



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



URBAN SECTOR PLANNING AND MANAGEMENT SERVICES UNIT (PVT.) LIMITED

ANNUAL REPORT 2019



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



Annual Report 2019

CONTENTS

	Page No.
Corporate Information	1
Directors' Report to the Members	2
Statement of Compliance with the Public Sector Companies (Corporate Governance) Rules, 2013	12
Review Report to the Members on Statement of Compliance with the Public Sector Companies (Corporate Governance) Rules, 2013	18
Independent Auditors' Report to the Members on the Financial Statements for the Financial Year ended June 30, 2019	20
Balance Sheet	24
Profit and Loss Account	25
Statement of Comprehensive Income	26
Statement of Changes in Equity	27
Statement of Cash Flows	28
Notes to the Financial Statements	29
Pattern of Shareholding	62
Form of Proxy	63



Corporate Information

BOARD OF DIRECTORS	Mr. Muhammad Omar Masud	Director/ CEO	Executive Director
	Mr. Muhammad Shafiq Ahmad	Director/ Member (SI) P&D Board	Non-Executive Director
	Ms. Silwat Saeed	Director/ Special Secretary Finance Deptt. GoPb	Non-Executive Director
	Mr. Zahid Sohail	Director/ Additional Secretary (A&H) HUD&PHE Deptt. GoPb	Non-Executive Director
	Ms. Zarine Aziz	Director	Independent Non- Executive Director
	Syed Muhammad Turab Hussain	Director	Independent Non- Executive Director
	Mr. Ali Tauqeer Sheikh	Director	Independent Non- Executive Director
	Mr. Ali Zafar Qazi	Director	Independent Non- Executive Director
	Mr. Sohail Ahmad	Director	Non- Executive Director
AUDIT COMMITTEE	Ms. Zarine Aziz	Chairperson	
	Syed Muhammad Turab Hussain	Member	
	Ms. Silwat Saeed	Member/ Special Secretary Finance Deptt. GoPb	
CHIEF FINANCIAL OFFICER	Mr. Salman Javed Hashmi		
COMPANY SECRETARY	Mr. Muhammad Imran		
REGISTERED OFFICE	503, 5 th Floor, Shaheen Complex, Edgerton Road, Lahore Tel: 042-99205316-22 Fax: 042-99205323 Website: www.urbanunit.gov.pk Email: uspmu@punjab.gov.pk		
AUDITORS	Grant Thornton Anjum Rehman Chartered Accountants 1-Inter Floor, Eden Centre, 43-Jail Road, Lahore-54000, Pakistan. Tel + 92- 42- 37423621-23 Fax +92-42-37425485 www.gtpak.com		
LEGAL ADVISORS	Hassan & Hassan (Advocates) PAAF Building, 7D, Kashmir Edgerton Road, Lahore- 54000 Pakistan Tel: + 92- 42- 36360800- 803 Fax +92-42-36360811-812 Emails: hassanandhassan@gmail.com		





No: _____

Date: _____

DIRECTORS' REPORT TO THE MEMBERS:

Dear Members,

The Board of Directors is pleased to present the seventh Audited Financial Statements together with the Auditors' Report thereon and Review Report On the Statement of Compliance with the Public Sector Companies (Corporate Governance) Rules, 2013 of Urban Sector Planning and Management Services Unit (Pvt.) Limited (the Company) for the year ended June 30, 2019.

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.

Board Meetings:

The Board of Directors met five times during the year ended June 30, 2019 and Dr. Nasir Javed remained the Chief Executive Officer (CEO) till September 17, 2018, when he was relieved from his position by the Government of Punjab. The acting charge of CEO was given to Mr. Salman Javed Hashmi, Chief Financial Officer (CFO) of the Company, till January 24, 2019. On January 25, 2019, Mr. Khalid Sherdil (Late) was appointed as the new CEO of the Company and he served as CEO till year end. There were no new appointments on the Board during the year, however Dr. Ali Cheema and Dr. Anjum Altaf resigned during the year. Detail of attendance of the Directors in board meetings held during the year is as follows:

Sr. #	Name of Directors	-----Board Meeting Numbers-----				
		37 th	38 th	39 th	40 th	41 st
1	Dr. Ali Cheema	P	-	-	-	-
2	Dr. Anjum Altaf	P	P	P	-	-
3	Dr. Nasir Javed	P	P	P	-	-
4	Ms. Zarine Aziz	P	P	-	P	P
5	Mr. Khalid Sherdil	-	-	-	P	P
6	Rep. of Secretary P&D Board	P	P	P	P	P
7	Rep. of Secretary HUD&PHED	P	P	-	P	P
8	Rep. of Finance Department	P	P	P	P	P

Directors' Remuneration:

The Directors were paid Rupees 10,000/- in lieu of travelling and other costs for attending Board Meetings and Committee Meetings held during the year. No other benefits or salaries or fee was paid to any Non-Executive Director during the year except as disclosed in Note-24 of the Financial Statements. The Board currently comprises of five Directors including the Chief Executive Officer with four vacant slots.



The Urban Unit

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



No: _____

Date: _____

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 for the fourth consecutive year and the expansion of the project to the remaining 30 districts of the Punjab is underway. The "Punjab Spatial Strategy" Project entered into its third year and its implementation is expected to start from next year. Other major projects completed during the year include:

- Conservation and Restoration of Government House Murree
- Eco-Tourism in Soon Valley at Khabeki and Uchali Lake
- Restructuring and Capacity Building of Environment Protection Agency Punjab

The Punjab Water and Sanitation Academy is running successfully with new courses being designed and delivered along with various trainings regarding solid waste management and capacity building, while other ongoing projects include Establishment of Segregation, Treatment & Disposal Plant (Sahiwal), Restoration and Up-gradation of Murree Mall Road, Consultancy Services For "Digitalization of Roads Directory in the Country, a few projects related to training and capacity building of Water and Sanitation Services in Peshawar, Mardan and Abbottabad and various smaller projects.

Financial Performance of the Company:

The financial health of the Company has significantly deteriorated during the last two years. Revenue generated during the year was Rs 291.08 million (2018: Rupees 557.86 million), almost half of the previous year, and loss after tax of Rupees 105.14 million (2018: Rupees 94.99 million) has been booked.

The liquidity position of the Company also remained weak throughout the year, leading to issues of pending salaries and vendor payments; however, in May 2019, the Company received a loan from the Government of the Punjab amounting to PKR 293 million @ 0.25% repayable in five years, with two years of grace period. This has significantly improved the liquidity position of the Company for the foreseeable future.

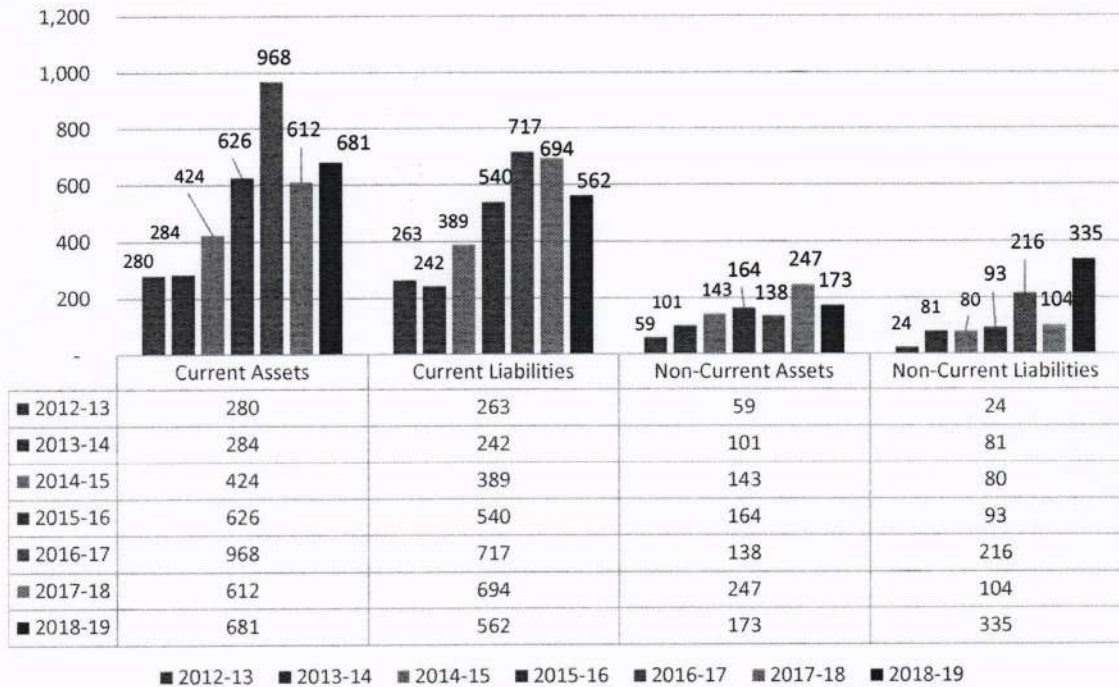
A brief summary of financial highlights of last seven years is as follows:



