment</b>	<b>Computers and Accessories</b>	<b>Total</b>
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
<b>As at June 30, 2016</b>							
Opening net book value	36,931,372	14,896,908	361,819	5,228,285	33,978,906	44,078,907	135,476,197
Additions	4,041,408	5,158,586	1,368,420	86,000	7,230,378	28,786,723	46,671,515
Depreciation for the year	(5,744,873)	(2,903,012)	(90,416)	(2,337,417)	(11,077,766)	(25,184,246)	(47,337,730)
Closing net book value	<u>35,227,907</u>	<u>17,152,482</u>	<u>1,639,823</u>	<u>2,976,868</u>	<u>30,131,518</u>	<u>47,681,384</u>	<u>134,809,982</u>
<b>As at June 30, 2015</b>							
Cost	47,062,713	25,250,923	1,784,249	7,757,859	59,111,769	146,395,920	287,363,433
Disposal	-	-	-	(880,500)	-	-	(880,500)
Accumulated depreciation	(11,834,806)	(8,098,441)	(144,426)	(3,900,491)	(28,980,251)	(98,714,536)	(151,672,951)
Net book value	<u>35,227,907</u>	<u>17,152,482</u>	<u>1,639,823</u>	<u>2,976,868</u>	<u>30,131,518</u>	<u>47,681,384</u>	<u>134,809,982</u>
<b>As at June 30, 2015</b>							
Opening net book value	30,216,850	10,197,540	365,444	5,562,619	9,685,819	44,518,370	100,546,642
Additions	10,755,601	6,289,923	37,960	1,045,200	32,242,848	24,763,564	75,135,096
Depreciation for the year	(4,041,079)	(1,590,555)	(41,585)	(1,379,534)	(7,949,761)	(25,203,027)	(40,205,541)
Disposals	-	-	-	-	-	-	-
Closing net book value	<u>36,931,372</u>	<u>14,896,908</u>	<u>361,819</u>	<u>5,228,285</u>	<u>33,978,906</u>	<u>44,078,907</u>	<u>135,476,197</u>
<b>As at June 30, 2015</b>							
Cost	44,238,939	20,092,337	415,829	9,948,059	51,889,250	117,647,339	244,231,753
Disposal	-	-	-	(1,231,000)	-	-	(1,231,000)
Accumulated depreciation	(7,307,567)	(5,195,429)	(54,010)	(3,488,774)	(17,910,344)	(73,568,432)	(107,524,556)
Net book value	<u>36,931,372</u>	<u>14,896,908</u>	<u>361,819</u>	<u>5,228,285</u>	<u>33,978,906</u>	<u>44,078,907</u>	<u>135,476,197</u>
Depreciation rate	<u>10%</u>	<u>10%</u>	<u>10%</u>	<u>20%</u>	<u>20%</u>	<u>33.33%</u>	

9.1.1 The total depreciation charge for the year has been allocated to project expenses and administrative expenses as per follows:

		<b>2016</b>	<b>2015</b>
		Rupees	Rupees
Project expenses	16	41,053,929	33,722,952
Administrative expenses	17	6,283,801	6,482,589
		<u>47,337,730</u>	<u>40,205,541</u>

9.1.2 The cost of assets includes fully depreciated assets amounting of Rs. 45,376,697 (2015: Rs. 26,939,781).

9.1.3 Property, plant and equipment includes project assets with net book value of amounting to Rs. 13,579,352 (2015: Nil), which are depreciated using project life.

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Note 10

**Intangible Assets**

	2016	2015
	Rupees	Rupees
Net book value of intangible assets is calculated as follows:		
<i>Net Carrying Value</i>		
Net carrying value - opening balance	7,761,296	-
Additions during the year	28,083,948	8,288,977
	<u>35,845,244</u>	<u>8,288,977</u>
Amortization during the year	(6,308,725)	(527,681)
Net carrying value - closing balance	<u>29,536,519</u>	<u>7,761,296</u>
<i>Gross Carrying Value</i>		
Cost	43,735,718	15,651,770
Accumulated amortization	(14,199,199)	(7,890,474)
Net book value	<u>29,536,519</u>	<u>7,761,296</u>

**10.1** Intangible assets include project intangible assets with net book value of amounting to Rs. 22,277,925 (2015: Nil), which are amortized using project life.

Note 11

**Project Receivables**

	2016	2015
	Rupees	Rupees
	Note	
Balance receivable from the Government of Punjab against Urban Immovable Property Tax (UIPT) Project	11.1	192,153,751
Other receivables		259,524,000
		<u>178,875,734</u>
		<u>371,029,485</u>
		<u>54,195,725</u>
		<u>313,719,725</u>

**11.1** This includes receivables from third parties for various consultancies, smaller projects and training activities conducted by the Company during the year.

Note 12

**Project Inventory**

	2016	2015
	Rupees	Rupees
Development of Eco-Tourism in Soon Valley	18,903,749	-
Restoration of Murree GPO	3,460,561	-
Planning and Development Library	13,091,278	-
	<u>35,455,588</u>	<u>-</u>

Note 13

**Advances, Deposits, Prepayments and Other Receivables**

	2016	2015
	Rupees	Rupees
	Note	
Advance to contractors		42,060,328
Project and other advances (unsecured - considered good)	13.1	-
Security deposits		1,984,997
Prepayments:		9,774,700
- Rent		10,387,301
- Others		2,833
Income tax deducted at source		15,000
		<u>29,190,885</u>
		<u>95,498,919</u>
		<u>13,352,346</u>
		<u>33,348,953</u>

**13.1** This includes Rs. 506,712 (2015: Rs. 377,082) imprest advance given to District Managers of Multan, Faisalabad, Gujranwala, Rawalpindi and Lahore for the UIPT Project.

Note 14

**Cash and Bank Balances**

	2015	2014
	Rupees	Rupees
	Note	
Cash in hand		11,686
Cash at banks:		29,304
- Saving accounts	14.1	119,124,346
- Current accounts		73,431,692
		<u>5,187,778</u>
		<u>124,323,810</u>
		<u>77,049,639</u>

**14.1** The saving accounts yield mark-up of 4% (2015: 6%) per annum approximately.

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Note 15

**Project Revenue**

	Note	2016 Rupees	2015 Rupees
Gross revenue	15.1	771,558,592	477,900,663
Less: Sales tax		(49,363,161)	(47,849,312)
		<u>722,195,431</u>	<u>430,051,351</u>

**15.1** Project revenue includes Rs. 358.55 million (2015: Rs. 58.348 million) recognized on the basis of actual expenditure incurred on certain projects.

Note 16

**Project Expenses**

	Note	2016 Rupees	2015 Rupees
Urban Immoveable Property Tax (UIPT)			
- Salaries and other benefits		56,857,058	128,861,976
- Rent		-	2,821,585
- Fees and subscription		-	1,200
- Travelling and conveyance		963,533	5,501,761
- Utilities		11,600	722,686
- Communication		4,431,249	5,291,039
- Repairs and maintenance		11,514	598,058
- Printing, stationery and office supplies		2,241,428	1,175,218
- Advertisement		130,694	819,403
- Vehicle rental		817,462	574,545
- Other expenses		535,207	1,377,389
		<u>65,999,745</u>	<u>147,744,860</u>
Punjab Cities Governance Improvement Project (PCGIP)			
- Salaries and other benefits		128,627,932	153,838,734
- Rent		13,093,508	8,746,042
- Fees and subscription		10,023,260	10,313,370
- Travelling and conveyance		9,990,090	15,146,229
- Utilities		5,672,212	4,792,398
- Communication		7,291,761	5,466,973
- Repairs and maintenance		3,082,788	1,215,945
- Printing, stationery and office supplies		2,942,263	2,179,424
- Advertisement		56,851	809,109
- Vehicle rental		4,468,947	4,774,715
- Training and development		2,408,534	3,121,570
- Other expenses		2,391,166	2,693,066
		<u>190,049,312</u>	<u>213,097,575</u>
Other project expenses	16.1	502,073,052	151,445,138
Depreciation and amortization on project assets		47,362,654	34,250,633
Subtotal: Project expenses		<u>805,484,763</u>	<u>546,538,206</u>
Less: Expenses related to grant - PCGIP		(190,049,312)	(216,251,917)
		<u>615,435,451</u>	<u>330,286,289</u>

**16.1** This expenditures include Rs. 32.33 million (2015: Rs. 14.75 million) incurred on various projects, tasks assigned by the Government and promotional activities etc. against which no revenue is generated by the Company.