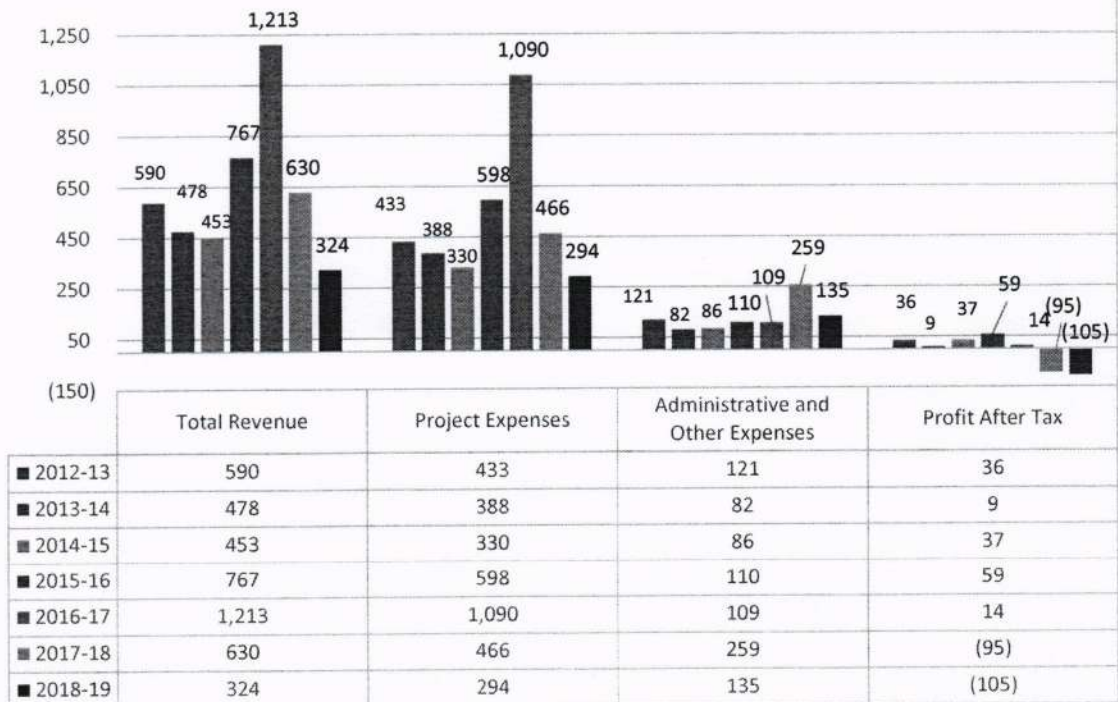
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Balance Sheet Items 7 year comparison (Rupees in millions)



Profit and Loss Items 7 year comparison (Rupees in millions)





No: _____

Date: _____

Pattern of Shareholding:

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

Shareholders' Categories	Number of Shares held	Percentage
Government		
1. Representative Government of the Punjab, Planning and Development Board.	995	99.50%
Directors, Chief Executive, and their spouse and minor child (name wise details)		
1. Ms. Zarine Aziz	1	0.10%
2. Mr. Khalid Sherdil	1	0.10%
3. Dr. Naveed Ahmad Ch.	1	0.10%
4. Mr. Ali Shahzad	1	0.10%
5. Mr. Muhammad Hassan Iqbal	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 Board.	995	99.50%
-----------------------------------------------------------------------------	-----	--------

Internals Control and Compliance:

The Board is fully compliant with the Public Sector Companies (Corporate Governance) Rules, 2013. 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 quarterly financial statements were presented to the Board for approval during the year along with annual budget and quarterly revisions.

Statutory Audit for the Financial Year 2018-19:

The annual audit of the Company for the year ended June 30, 2019 was conducted by M/s Grant Thornton Anjum Rahman, a reputable and well renowned audit firm. The initialed Audit Report gave an unqualified opinion, with emphasis on non-charging of Punjab Sales tax on Services (PST) on



The Urban Unit

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



No: _____

Date: _____

projects being funded/financed through the Development Portfolio of the Government of the Punjab i.e. the Annual Development Program (ADP) and Other Development Programs (ODP).

Corporate and Financial Reporting Framework

- (a) The Board has complied with the relevant principles of corporate governance.
- (b) The financial statements together with notes thereon have been drawn up and prepared by the management of the Company in conformity with the Companies Act, 2017. These statements present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- (c) Proper books of account of the Company have been maintained.
- (d) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- (e) The Board recognizes their responsibility to establish and maintain sound system of internal control, which is regularly reviewed and monitored.
- (f) The appointment of Chairman and other members of Board and the terms of their appointment along with the remuneration policy adopted are in the best interests of the Company as well as in line with the best practices.
- (g) International Financial Reporting Standards (IFRS), as applicable in Pakistan, have been followed in preparation of financial statements.
- (h) All statutory and corporate information of the Company is conveyed to the Securities and Exchange Commission of Pakistan as required under Companies Act, 2017.

Outstanding Sales tax:

Sales tax amounting to Rupees 39.36 million is payable against outstanding balances which are still receivable from different customers/clients. These are not deposited in advance because of previous instances where the Company deposited said taxes upon raising an invoice while the same tax was also deducted and deposited by the customers/clients at the time of payment. 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

Lahore

November 12, 2021

Syed Muhammad Turab Hussain

Independent Director

Muhammad Omar Masud

Chief Executive Officer



No: _____

Date: _____

ڈائریکٹرز رپورٹ برائے ممبران

محترم ممبران،

بورڈ آف ڈائریکٹرز نہایت مسرت کے ساتھ ساتویں آڈٹ شدہ فنانشل سٹیٹمنٹس مع اس پراڈیٹرز رپورٹ اور پبلک سیکٹر کمپنیوں (کارپوریٹ گورننس) کے قواعد 2013، اربن سیکٹر پلاننگ اینڈ مینجمنٹ سروسز یونٹ (پرائیویٹ) لمیٹڈ (کمپنی) کے ساتھ مطابقتی جائزہ رپورٹ، برائے سال تختہ 30 جون 2019 پیش کر رہے ہیں۔ یہ فنانشل سٹیٹمنٹس بجا طور پر کمپنی کے حالات کی عکاس ہونے کے ساتھ اس کے آپریشنز کے نتائج، اثاثہ جات، قرضہ جات، محاصل، اخراجات، کیش فلوز اور ایکویٹی میں تبدیلیوں کو بھی منصفانہ طور پر پیش کرتی ہیں۔ وہ حسابی پالیسیاں جو فنانشل سٹیٹمنٹس کے نوٹس میں مذکور ہیں ان کا اطلاق مسلسل کیا گیا ہے اور حسابی تخمینوں کا اطلاق کرنے میں محتاط انداز اپنایا گیا ہے۔ مزید برآں تمام اخراجات بورڈ کی منظور شدہ حدود کے اندر ہیں۔

بورڈ کے اجلاس:

سال تختہ 30 جون 2019 کے دوران بورڈ آف ڈائریکٹرز کا پانچ بار اجلاس منعقد ہوا، ڈاکٹر ناصر جاوید حکومت پنجاب کی جانب سے عہدے سے سبکدوش کیے جانے سے قبل 17 ستمبر 2018 تک بطور چیف ایگزیکٹو آفیسر (سی ای او) کمپنی فرانسس سرانجام دیتے رہے۔ 24 جنوری 2019 تک قائم مقام سی ای او کا چارج کمپنی کے چیف فنانشل آفیسر (سی ایف او) سلمان جاوید ہاشمی کو دیا گیا۔ 25 جنوری 2019 کو خالد شیردل (مرحوم) کو بطور کمپنی سی ای او تعینات کیا گیا جنھوں نے سال کے اختتام تک خدمات سرانجام دیں۔ سال کے دوران بورڈ میں کوئی نئی تعیناتی نہیں ہوئی تاہم ڈاکٹر علی چیمہ اور ڈاکٹر انجم الطاف نے استعفیٰ دیا۔ دوران سال منعقدہ بورڈ میٹنگز میں ڈائریکٹرز کی حاضری کی تفصیل درج ذیل ہے۔

نمبر شمار	ڈائریکٹرز کے اسماء	بورڈ اجلاس				
		37 واں	38 واں	39 واں	40 واں	41 واں
1	ڈاکٹر علی چیمہ صاحب	ح	-	-	-	-
2	ڈاکٹر انجم الطاف صاحب	ح	ح	ح	-	-
3	ڈاکٹر ناصر جاوید صاحب	ح	ح	ح	-	-
4	محترمہ زریں عزیز صاحبہ	ح	ح	-	ح	ح
5	جناب خالد شیردل صاحب	-	-	-	ح	ح
6	نمائندہ سیکرٹری پی اینڈ ڈی بورڈ	ح	ح	ح	ح	ح
7	نمائندہ سیکرٹری ایچ ایچ ڈی	ح	ح	-	ح	ح
8	نمائندہ فنانس ڈیپارٹمنٹ	ح	ح	ح	ح	ح

ڈائریکٹرز کا معاوضہ:

دوران سال ڈائریکٹرز کو بورڈ میٹنگ، کمیٹی میٹنگ میں شرکت کیلئے سفر اور دیگر اخراجات کی مددیں -/10,000 روپے کی ادائیگی کی گئی۔ دوران سال کسی نان ایگزیکٹو ڈائریکٹر کو دیگر مالی فوائد، تنخواہوں یا فیس کی ادائیگی نہیں کی گئی اسوائے جیسا کہ فنانشل سٹیٹمنٹس کے نوٹ-24 میں جو ظاہر کیا گیا ہے۔ اس وقت

صفحہ نمبر 1 اربن سیکٹر پلاننگ اینڈ مینجمنٹ سروسز یونٹ (پرائیویٹ) لمیٹڈ کے ڈائریکٹرز کی رپورٹ برائے سال تختہ 30 جون 2019



The Urban Unit

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



No: _____

Date: _____

بورڈ چیف ایگزیکٹو آفیسر سمیت پانچ ڈائریکٹرز پر مشتمل ہے جبکہ چار آسامیاں خالی ہیں۔

دوران سال اہم سرگرمیاں:

دی اربن یونٹ نے محکمہ ایکسٹرنل اینڈ ریلوے ڈیپارٹمنٹ کو اربن امونڈیشن پراپٹی ٹیکس (یو آئی پی ٹی) منصوبے میں مسلسل چوتھے سال معاونت کی خدمات فراہم کیں جبکہ پنجاب کے بقیہ 30 اضلاع میں منصوبے کی توسیع جاری ہے۔ ”پنجاب سوشل سٹرٹیجی“ منصوبہ تیسرے سال میں داخل ہوا آئندہ سال سے اس کا نفاذ متوقع ہے۔ دوران سال مکمل ہونے والے چند اہم منصوبہ جات درج ذیل ہیں:

گورنمنٹ ہاؤس مری کا تحفظ اور بحالی

وادئ سون کی کھائی اور اچھالی جھیل میں ماحولیاتی سیاحت

ماحولیاتی تحفظ ایجنسی پنجاب کی تنظیم نو اور استعداد میں اضافہ

پنجاب واٹر اینڈ سینیٹیشن اکیڈمی بھی کامیابی سے چل رہی ہے اس میں نئے کورسز تیار کر کے پڑھائے جا رہے ہیں بشمول سالیڈ ویسٹ مینجمنٹ اور استعداد میں اضافے کی تربیت کے، جبکہ دیگر جاری منصوبوں بشمول ایگزیکٹو، ٹرینٹ اینڈ ڈسپوزل پلانٹ (ساہیوال)، مری مال روڈ کی بحالی اور اپ گریڈیشن، کنسلٹنسی خدمات برائے ملکی روڈ ڈائریکٹری ڈیجیٹلائزیشن، پشاور، مردان، ایبٹ آباد اور دیگر میں پانی اور نکاسی آپ کی خدمات سے متعلقہ تربیت اور استعداد میں اضافے کی دیگر کچھ منصوبہ جات شامل ہیں۔

کمپنی کی مالی کارکردگی:

گزشتہ دو برس کے دوران کمپنی کی مالی حالت خستہ رہی۔ سال کے دوران آمدنی 29 کروڑ 10 لاکھ رہی (2018: 55 کروڑ 86 لاکھ) جو کہ گزشتہ برس کے مقابلے میں تقریباً نصف ہے اور ٹیکس کی ادائیگی کے بعد خسارہ 10 کروڑ 50 لاکھ (2018: 9 کروڑ 50 لاکھ) ہوا ہے۔ سال بھر کمپنی کی لیکویڈٹی حالت بھی کمزور رہی جس نے واجب الادا تنخواہوں اور ادائیگیوں کا مسئلہ پیدا کیا تاہم مئی 2019 میں کمپنی کو حکومت پنجاب کی جانب سے 29 کروڑ 30 لاکھ قرض، 0.25% کی شرح سے پانچ سال کی مدت بشمول دو سال کی رعایتی مدت موصول ہوا۔ جس کی وجہ سے کمپنی لیکویڈٹی کی حالت میں سدھار اور کمپنی کا مستقبل واضح ہوا۔ گزشتہ سات سالوں کی مالیاتی کارکردگی کا خلاصہ درج ذیل ہے۔

صفحہ نمبر 2 اربن سیکٹر پلاننگ اینڈ مینجمنٹ سروسز یونٹ (پرائیویٹ) لمیٹڈ کے ڈائریکٹرز کی رپورٹ برائے سال ختمہ 30 جون 2019

503 - Shaheen Complex, Egerton Road, Lahore - Pakistan

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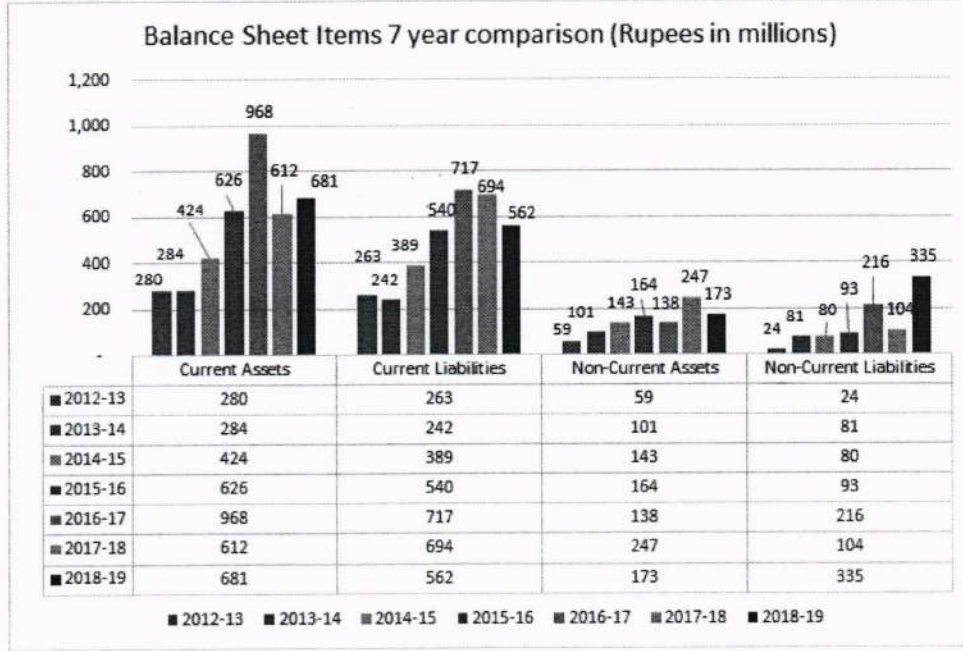
📘 TheUrbanUnit 🐦 @urbanunitGop



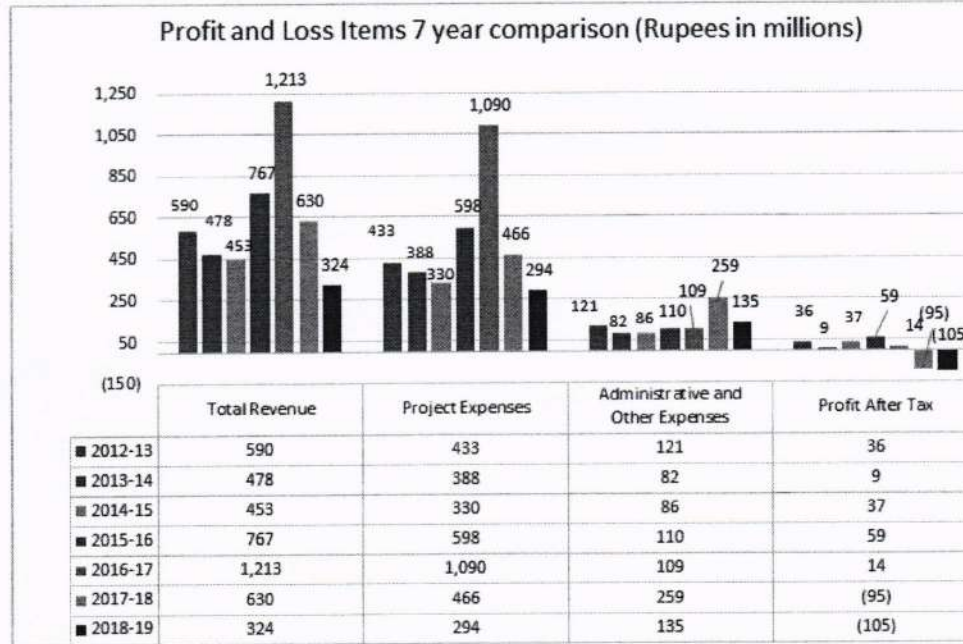
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Date: _____

بیلنس شیٹ 7 سالہ موازنہ (رقم ملین میں)



نفع و نقصان آئیٹم 7 سالہ موازنہ (رقم ملین میں)



صفیہ نمبر 3 اربن سیکٹر پلاننگ اینڈ مینجمنٹ سروسز پونٹ (پرائیویٹ) لمیٹڈ کے ڈائریکٹرز کی رپورٹ برائے سال ختمہ 30 جون 2019



The Urban Unit

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



No: _____

Date: _____

شیئر ہولڈرز کا تناسب:

پبلک سیکلکپینیز (کارپوریٹ گورننس) قواعد 2013 کے تحت شیئر ہولڈرز کی مطلوبہ کیٹیگریز:

تاسب	رکھے گئے شیئرز کی تعداد	شیئر ہولڈرز کی کیٹیگریز
		حکومت
99.50%	995	1۔ نمائندہ حکومت پنجاب، محکمہ پلاننگ اینڈ ڈویلپمنٹ بورڈ ڈائریکٹرز، چیف ایگزیکٹو اور ان کے شریک حیات اور چھوٹے بچے (اسم وار تفصیل)
0.10%	1	1۔ محترمہ زرین عزیز
0.10%	1	2۔ محترم خالد شیردل
0.10%	1	3۔ ڈاکٹر نوید احمد چوہدری
0.10%	1	4۔ محترم علی شہزاد
0.10%	1	5۔ محترم محمد حسن اقبال

شیئر ہولڈرز جن کے پاس پانچ فیصد یا زائد شیئرز ہیں پبلک سیکلکپینیز میں ووٹنگ کے حق دار (نام کے ساتھ تفصیل) ہیں

99.50%	995	1۔ نمائندہ حکومت پنجاب، محکمہ پلاننگ اینڈ ڈویلپمنٹ بورڈ
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اندرونی کنٹرول اور تعمیل:

یہ بورڈ پبلک سیکلکپینیز (کارپوریٹ گورننس) قواعد، 2013 کی پوری طرح پیروی کرتا ہے۔ بورڈ کمپنی میں اندرونی کنٹرول کا مضبوط نظام قائم کرنے اور برقرار رکھنے کی اپنی ذمہ داری سے آگاہ ہے۔ انتظامیہ نے دوران سال باقاعدہ کھاتہ جات تیار کئے اور فنانشل سٹیٹمنٹس سالانہ بجٹ اور سہ ماہی نظر ثانیوں کے ساتھ بورڈ کو منظوری کیلئے پیش کیں۔

قانونی آڈٹ برائے مالی سال 2018-19:

کمپنی کا سالانہ آڈٹ برائے سال مختتمہ 30 جون 2019 ایک معروف آڈٹ فرم میسرز گرانٹ تھورنٹن انجم رحمان نے کیا۔ ابتدائی آڈٹ رپورٹ کو ہر قسم سے مبرا قرار دیتے ہوئے حکومت پنجاب کے ڈویلپمنٹ پورٹ فولیو کے تحت سالانہ ترقیاتی پروگرام (اے ڈی پی) اور دیگر ترقیاتی پروگراموں (او ڈی پی) کے ذریعے فنڈز/فنانس کیے جانے والے منصوبوں میں خدمات پر پنجاب سیکورٹیکس (پی ایس ٹی) منہا نہ کیے جانے پر زور دیا۔

صفحہ نمبر 4 اربن سیکلکپینیز اینڈ مینجمنٹ سروسز یونٹ (پرائیویٹ) لمیٹڈ کے ڈائریکٹرز کی رپورٹ برائے سال مختتمہ 30 جون 2019

503 - Shaheen Complex, Egerton Road, Lahore - Pakistan

☎ 042-99205316-22 📠 042-99205323 ✉ uspmu@punjab.gov.pk 🌐 www.urbanunit.gov.pk

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The Urban Unit

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



No: _____

Date: _____

کارپوریٹ اور مالیاتی رپورٹنگ طریقہ کار:

- (a) بورڈ کارپوریٹ گورننس کے متعلقہ قواعد کی پیروی کرتا ہے۔
- (b) کمپنی کی مینجمنٹ کی جانب سے کمپنی ایکٹ 2017 کی مطابقت کیلئے فنانشل سٹیٹمنٹ کے ساتھ اس پر تیار کردہ نوٹس تیار کیے گئے ہیں۔ یہ سٹیٹمنٹس درست طور پر کمپنی کے حالات، آپریشنز کے نتائج، کیش فلوز اور ایکویٹی میں تبدیلیوں کی عکاسی کرتی ہیں۔
- (c) کمپنی کے حساب کا مکمل کھاتہ تیار کیا گیا ہے۔
- (d) مالی سٹیٹمنٹس اور شارٹ ریالیٹی تخمینہ جات کی تیاری کے دوران تسلسل کے ساتھ موزوں شارٹ ریالیٹی حکمت عملی لاگو کی جاتی رہی ہیں۔
- (e) بورڈ کمپنی میں اندرونی کنٹرول کا مضبوط نظام قائم کرنے اور برقرار رکھنے کی اپنی ذمہ داری سے آگاہ ہے۔ جس کا باقاعدگی سے جائزہ لیا جاتا رہا ہے۔
- (f) چیئرمین اور دیگر بورڈ ممبرز کی تعیناتی اور مدت بشمول معاوضوں کی پالیسی کمپنی کے بہترین مفاد میں طریقہ کار کے تحت اپنائی گئی ہے۔
- (g) فائینشل سٹیٹمنٹس کی تیاری کے دوران پاکستان میں لاگو بین الاقوامی مالی رپورٹنگ کے معیاروں (آئی ایف آر ایس) کی پیروی کی گئی ہے۔
- (h) کمپنی ایکٹ 2017 کے تحت مطلوب ہر قسم کی قانونی اور کارپوریٹ معلومات کی سیکورٹی آپیکس کیشن آف پاکستان کو فراہم کی گئی ہے۔

بقایا سیلز ٹیکس:

مختلف صارفین / کلائنٹس کی بقیہ قابل وصول رقم پر 3 کروڑ 93 لاکھ 60 ہزار روپے کا سیلز ٹیکس واجب الادا ہے۔ یہ ایڈوانس میں جمع نہیں کیا گیا اس کی وجہ گزشتہ کے کچھ واقعات ہیں جس میں کمپنی نے انوائس بننے پر مذکورہ ٹیکس ادا کر دیا جبکہ وہی ٹیکس ادا ہونے کے وقت صارف / کلائنٹ منہا کروایا اور جمع کروایا۔ کمپنی کی مالی سٹیٹمنٹ موجودہ شدات کے پیش نظر تیار کی گئی ہیں کیوں کہ انتظامیہ کو نہ صرف کمپنی کا وجود برقرار رہنے بلکہ بہتر مستقبل کا مکمل اطمینان ہے۔

بورڈ آف ڈائریکٹرز کی جانب سے

محمد عمر مسعود
چیف ایگزیکٹو آفیسر

سید محمد تراب حسین
انڈیپنڈنٹ ڈائریکٹر

12 نومبر 2021

صفحہ نمبر 5 اربن سیکٹر پلاننگ اینڈ مینجمنٹ سروسز پونٹ (پرائیویٹ) لمیٹڈ کے ڈائریکٹرز کی رپورٹ برائے سال ختمہ 30 جون 2019

503 - Shaheen Complex, Egerton Road, Lahore - Pakistan

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No: _____

Date: _____

SCHEDULE I

[See paragraph 2(1)]

**Statement of Compliance with the
Public Sector Companies (Corporate Governance) Rules, 2013**

Name of Company: Urban Sector Planning & Management Services Unit (Private) Limited

Name of the line ministry: Planning & Development Department

For the year ended: June 30, 2019

- I. This statement presents the overview of the compliance with the Public Sector Companies (Corporate Governance) Rules, 2013 (hereinafter called "the Rules") issued for the purpose of establishing a framework 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:

Serial 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 at least one-third of its total members as independent directors. At present the Board includes: <table border="1"><thead><tr><th>Category</th><th>Names</th><th>Date of Appointment</th></tr></thead><tbody><tr><td>Independent Director</td><td>Ms. Zarine Aziz</td><td>26.12.2016</td></tr><tr><td>Executive Director</td><td>Mr. Khalid Sherdil</td><td>25.01.2019</td></tr><tr><td>Non-Executive Directors</td><td>Mr. Naveed Ahmad Ch. Mr. Ali Shehzad Mr. Hassan Iqbal</td><td>01.01.2018 31.01.2019 31.01.2019</td></tr></tbody></table>	Category	Names	Date of Appointment	Independent Director	Ms. Zarine Aziz	26.12.2016	Executive Director	Mr. Khalid Sherdil	25.01.2019	Non-Executive Directors	Mr. Naveed Ahmad Ch. Mr. Ali Shehzad Mr. Hassan Iqbal	01.01.2018 31.01.2019 31.01.2019	3(2)		✓
Category	Names	Date of Appointment														
Independent Director	Ms. Zarine Aziz	26.12.2016														
Executive Director	Mr. Khalid Sherdil	25.01.2019														
Non-Executive Directors	Mr. Naveed Ahmad Ch. Mr. Ali Shehzad Mr. Hassan Iqbal	01.01.2018 31.01.2019 31.01.2019														
3	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)	✓													
4	*The appointing authorities have applied the fit and proper criteria given in the Annexure to the Rules in making nominations of the persons for election as Board members under the provisions of the Act.	3(7)	✓													
5	The chairman of the Board is working separately from the chief executive of the Company.	4(1)	✓													
6	The chairman has been elected by the board of directors except where Chairman of the Board is appointed by the Government.	4(4)	✓													
7	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)	✓													



No: _____

Date: _____

8	<p>a) The company has prepared a "Code of Conduct" to ensure that professional standards and corporate values are in place.</p> <p>b) The Board 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. www.urbanunit.gov.pk</p> <p>c) The Board has set in place adequate systems and controls for the identification and redressal of grievances arising from unethical practices.</p>	5(4)	✓ ✓ ✓	
9	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)	✓	
10	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)	✓	
11	The Board has developed and implemented a policy on anti-corruption to minimize actual or perceived corruption in the Company.	5(5)(b) (vi)	✓	
12	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)	✓	
13	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.	5(5)(c) (iii)	✓	
14	The Board has developed a vision or mission statement and corporate strategy of the Company.	5(6)	✓	
15	The Board has developed 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(7)	✓	
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)	N/A	
17	The Board has ensured compliance with policy directions requirements received from the Government.	5(11)	✓	

Page 2 of 6



No: _____

Date: _____

18	(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)	✓																			
19	The Board has monitored and assessed the performance of senior management on annual basis and held them accountable for accomplishing objectives, goals and key performance indicators set for this purpose.	8 (2)																				
20	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	✓																			
21	(a) 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.	10	✓																			
	(b) The Board has placed the annual financial statements on the Company's website.		✓																			
22	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		✓																		
23	(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 & Finance Committee</td><td>3</td><td>Ms. Zarine Aziz</td></tr><tr><td>Risk Management Committee</td><td>N/A</td><td>N/A</td></tr><tr><td>HR Committee</td><td>4</td><td>Ms. Zarine Aziz</td></tr><tr><td>Procurement Committee</td><td>3</td><td>Rep. of P&D Board</td></tr><tr><td>Nomination Committee</td><td>4</td><td>Ms. Zarine Aziz</td></tr></tbody></table>		Committee	Number of Members	Name of Chair	Audit & Finance Committee	3	Ms. Zarine Aziz	Risk Management Committee	N/A	N/A	HR Committee	4	Ms. Zarine Aziz	Procurement Committee	3	Rep. of P&D Board	Nomination Committee	4	Ms. Zarine Aziz		
	Committee		Number of Members	Name of Chair																		
	Audit & Finance Committee		3	Ms. Zarine Aziz																		
Risk Management Committee	N/A	N/A																				
HR Committee	4	Ms. Zarine Aziz																				
Procurement Committee	3	Rep. of P&D Board																				
Nomination Committee	4	Ms. Zarine Aziz																				
24	The Board has approved appointment of Chief Financial Officer, Company Secretary and Chief Internal Auditor, by whatever name called, with their remuneration and terms and conditions of employment.	13	✓																			
25	The Chief Financial Officer and the Company Secretary have requisite qualification prescribed in the Rules.	14	✓																			