Note 17

**Administrative Expenses**

	Note	2016 Rupees	2015 Rupees
Salaries and other benefits		31,547,402	37,612,587
Rent		20,785,334	14,873,359
Travelling and conveyance		2,210,414	2,761,480
Fees and subscription		1,416,354	610,116
Communication		1,584,001	1,712,044
Electricity		4,191,653	4,500,091
Repairs and maintenance		6,792,494	6,273,517
Printing, stationery and office supplies		3,308,957	1,879,092
Advertisement		1,114,998	1,154,418
Legal and professional charges		1,304,950	593,794
Training and development expense		339,207	70,750
Miscellaneous		5,968,781	3,738,679
Depreciation	9	6,283,801	6,482,589
		<u>86,848,346</u>	<u>82,262,516</u>

Note 18

**Other Operating Expense**

	<b>2016</b>	<b>2015</b>
	Rupees	Rupees
Auditors' remuneration	192,500	137,500

Note 19

**Other Income**

	<b>2016</b>	<b>2015</b>
	Rupees	Rupees
Profit on saving accounts	257,681	1,373,773
Excess liabilities written back	17,585,902	-
Others	715,000	1,551,613
	<u>18,558,583</u>	<u>2,925,386</u>

Note 20

**Taxation**

	<b>2016</b>	<b>2015</b>
	Rupees	Rupees
Tax expense for the year	22,778,660	4,409,515
Prior year adjustment - reversal of excess provision	-	(1,260,337)
	<u>22,778,660</u>	<u>3,149,178</u>

Note 21

**Chief Executive Officer's and Directors' Remuneration**

The aggregate amounts charged in the financial statements for the year as remuneration and benefits to the Chief Executive Officer of the Company are as follows:

	<b>2016</b>	<b>2015</b>
	Rupees	Rupees
Managerial remuneration	6,610,416	6,493,347
Project and other allowances	550,668	165,662
	<u>7,161,084</u>	<u>6,659,009</u>
Number of persons	<u>1</u>	<u>1</u>

Note 22

**Transactions with Related Parties**

There are no transactions with related parties during the year.

Note 23

**Financial Risk Management**

**23.1 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 program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance.

Risk management is carried out by the Board of Directors (the Board). 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 and liquidity risk.

**23.1.1 Market risk**

**(i) Currency risk**

The Company is not exposed to currency risk arising in respect of grant receivable from international donors against donor funded projects.

**(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 instrument traded in the market. The Company is not exposed to equity and commodity price risks.

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Note 23, Financial Risk Management - Continued...

**(ii) Interest rate risk**

This represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has no interest bearing borrowings. The Company's interest rate risk arises from balance with the Bank of Punjab on saving accounts. These saving accounts are at variable interest rates and expose the Company to cash flow interest rate risk. At the balance sheet date the interest rate profile of the Company's interest bearing financial instruments was:

	<b>2016</b>	<b>2015</b>
	Rupees	Rupees
<b>Financial assets</b>		
Bank balances - saving accounts	119,124,346	73,431,692

**Cash flow sensitivity analysis for variable rate instruments**

The following analysis demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Company's profit before tax. This analysis is prepared assuming the amounts of floating rate instruments outstanding at balance sheet dates were outstanding for the whole year.

	<b>Changes in interest rates</b>	<b>Effects on Profit Before Tax</b>
	%	Rupees
<b>Financial liabilities at amortized cost as at June 30, 2016</b>		
Bank balances - saving accounts	1.00	1,191,243
<b>Financial liabilities at amortized cost as at June 30, 2015</b>		
Bank balances - saving accounts	1.00	734,317

**23.1.2 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:

	<b>2016</b>	<b>2015</b>
	Rupees	Rupees
Project receivables	371,029,485	313,719,725
Advances, deposits and other receivables	13,857,572	10,567,247
Bank balances	124,312,124	77,020,335

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

	<b>Rating</b>			<b>2016</b>	<b>2015</b>
	<b>Short Term</b>	<b>Long term</b>	<b>Agency</b>		
				Rupees	Rupees
Bank of Punjab	A1+	AA-	PACRA	124,312,124	77,020,335

After giving due consideration to their strong financial standing, the management does not expect non-performance by these counter parties on their obligations to the Company. Accordingly the credit risk is minimal.

**23.1.3 Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Company intends to manage liquidity risk by maintaining sufficient cash and the availability of funding through grants received from the Government of Punjab and various donor agencies. The management believes that its liquidity risk is low subject to proper cash flow management and contingent planning for delays in release of grants. Following are the contractual maturities of financial liabilities. The amount disclosed in the table are undiscounted cash flows.

**Contractual maturities of financial liabilities as at June 30, 2016:**

	<b>Carrying Amount</b>	<b>Contractual cash flows</b>	<b>6 months or less</b>	<b>6-12 months</b>	<b>1-2 Years</b>	<b>More than 2 years</b>
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
<b>Non-derivative financial liabilities:</b>						
Project payables	122,574,990	122,574,990	122,574,990	-	-	-
Accrued and other liabilities	49,382,741	49,382,741	49,382,741	-	-	-
	<u>171,957,731</u>	<u>171,957,731</u>	<u>171,957,731</u>	<u>-</u>	<u>-</u>	<u>-</u>

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Note 23, Financial Risk Management - Continued...

**Contractual maturities of financial liabilities as at June 30, 2015:**

	Carrying Amount	Contractual cash flows	6 months or less	6-12 months	1-2 Years	More than 2 years
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
<b>Non-derivative financial liabilities:</b>						
Project payables	96,899,682	96,899,682	96,899,682	-	-	-
Accrued and other liabilities	75,324,892	75,324,892	75,324,892	-	-	-
	<u>172,224,574</u>	<u>172,224,574</u>	<u>172,224,574</u>	<u>-</u>	<u>-</u>	<u>-</u>

**23.2 Fair values of financial assets and liabilities**

The carrying values of all financial assets and liabilities reflected in these financial statements approximate to their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

**23.3 Financial instruments by categories**

**Financial assets as at June 30, 2016**

	Cash and Cash Equivalents	Loans and advances	Fair value through profit or loss	Total
	Rupees	Rupees	Rupees	Rupees
- Project receivables	-	371,029,485	-	371,029,485
- Advances, deposits and other receivables	-	13,857,572	-	13,857,572
- Bank balances	124,323,810	-	-	124,323,810
	<u>124,323,810</u>	<u>384,887,057</u>	<u>-</u>	<u>509,210,867</u>

**Financial assets as at June 30, 2015**

	Cash and Cash Equivalents	Loans and advances	Fair value through profit or loss	Total
	Rupees	Rupees	Rupees	Rupees
- Project receivables	-	313,719,725	-	313,719,725
- Advances, deposits and other receivables	-	10,567,247	-	10,567,247
- Bank balances	77,049,639	-	-	77,049,639
	<u>77,049,639</u>	<u>324,286,972</u>	<u>-</u>	<u>401,336,611</u>

**Financial liabilities at amortized cost as at June 30,**

- Project payables	122,574,990	96,899,682
- Accrued liabilities	49,382,741	75,324,892
	<u>171,957,731</u>	<u>172,224,574</u>

Note 24

**Number of Employees**

	Note	2016 Number	2015 Number
Number of employees as at June 30,	24.1	1,071	1,049
Average number of employees during the year		1,060	935

**24.1** This includes 841 employees (2015: 701 employees) hired on temporary basis for specific projects.

Note 25

**Authorization of Financial Statements**

These financial statements were authorized for issue on 09 NOV 2016 by the Board of Directors of the Company.

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Note 26

**Corresponding figures**

Corresponding figures have been re-arranged, wherever necessary, to facilitate comparison. Following re-arrangements / reclassifications have been made in these financial statements for better presentation:

<b>Nature</b>	<b>From</b>	<b>To</b>	<b>Amount (Rupees)</b>
Retention money payable	Other project payables (Note 5)	Retention money payable (Note 5)	1,527,969
Development of Eco-Tourism in Soon Valley	Accrued and Other Liabilities (Note 7)	Advances for Projects (Note 6)	76,880,455
Restoration of Murree GPO <i>W.P.K.</i>	Accrued and Other Liabilities (Note 7)	Advances for Projects (Note 6)	24,606,878

  
**CHIEF EXECUTIVE OFFICER**

  
**DIRECTOR**

## Pattern of Shareholding As at June 30, 2016

### Additional information

Categories of shareholders required under Public Sector Companies (Corporate Governance) Rules, 2013.

Shareholders' Categories	Number of Shares held	Percentage
<b>Government</b>		
1. Representative Government of the Punjab, Planning and Development Department.	997	99.70%
<b>Directors, Chief Executive, and their spouse and minor child (name wise details)</b>		
1. Dr. Nasir Javed	1	0.10%
2. Dr. Ali Cheema	1	0.10%
3. Mr. Ahmad Rafay Alam	1	0.10%
<b>Shareholders holding five percent or more voting right in the Public Sector Company (name wise details)</b>		
1. Representative Government of the Punjab, Planning and Development Department.	997	99.70%

## Form of Proxy

I / We \_\_\_\_\_ of \_\_\_\_\_  
being a member of **URBAN SECTOR PLANNING & MANAGEMENT SERVICES UNIT (PVT.) LIMITED** and holder of \_\_\_\_\_ Ordinary Share(s) as per Registered Folio \_\_\_\_\_ hereby appoint Mr./Mrs./Miss. \_\_\_\_\_ of \_\_\_\_\_ or failing him / her Mr./Mrs./Miss. \_\_\_\_\_ of \_\_\_\_\_ who is also a member of the **URBAN SECTOR PLANNING & MANAGEMENT SERVICES UNIT (PVT.) LIMITED** vide Registered Folio \_\_\_\_\_ as my proxy to vote for me and on my behalf at the 4<sup>th</sup> Annual General Meeting of the Company to be held on Wednesday 30<sup>th</sup> November, 2016 at 03:00 P.M. at 19-A, FCC, Gulberg-IV, Lahore and at any adjournment thereof.