No: _____

Date: _____

26	The Company has adopted International Financial Reporting Standards notified by the Commission in terms of sub-section (1) of section 225 of the Act.	16	✓													
27	The directors' report for this year has been prepared in compliance with the requirements of the Act and the Rules and fully describes the salient matters required to be disclosed.	17	✓													
28	The directors, CEO and executives, or their relatives, are not, directly or indirectly, concerned or interested in any contract or arrangement entered into by or on behalf of the Company except those disclosed to the Company.	18	✓													
29	(a) A formal and transparent procedure for fixing the remuneration packages of individual directors has been set in place and no director is involved in deciding his own remuneration. (b) The annual report of the Company contains criteria and details of remuneration of each director.	19	✓													
30	The financial statements of the Company were duly endorsed by the chief executive and chief financial officer before consideration and approval of the audit committee and the Board.	20	✓													
31	The Board has formed an audit committee, with defined and written terms of reference, and having the following members: <table border="1"><thead><tr><th>Name of Member</th><th>Category</th><th>Professional background</th></tr></thead><tbody><tr><td>Ms. Zarine Aziz</td><td>Independent</td><td>Business Executive</td></tr><tr><td>Mr. Naveed Ahmad Ch.</td><td>Non-Executive</td><td>Govt. Servant</td></tr><tr><td>Rep. of Finance Department</td><td>Non-Executive</td><td>Services</td></tr></tbody></table> The chief executive and chairman of the Board are not members of the Audit Committee.	Name of Member	Category	Professional background	Ms. Zarine Aziz	Independent	Business Executive	Mr. Naveed Ahmad Ch.	Non-Executive	Govt. Servant	Rep. of Finance Department	Non-Executive	Services	21 (1)	✓	
Name of Member	Category	Professional background														
Ms. Zarine Aziz	Independent	Business Executive														
Mr. Naveed Ahmad Ch.	Non-Executive	Govt. Servant														
Rep. of Finance Department	Non-Executive	Services														
32	(a) The chief financial officer, the chief internal auditor, and a representative of the external auditors attended all meetings of the audit committee at which issues relating to accounts and audit were discussed. (b) The audit committee met the external auditors, at least once a year, without the presence of the chief financial officer, the chief internal auditor and other executives. (c) The audit committee met the chief internal auditor and other members of the internal audit function, at least once a year, without the presence of chief financial officer and the external auditors.	21 (3)	✓ ✓ ✓	✓ ✓												
33	(a) The Board has set up an effective internal audit function, which has an audit charter, duly approved by the audit committee. (b) The chief internal auditor has requisite qualification and experience prescribed in the Rules. (c) The internal audit reports have been provided to the external auditors for their review.	22	✓ ✓	✓ ✓												



The Urban Unit

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



No: _____

Date: _____

34	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)	✓	
35	The auditors have confirmed that they have observed applicable guidelines issued by IFAC with regard to provision of non-audit services.	23(5)	✓	

Muhammad Omar Masud
Chief Executive Officer
Urban Sector Planning & Management
Services Unit (Pvt.) Limited

Syed Muhammad Turab Hussain
Director
Urban Sector Planning & Management
Services Unit (Pvt.) Limited



No: _____

Date: _____

SCHEDULE II

See Paragraph 2(3)

**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 next accounting year]:

Sr. No	Rule/Sub-Rule No.	Reasons for non-compliance	Future course of action
1	3(2)	The Board does not have at least one-third of its total members as independent directors.	The Company is committed to ensure the compliance of the said provision.
22	11	Board members did not undergo an orientation course arranged by the Company to apprise them of the material developments and information	The Company is committed to ensure the compliance of the said provision.
32	21(3)	a) CFO, CIA and representative of external auditors did not attend all meetings of audit committee at which issues relating to accounts and audit were discussed b) Audit committee did not meet the CIA and other members of the internal audit function, at least once a year, without the presence of CFO & external auditors	The Company is committed to ensure the compliance of the said provision.
33	22	Internal audit reports have not been provided to the external auditors for their review	The Company is committed to ensure the compliance of the said provision.

Muhammad Omar Masud
Chief Executive Officer
Urban Sector Planning & Management
Services Unit (Pvt.) Limited

Syed Muhammad Turab Hussain
Director
Urban Sector Planning & Management
Services Unit (Pvt.) Limited

**Grant Thornton Anjum
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Centre, 43-Jail Road,
Lahore, Pakistan.**T +92 42 37423621-23****F +92 42 37425485**

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

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Public Sector Companies (Corporate Governance) Rules, 2013 (the Rules) prepared by the Board of Directors of **Urban Sector Planning and Management Services Unit (Private) Limited** (the Company) for the year ended June 30, 2019.

The responsibility for compliance with the Rules is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Rules and report if it does not and to highlight any non-compliance with the requirements of the Rules. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Rules.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Rules requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.





Grant Thornton

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Rules as applicable to the Company for the year ended June 30, 2019.

Grant Thornton Anjum Rahman

Grant Thornton Anjum Rahman

Chartered Accountants

City: Lahore

Dated: 12 November, 2021

**Grant Thornton Anjum
Rahman**

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Lahore, Pakistan.

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INDEPENDENT AUDITOR'S REPORT

To the members of Urban Sector Planning and Management Services Unit (Private) Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **Urban Sector Planning and Management Services Unit (Private) Limited** ("the Company") which comprise the statement of financial position as at June 30, 2019, and the statement of profit or loss, statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, 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 the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), 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, 2019 and of the loss, total comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Emphasis of Matter

We draw attention towards Note 10.4 of the annexed financial statements which describes the contingency which is pending for resolution thereof and the management is expecting favorable outcome and hence, no provision for the same has been made in financial statements.

Our opinion is not modified in respect of the above matters.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the Directors' Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

WPK

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

GAAC

Other Matter

We also draw attention to the fact that financial statements for the year ended 30 June 2018 were audited by another firm of auditors, whose report dated 22 May, 2019 expressed an unmodified opinion thereon respectively.

The engagement partner on the audit resulting in this independent auditor's report is Imran Afzal.

Grant Thornton Ayman Rulwan
CHARTERED ACCOUNTANTS

Chartered Accountants

Lahore

Dated: 12 November, 2021

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

STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2019

	Note	2019 Rupees	2018 Rupees Restated
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorized share capital 1,000 (2018: 1,000) shares of Rs. 10,000 each		10,000,000	10,000,000
Issued, subscribed and paid up share capital 1,000 (2018: 1,000) shares of Rs. 10,000 each	4	10,000,000	10,000,000
Capital reserve		6,037,484	6,037,484
Unappropriated (loss) / profit		(59,336,437)	45,806,425
		(43,298,953)	61,843,909
Non Current Liabilities			
Deferred liabilities	5	124,425,234	63,772,083
Deferred taxation	6	33,690,887	39,862,532
Long term loan	7	176,908,655	-
		335,024,776	103,634,615
Current Liabilities			
Project payables	8	213,078,195	201,587,689
Advances received for projects	9	336,006,787	469,052,993
Other accrued liabilities		4,828,874	10,680,950
Accrued mark up on loan		80,274	-
Provision for taxation		8,055,851	12,314,559
		562,049,981	693,636,191
Contingencies and Commitments	10	-	-
		853,775,805	859,114,715
ASSETS			
Non Current Assets			
Property, plant and equipment	11	151,794,523	218,716,227
Intangible assets	12	11,015,595	13,013,194
Long term security deposits		9,965,285	15,597,934
		172,775,403	247,327,355
Current Assets			
Project receivables - net	13	396,234,466	440,393,217
Projects fund receivable	5	4,338,403	-
Project inventory	14	-	19,004,749
Contract assets		15,122,520	-
Advances, prepayments and other receivables	15	53,326,291	67,533,160
Cash and bank balances	16	211,978,722	84,856,234
		681,000,402	611,787,360
		853,775,805	859,114,715

The annexed notes from 1 to 29 form an integral part of these financial statements.

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Handwritten signature of Chief Executive Officer

CHIEF EXECUTIVE OFFICER

Handwritten signature of Director

DIRECTOR

URBAN SECTOR PLANNING AND MANAGEMENT SERVICES UNIT (PRIVATE) LIMITED

STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019 Rupees	2018 Rupees Restated
Income			
Project revenue	17	291,083,009	557,862,599
Projects expenses	18	<u>(294,000,920)</u>	<u>(466,230,092)</u>
Gross Profit		(2,917,911)	91,632,507
Operating expenses			
Administrative expenses	19	<u>(84,652,500)</u>	<u>(90,171,510)</u>
Operating (Loss) / Profit		(87,570,411)	1,460,997
Finance cost	20	(2,104,346)	(114,645)
Other expenses	21	(46,182,472)	(117,259,499)
Other income	22	<u>32,963,719</u>	<u>72,228,355</u>
Loss before taxation		(102,893,510)	(43,684,792)
Taxation	23	(2,249,352)	(51,313,820)
Net loss for the year		<u><u>(105,142,862)</u></u>	<u><u>(94,998,612)</u></u>

The annexed notes from 1 to 29 form an integral part of these financial statements.

GP/XX



CHIEF EXECUTIVE OFFICER



DIRECTOR


URBAN SECTOR PLANNING AND MANAGEMENT SERVICES UNIT (PRIVATE) LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2019

	2019	2018
	Rupees	Rupees Restated
Net loss for the year	(105,142,862)	(94,998,612)
<i>Other comprehensive income</i>		
<i>Items that will not be reclassified to profit or loss</i>	-	-
<i>Items that may be reclassified subsequently to profit or loss</i>	-	-
Total comprehensive loss for the year	(105,142,862)	(94,998,612)

The annexed notes from 1 to 29 form an integral part of these financial statements.

GAOK



CHIEF EXECUTIVE OFFICER



DIRECTOR

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

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2019**


	Note	Share Capital Rupees	Capital Reserves Rupees	Unappropriated Profit Rupees	Total Equity Rupees
Balance as at June 30, 2017 as previously reported		10,000,000	6,037,484	155,897,146	171,934,630
Effect of restatements	29.2.1	-	-	(15,092,109)	(15,092,109)
Balance as at June 30, 2017 - restated		10,000,000	6,037,484	140,805,037	156,842,521
Total comprehensive loss for the year-restated		-	-	(94,998,612)	(94,998,612)
Balance as at June 30, 2018-restated		10,000,000	6,037,484	45,806,425	61,843,909
Total comprehensive loss for the year		-	-	(105,142,862)	(105,142,862)
Balance as at June 30, 2019		<u>10,000,000</u>	<u>6,037,484</u>	<u>(59,336,437)</u>	<u>(43,298,953)</u>

The annexed notes from 1 to 29 form an integral part of these financial statements.

GAR



CHIEF EXECUTIVE OFFICER



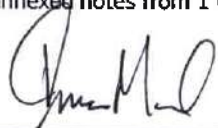
DIRECTOR

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

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019**

	2019 Rupees	2018 Rupees Restated
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(102,893,510)	(43,684,792)
Adjustments for:		
- Depreciation of property, plant and equipment	62,731,505	55,811,385
- Amortization of intangible assets	1,520,340	1,505,882
- Deferred revenue	(4,016,191)	(10,004,865)
- Receivables written off	596,360	26,895,701
- Provision for doubtful receivables	45,379,862	90,363,798
- Amortization of deferred credit	(412,542,403)	(614,142,066)
- Loss on disposal of property, plant and equipment	206,250	-
- Adjustment of loss on disposal and write off of assets	5,371,244	-
- Finance cost	71,850	114,645
	<u>(300,681,183)</u>	<u>(449,455,520)</u>
Cash used in operating activities before working capital changes	(403,574,693)	(493,140,312)
(Increase) / decrease in current assets:		
Project receivables - net	(1,817,471)	(171,134,472)
Project inventory	19,004,749	13,397,417
Contract assets	(15,122,520)	-
Advances, prepayments and other receivables	9,272,295	65,081,200
Increase / (decrease) in current liabilities:		
Project payables	11,490,506	(20,141,986)
Advances received for projects	(133,046,206)	(4,736,978)
Other accrued liabilities	(5,852,076)	831,672
Accrued mark up on loan	80,274	-
	<u>(115,990,449)</u>	<u>(116,703,147)</u>
Cash used in operations	(519,565,142)	(609,843,459)
Finance cost paid	(71,850)	(114,645)
Income tax deposited	(7,745,131)	(14,769,448)
Projects funds received during the year	356,781,997	472,771,808
Long term security deposits	5,632,649	(521,234)
	<u>354,597,665</u>	<u>457,366,481</u>
Net cash used in operating activities	(164,967,477)	(152,476,978)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,018,535)	(154,337,288)
Purchase of intangible assets	-	(11,779,787)
Proceeds from disposal of property, plant and equipment	108,500	-
Net cash used in investing activities	(910,035)	(166,117,075)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term loan received from Government of Punjab	293,000,000	-
Net cash from financing activities	293,000,000	-
Net Increase / (Decrease) in Cash and Cash Equivalents	127,122,488	(318,594,053)
Cash and cash equivalents at the beginning of the year	84,856,234	403,450,287
Cash and Cash Equivalents at the End of the Year	<u>211,978,722</u>	<u>84,856,234</u>

The annexed notes from 1 to 29 form an integral part of these financial statements.

CMR

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, 2019

Note 1

Corporate and General Information

Urban Sector Planning and Management Services Unit (Private) Limited (the Company) was incorporated in Pakistan on June 18, 2012 as a Private Limited Company under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). The Company is a public sector company, established by the Government of the Punjab (the Government), Planning & Development Board and is owned and controlled by the Government. Prior to incorporation it worked as a Project Management Unit (PMU) of the Planning and Development Board under the Government. In 2012, the PMU was transformed into an independent private limited company, registered with the Securities and Exchange Commission of Pakistan (SECP). Its mandate is to give policy advice and services to public and private sector organizations in the areas that include inter alia Housing & Urban Planning, Urban Transport, Solid Waste Management, Water & Sanitation, Urban Economics & Municipal Finance, Institutional Development, Capacity Building, and Services Delivery Improvement.

Representative of Government of the Punjab, Planning & Development Board, owns 994 ordinary shares (99.4%) of the Company.

- Its registered office is situated at 503-Shaheen Complex, Egerton Road, Lahore. During the year the company's field offices were located in House no. 51B Sindh Housing Society Sukkur, Mughal Villas, 56 Hall Road, Kashmir point Murree, House # 11 Street # 23 Bibi Pak Daman, Empress road, Lahore and P-415 Jinnah Colony, Faisalabad.

Note 2

Basis of Preparation

2.1 Statement of compliance

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

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

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

2.2 Going Concern

The company has suffered net loss amounting to Rs. 105.14 million and there were significant cash flow problems. Due to such cash flow problems, even salaries could not be disbursed on timely basis; while payables to consultants and contractors as on 30 June 2019 also include long outstanding payables. Number of projects in hand have also decreased over the period of two years.

The company's management has carried out an assessment of going concern status of the company and believes that preparation of these financial statements on going concern assumption is appropriate. The management is actively engaging with the Punjab and other Provincial Governments in an attempt to increase its project portfolio and is confident that these efforts would help in meeting future liquidity requirements, and the Company's ability to operate as a going concern in the future.

WDR

Note 2, Basis of Preparation - Continued...

2.3 Basis of measurement

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

2.4 Functional and presentation currency

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

2.5 Use of estimates and judgments

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

These estimates and related assumptions are reviewed on an ongoing basis. Accounting estimates are revised in the period in which revisions are made. Revision to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years. However, the management believes that the change in outcome of estimates would not have a material effect on the amounts disclosed in these financial statements.

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:

2.5.1 *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 including inventory for possible impairment or NRV adjustment.

2.5.2 *Provision for doubtful receivables (impairment)*

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.

2.5.3 *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.

Further, the carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to reflect the current assessment of future taxable profits. If required, carrying amount of deferred tax asset is reduced to the extent that it is no longer probable that sufficient taxable profits to allow the benefit of part or all of that recognised deferred tax asset to be utilized. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available.

CPA

Note 2, Basis of Preparation - Continued...

2.5.4 Revenue

The management exercises judgement when the outcome of a contract cannot be estimated reliably, contract revenue is recognized to the extent of contract costs incurred that it is probable will be recoverable. Service contract gross margin is based on an analysis of total cost and income at completion, which are reviewed periodically and regularly throughout the life of the contract.

2.5.5 Amortisation of deferred credit

Project funds for long term donor projects are amortised in profit or loss on systematic over the periods in which the entity recognises as expenses the related cost for which the funds and subsidised loan are intended to compensate.

2.6 Adoption of new and revised standards, amendments and interpretations:

2.6.1 Standards, amendments or interpretations that became effective during the year

There are certain new standards, interpretations and amendments to approved accounting standards which are mandatory for the Company's accounting periods beginning on or after July 1, 2018 but are considered not to be relevant or don't have any significant effect on the Company's financial statements, except as mentioned below:

- IFRS 9 'Financial instruments' – This standard replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. It also includes an expected credit losses model that replaces IAS 39 incurred loss impairment model. On July 1, 2018 (the date of initial application of IFRS 9), the Company's management has assessed which business models apply to the financial assets held by the Company and has classified its financial instruments into the appropriate IFRS 9 categories (i.e. mainly financial assets previously classified as 'loans and receivables' have now been classified as 'amortised cost'.)
- IFRS 15 'Revenue from contracts with customers' – This standard introduces a single five-step model for revenue recognition with a comprehensive framework based on core principle that an entity should recognise revenue representing the transfer of promised goods or services under separate performance obligations under the contract to customer at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. IFRS 15 replaces the previous revenue standards: IAS 18 Revenue, IAS 11 Construction Contracts, and the related interpretations on revenue recognition.

The changes laid down by both these standards do not have any significant financial impact on these financial statements of the Company, except certain additional disclosures and rephrasing of related accounting policies as applicability of expected credit loss against receivables due from Government has been deferred by SECP upto 2021.

2.6.2 Standards that are not yet effective

IFRS 16 'Leases' will be effective for the Company's annual accounting period beginning July 1, 2019. It will result in almost all leases being recognised on the statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

Additionally there are certain new standards, amendments and interpretations to the approved accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2019. However, these will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these financial statements.

GDK

Note 3

Significant Accounting Policies

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

3.1 Deferred credit

Deferred credit represent funds received from government departments and local and foreign donor agencies for programme/projects expenses, administrative expenses and purchase of fixed assets.

These 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 statement of profit and loss 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 statement of profit or loss over the expected lives of the related assets.

The unamortized portion of deferred credit is recognized as a long-term liability in the statement of financial position and comprises balance funds available with the Company; and written-down values of fixed assets funded through these funds.

3.2 Accrued and other liabilities

Accrued and other liabilities are recognized initially at fair value of consideration to be paid in the future for goods and services, whether or not billed to the Company.

3.3 Taxation

Income tax expense (income) comprises current tax expense (current tax income) and deferred tax expense (deferred tax income).

Current and deferred tax is recognized as income or an expense and included in profit or loss for the period except to the extent that the tax arises from a transaction or event which is recognized, in the same or a different period, outside profit or loss, either in other comprehensive income or directly in equity.

Income tax expense is recognized in the statement of profit or loss except to the extent that it relates to items recognized directly in other comprehensive income or equity, in which case it is recognized in other comprehensive income or equity.

3.3.1 Current

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting date.

The charge for current tax is higher of corporate tax (higher of tax based on taxable income and minimum tax) and alternative corporate tax.

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

CPA

Note 3, Significant Accounting Policies - Continued...

Current tax for current and prior periods, to the extent unpaid, is recognized as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognized as an asset.

The Company offsets current tax assets and current tax liabilities if, and only if, the entity has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

3.3.2 Deferred

Deferred tax is the amount of income taxes payable in future periods in respect of taxable temporary differences and income taxes receivable in future periods in respect of deductible temporary differences; and the carry forward of unused tax losses and unused tax credits.