Signature this \_\_\_\_\_ day of \_\_\_\_\_ 2016.

WITNESSES: \_\_\_\_\_

1. Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_

CNIC or \_\_\_\_\_

Passport # \_\_\_\_\_

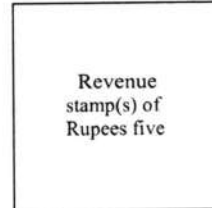
2. Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_

CNIC or \_\_\_\_\_

Passport # \_\_\_\_\_



Signature  
(As registered with the company)

Note:

- This proxy form, duly completed and signed, must be received at the Registered Office of the company not less than 48 hours before the time of holding the Meeting.
- No person shall act as Proxy unless he/she himself / herself is a Shareholder of the Company except that a company may appoint a person as its representative who is not a shareholder.



**THE URBAN UNIT**  
Urban Sector Planning & Management Services Unit (Pvt.) Ltd.  
A Public Sector Company.



# پراکسی فارم

میں اہم..... بحیثیت ممبر اربن سیکرٹریٹ پلاننگ  
 اینڈ مینجمنٹ سروسز یونٹ (پرائیویٹ) لمیٹڈ اور حال..... عمومی حصص بمطابق رجسٹرڈ فولیو نمبر  
 بذریعہ تحریر پناہ محترمہ..... کو یا ان کی غیر  
 حاضری کی صورت میں محترمہ..... کو جو بحوالہ رجسٹرڈ فولیو.....  
 اربن سیکرٹریٹ پلاننگ اینڈ مینجمنٹ سروسز یونٹ (پرائیویٹ) لمیٹڈ کے ایک ممبر بھی ہیں، اپنا پراکسی مقرر کرتا کرتی کرتے  
 ہیں تاکہ وہ میرے اہم سے لئے اور میری اہماری طرف سے کمپنی کے چوتھے سالانہ اجلاس عام میں ووٹ ڈال سکیں جو مورخہ  
 30 نومبر 2016ء بروز بدھ سپر 03:00 بجے 19 اے ایف سی ای، گلبرگ 4، لاہور میں یا اس کے کسی بھی اتوار  
 کی صورت میں منعقد ہوگا۔

تاریخ دستخط: _____	پانچ روپے کے رسیدی ٹکٹس
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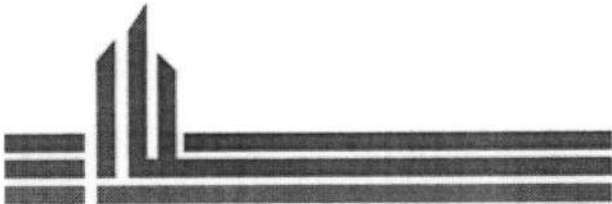
دستخط

(جو کمپنی کے پاس رجسٹرڈ ہیں)

گواہ نمبر 1 دستخط _____ نام _____ پتہ _____ قومی شناختی کارڈ یا پاسپورٹ نمبر _____	گواہ نمبر 2 دستخط _____ نام _____ پتہ _____ قومی شناختی کارڈ یا پاسپورٹ نمبر _____
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نوٹ:

- ☆ یہ پراکسی فارم، باقاعدہ پر شدہ اور دستخط شدہ حالت میں اجلاس کے انعقاد کے وقت سے کم از کم 48 گھنٹے قبل کمپنی کے رجسٹرڈ آفس میں لازماً پہنچانا چاہئے۔
- ☆ کوئی شخص بطور پراکسی کام نہیں کرے گا اگر وہ خود کمپنی کا شیئر ہولڈر نہ ہو سوائے اس کے کہ کوئی کمپنی کسی ایسے شخص کو اپنا نمائندہ مقرر کر دے جو شیئر ہولڈر نہ ہو۔



**THE URBAN UNIT**  
 Urban Sector Planning & Management Services Unit (Pvt) Ltd  
 A Public Sector Company