Temporary differences are differences between the carrying amount of an asset or liability in the statement of financial position and its tax base.

Taxable temporary differences are temporary differences that will result in taxable amounts in determining taxable profit (tax loss) of future periods when the carrying amount of the asset or liability is recovered or settled.

Deductible temporary differences are temporary differences that will result in amounts that are deductible in determining taxable profit (tax loss) of future periods when the carrying amount of the asset or liability is recovered or settled.

Deferred tax liabilities are recognized for all taxable temporary differences except to the extent that the deferred tax liability arises from the initial recognition of goodwill or the initial recognition of an asset or liability in a transaction which is not a business combination and which, at the time of transaction, affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction which is not a business combination and which, at the time of transaction, affects neither accounting profit nor taxable profit (tax loss).

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of all or part of the deferred tax asset to be utilized.

Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent of probable future taxable profit available that will allow deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

When different tax rates apply to different levels of taxable income, deferred tax assets and liabilities are measured using the average rates that are expected to apply to the taxable profit (tax loss) of the periods in which the temporary differences are expected to reverse.

GRM

Note 3, Significant Accounting Policies - Continued...

The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

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 Contingent liabilities

Contingent liability is disclosed when there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company.

A contingent liability is also disclosed when there is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liability is not recognized rather it is only disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent liabilities are assessed continually to determine whether an outflow of resources embodying economic benefits has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability, a provision is recognized in the financial statements of the period in which the change in probability occurs (except in extremely rare circumstances where no reliable estimate can be made).

3.6 Property, plant and equipment

Operating fixed assets

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

The cost of an item of property, plant and equipment comprises of its purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Cost in relation to certain assets also includes the cost of replacing part and cost of borrowing during construction period in respect of loans taken for specific projects.

The cost of an item of property, plant and equipment, acquired in exchange for a non-monetary asset or assets, or a combination of monetary and non-monetary assets, is measured at fair value unless (a) the exchange transaction lacks commercial substance; or (b) the fair value of neither the asset received nor the asset given up is reliably measurable. If the asset is not measured at fair value, its cost is measured at the carrying amount of the asset given up.

GNL

Note 3, Significant Accounting Policies - Continued...

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Depreciation is charged to the statement of profit or loss 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 11. Depreciation charge commences from the month in which the asset is available for use and continues until the month of disposal.

Depreciation method, residual value and useful lives of assets are reviewed at least at each financial year end and adjusted, if impact on depreciation is significant.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Compensation from third parties for items of property, plant and equipment that were impaired, lost or given up shall be included in profit or loss when the compensation becomes receivable.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset represented by the difference between the net disposal proceeds and the carrying amount of the asset is included in the statement of profit or loss when the asset is derecognized.

Donated assets/ assets received in kind stated at fair value less accumulated depreciation and impairment, if any.

Capital work-in-progress

Capital work-in-progress is stated at cost less any identified impairment and represents expenditure incurred on property, plant and equipment during construction and installation. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. Cost also includes applicable borrowing costs. Transfers are made to relevant property, plant and equipment category as and when the assets are available for use.

3.7 Intangible assets

Intangible assets are initially recognized at cost. The cost of a separately acquired intangible asset comprises its purchase price and any directly attributable cost of preparing the asset for its intended use.

If payment for an intangible asset is deferred beyond normal credit terms, its cost is the cash price equivalent. The difference between this amount and the total payments is recognized as interest expense over the period of credit unless it is capitalized in accordance with IAS 23 Borrowing Costs.

Subsequently, these assets are stated at cost less accumulated amortization and any identified impairment, if any.

WPM

Note 3, Significant Accounting Policies - Continued...

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit or loss on 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.

Subsequent expenditure on intangible assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is charged to the statement of profit or loss as and when incurred.

An intangible asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal.

Gain or loss arising on disposal of intangible assets is determined as a difference between net disposal proceeds and carrying amount of the assets and is recognized as income or expense in the statement of profit or loss.

Donated assets/ assets received in kind stated at fair value less accumulated depreciation and impairment, if any.

3.8 Impairment of non-financial assets

The Company assesses at the end of each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the Company tests an intangible asset with an indefinite useful life or an intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount.

Assets that are subject to depreciation or amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognized in the statement of profit or loss.

6/10/11

Note 3, Significant Accounting Policies - Continued...

For a cash generating unit (the smallest group of cash-generating units to which goodwill or a corporate asset has been allocated), the impairment loss is allocated to reduce the carrying amount of the assets of the unit (group of units) in the following order:

- first, to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of units); and
- then, to the other assets of the unit (group of units) pro rata on the basis of the carrying amount of each asset in the unit (group of units).

After the recognition of an impairment loss, the depreciation (amortization) charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount.

A previously recognized impairment 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.

The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment been recognized for the asset in prior years.

Such reversal is recognized in the statement of profit or loss.

After a reversal of an impairment loss is recognized, the depreciation (amortization) charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

3.9 Project receivables - net

Trade receivables are carried 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 receivables. 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 statement of profit or loss. When a Project receivable is uncollectible, it is written off against the provision. Subsequent recoveries of amounts previously written off are credited to the statement of profit or loss.

3.10 Project inventory

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

GADK

Note 3, Significant Accounting Policies - Continued...

3.11 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and cash at banks in current and deposit accounts and other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

3.12 Revenue recognition

Revenue is recognised when or as performance obligations are satisfied by transferring control of promised services to customer, and control either transfers over time. Revenue is measured at fair value of consideration received or receivable, excluding discounts, rebates, net of provincial sales tax and other considerations payable to customers.

When the outcome of a contract cannot be estimated reliably, contract revenue is recognized to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognized as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized as an expense immediately.

When contract costs incurred to date plus recognized profits less recognized losses exceed progress billings, the surplus is shown as contract assets. For contracts where progress billings exceed contract costs incurred to date plus recognized profits less recognized losses, the surplus is shown as contract liabilities. Amounts received before the related work is performed are included in the balance sheet as a contract liability. Amounts billed for work performed but not yet paid by the customer are included in the statement of financial position as trade/project receivables.

In addition, revenue for the following activities is recognized when the specified criteria as mentioned below have been met:

- i) Profit on bank deposits is recognized on time proportion basis taking into account principal outstanding and rates of profit applicable thereon.
- ii) Income from amortization of deferred credit are accounted for in accordance with the requirement of IAS-20 "Accounting for Government Grants and Disclosure of Government Assistance" i.e. Deferred credit are recognized as income over the periods necessary to match them with the related cost which they are intended to compensate, on a systematic basis.
- iii) Grants related to assets are recognized in statement of profit and loss over the life of the depreciable assets.
- iv) Liquidated damages recognised on the basis of the predetermined rate on per day basis after the lapse of delivery time as agreed in the agreement, work order or purchase order (as applicable).

3.13 Government grants

Government grants are recognized where there is reasonable assurance that the grants will be received and all attached conditions will be complied with.

When restricted grants relates to income, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. Unrestricted grants are recognised immediately in statement of profit or loss. When the grant relates to an asset, it is recognized as deferred income that is recognized in statement of profit or loss on a systematic basis over the useful life of the asset.

GMK

Note 3, Significant Accounting Policies - Continued...

A government grant that becomes receivable as compensation for expenses already incurred are recognized in the statement of financial position in which it becomes receivable.

When the Company receives grants of non-monetary assets, the assets and the grants are recorded at nominal amounts and released to profit or loss over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying assets.

A government grant that becomes repayable immediately is accounted for as a change in accounting estimate.

3.14 Foreign currency transactions and translation

Foreign currency transactions are initially recorded by the Company in the functional currency (Pak Rupees), by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date the transaction first qualifies for recognition.

All monetary assets and liabilities in foreign currencies are translated into Pak rupees at exchange rates prevailing at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions and non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

All other exchange gains and losses are credited / charged to the statement of profit or loss.

3.15 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3.15.1 Financial assets

Financial assets are recognized when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transaction costs.

For the purpose of subsequent measurement, financial assets of the Company are classified into the followings:

Financial assets at amortized cost

Assets that are held for collection of contractual cash flows where those cash flow represents solely payments of principal and interest are measured at amortized cost.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

WMM

Note 3, Significant Accounting Policies - Continued...

Financial assets at fair value through profit or loss

Assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through statement of profit or loss.

Interest income from financial assets at amortised cost, impairment of such assets, foreign exchange gains and losses, and gain or loss arising on derecognition of such assets is recognised directly in profit or loss. Changes in fair value of financial assets are normally recognised in profit or loss. However, change in fair value of financial instruments measured at fair value through OCI are subsequently remeasured through OCI.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. Any gain or loss on the de-recognition of the financial assets is included in the profit or loss for the year in which it arises.

Assets that are not contractual in nature and that are created as a result of statutory requirements imposed by the Government are not the financial instruments of the Company.

3.15.2 Financial liabilities

Financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities at amortised cost are initially measured at fair value less transaction costs. Financial liabilities at fair value through profit or loss are initially recognised at fair value and transaction costs are recognised in statement of profit and loss.

Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortised cost using the effective yield method. Financial liabilities at fair value through profit or loss are subsequently measured at fair values.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender or substantially different terms, or the terms of an existing liability are substantially modified, such an exchange and 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 recognised in profit or loss.

3.15.3 Impairment of financial assets

The Company assesses on a forward looking basis for expected credit losses associated with its financial assets. The Company applies the simplified approach to recognise lifetime expected credit losses for due from customers (trade debts and contract assets). The Company recognises in profit or loss, amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

SECP through SRO 985(I)/2019 dated September 02, 2019 has notified that, in respect of companies holding financial assets due from the Government of Pakistan, the requirements contained in IFRS 9 with respect to application of Expected Credit Losses method are not applicable till June 30, 2021 and during exempt period, impairment against financial assets due from Government is computed in accordance with impairment criteria specified in IAS-39 i.e. A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of the asset.

GPR

Note 3, Significant Accounting Policies - Continued...

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. Impairment loss in respect of a financial asset measured at fair value is determined by reference to that fair value. All impairment losses are recognized in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. An impairment loss is reversed only to the extent that the financial asset's carrying amount after the reversal does not exceed the carrying amount that would have been determined, net of amortization, if no impairment loss had been recognized.

3.15.4 Offsetting of financial assets and liabilities

A financial asset and a financial liability is offset and the net amount is reported in the statement of financial position if the Company has a legally enforceable right to offset the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

3.16 Loan

Borrowings are initially recorded as per proceeds received, net of transaction costs. In subsequent periods, borrowings are stated at amortized cost using the effective yield method. Finance costs are accounted for on an accrual basis and are included in current liabilities to the extent of the amount remaining unpaid.

UPM

Note 4

Capital reserve

4.1 This represents balance of net assets transferred by 'The Urban Sector Planning and Management Unit', a project management unit of the Government of Punjab, to the Company as on the date of its incorporation.

Note 5

Deferred liabilities

	Note	2019 Rupees	2018 Rupees Restated
Deferred revenue	5.1	8,333,889	12,350,080
Deferred credit	5.2	-	51,422,003
Deferred income on initial recognition of subsidised loan	5.3	116,091,345	-
		<u>124,425,234</u>	<u>63,772,083</u>
5.1 Deferred revenue			
- Ministry of Railways (Government of Pakistan)	5.1.1	516,807	2,622,733
- Punjab Water and Sanitation Academy		7,817,082	9,727,347
		<u>8,333,889</u>	<u>12,350,080</u>

5.1.1 This represents the amount equal to written down value of assets procured for projects.

5.2 Deferred credit

	Utilization of Grants			Total Rupees
	Project expenses Rupees	Purchase of property, plant and equipment Rupees	Funds Receivable Rupees	
Balance as on June 30, 2017	144,552,457	48,239,804	-	192,792,261
Funds received during the year	321,509,435	151,262,565	-	472,772,000
Funds lapsed as at June 30, 2018	(192)	-	-	(192)
Funds receivable	-	-	56,782,000	56,782,000
Amortization for the year	(639,690,145)	(31,233,921)	-	(670,924,066)
Balance as on June 30, 2018	<u>(173,628,445)</u>	<u>168,268,448</u>	<u>56,782,000</u>	<u>51,422,003</u>
Funds received during the year	356,020,371	761,629	-	356,782,000
Receivable realised during the year	-	-	(56,782,000)	(56,782,000)
Funds lapsed as at June 30, 2019	(3)	-	-	(3)
Adjustment for assets written off or disposed during the year	4,935,652	(4,935,652)	-	-
Amortization for the year	(309,071,458)	(46,688,945)	-	(355,760,403)
Balance as on June 30, 2019	<u>(121,743,883)</u>	<u>117,405,480</u>	<u>-</u>	<u>(4,338,403)</u>
Transfer to project funds receivable				4,338,403
Balance as on June 30, 2019				<u>-</u>

5.2.1 During the year, the Company received funds amounting of Rs. 356.782 million (June 30, 2018: Rs. 472.772 million) from the World Bank through Government of Punjab for Punjab Cities Governance Improvement Project (PCGIP) and Punjab Jobs and Competitiveness Programme for Results (DLI-4: Punjab Spatial Strategy) (PSS). Amortization includes an amount of Rs. 355.760 million (June 30, 2018: Rs. 670.924 million) incurred on PCGIP and PSS projects.

The funds available for PCGIP project amounting to Rs. 10.559 million (June 30, 2018: Rs. 13.473 million) represents the written down value of the assets procured for the project.

The funds transferred to project funds receivable relates to PSS project.

CPIC

5.2.2 Net project expense funded through world Bank

	Note	2019 Rupees	2018 Rupees Restated
- Expenses related to projects		360,952,087	672,885,070
- Less: Amortization of deferred credit during the year	5.2.2.1	(355,760,403)	(670,924,066)
		<u>5,191,684</u>	<u>1,961,004</u>

5.2.2.1 Project wise details are as followings

- Punjab Spatial Strategy Expense	18	352,845,828	538,578,703
Amortization of deferred credit		(352,845,828)	(538,578,703)
		<u>-</u>	<u>-</u>
- Punjab Cities Governance Improvement Project Expense	18	8,106,259	134,306,367
Amortization of deferred credit		(2,914,575)	(132,345,363)
		<u>5,191,684</u>	<u>1,961,004</u>

5.3 Deferred income on initial recognition of subsidised loan

	Note	2019 Rupees	2018 Rupees
Deferred income on initial recognition of subsidised loan	7	118,043,567	-
Less: Amortization of deferred income in statement of profit or loss	22	(1,952,222)	-
		<u>116,091,345</u>	<u>-</u>

Note 6

Deferred Taxation

	Note	2019 Rupees	2018 Rupees Restated
Liability for deferred taxation comprising temporary differences related to:			
-Accelerated tax depreciation		782,328	4,631,075
- Project receivables - net		32,908,559	35,231,457
		<u>33,690,887</u>	<u>39,862,532</u>
6.1 Reconciliation of deferred tax liability			
Opening balance		39,862,533	863,272
Charged to the statement of profit or loss		(6,171,646)	38,999,261
Closing balance		<u>33,690,887</u>	<u>39,862,533</u>

Note 7

Long term loan

	Note	2019 Rupees	2018 Rupees
Principal amount	7.1	293,000,000	-
Less: Deferred income on initial recognition of subsidised loan	5.3	(118,043,567)	-
		<u>174,956,433</u>	
Add: Amortization of deferred income during the year	20	1,952,222	-
		<u>176,908,655</u>	<u>-</u>

7.1 This represent subsidised loan received from Finance Department of Government of Punjab (related party) to meet operating expenditure of the Company. This loan carries following terms and condition:

Repayment period including grace period	Grace period	Interest
5 years	2 years	0.25% p.a.

This loan is secured against first charge on assets of the company.

7.2 These subsidised loan has been measured at amortized cost by applying effective interest rate 13.39% (2018: Nil).

GAIX

Note 8

Project payables

	Note	2019 Rupees	2018 Rupees Restated
Project related payables			
- Restructuring and capacity building of Environment Protection Agency (EPA)	8.1	59,763,953	20,715,372
- Punjab Spatial Strategy		37,062,948	57,417,828
- Computerization of UIPT in 30 Districts of Punjab (Phase II) GIS Integrated		19,109,164	12,848,260
- Restoration and Upgradation of Murree Mall Road		13,037,410	13,670,314
- Conservation and Restoration of Government House Murree		8,469,997	13,689,012
- Punjab Water and Sanitation Academy		7,374,653	8,885,935
- Establishment of Segregation, Treatment & Disposal Facility - Sahiwal		7,302,243	5,442,577
- Punjab Cities Governance Improvement Project (PCGIP)		5,784,313	8,735,239
- Preparation of Detailed Design & Construction Supervision (Gilgit)		5,645,349	301,504
- Property Tax Survey to Develop Provincial Digitization Model Sukkur		2,828,716	2,649,804
- Restoration of GPO Building Murree		2,412,029	2,412,029
- Eco-Tourism in Soon Valley at Khabeki and Uchali Lake		1,573,894	5,435,831
- Pakistan Urban Forum		263,388	531,242
- Punjab Economic Forum		114,213	114,213
- Asset Management of Pakistan Railway Land with GIS/MIS		85,296	474,395
- Project Management Consultancy Services to Punjab Saaf Pani Company - North		22,957	1,116,931
- Gender Management Information System - DAI		7,226	283,603
- Pre-Feasibility Assessment for New City Development (M2 Corridor)		3,299	42,630
- Urban Immoveable Property Tax (UIPT)		-	4,168,350
- Establishment of Planning and Development Library		-	55,200
- Other project payables		1,555,032	5,126,273
		172,416,080	164,116,542
Sales tax payable	8.2	39,363,435	33,748,782
Withholding sales tax payable		863,357	595,341
Withholding income tax payable		435,323	3,127,024
		213,078,195	201,587,689

8.1 This does not includes amount of Rs. 6,900,000 payable on account of purchase of vehicle for Environment Protection Department.

8.2 This includes amount of Rs. 24,076,370 (2018: Rs. 19,248,784) payable on account of "GIS Based Survey and Computerization of Urban Immoveable Property Tax (UIPT) in Six Districts of Punjab" (UIPT) project.

Note 9

Advances received for projects

	2019 Rupees	2018 Rupees
Computerization of Immoveable Property in 30 Districts of Punjab	139,807,177	274,120,716
Restoration and Upgradation of Murree Mall Road	95,857,171	113,474,095
Establishment of Segregation, Treatment & Disposal Facility - Sahiwal	60,344,593	33,246,253
Pre-Feasibility Assessment for New City Development (M2 Corridor)	32,708,383	32,708,383
Restoration of Murree GPO	3,596,573	3,596,573
Establishment of Media Monitoring Cell	3,251,118	3,846,618
Establishment of Planning and Development Department Library	441,772	441,772
Eco-Tourism in Soon Valley at Khabeki and Uchali Lake	-	7,618,583
	336,006,787	469,052,993

GAPX

Note 10

Contingencies and Commitments

Contingencies

- 10.1** The Urban Unit has filed an arbitration petition in Civil Court for appointment of arbitrator through Court against receivable from Environment Protection Department Government of the Punjab amounting to Rs. 96.49 million. The management believes the matter will ultimately be decided in the favour of the Company
- 10.2** M/S Azad Construction Company ("the Contractor") defaulted in the execution of contract signed with The Urban Unit titled "Construction of STD Facility Sahiwal; Tender-2, Construction of Building Works". The contractor approached the Civil Court for arbitration and ad-interim injunction to restrain the Company from encashing the performance and mobilization advance guarantees amounting to Rs.10,560,510 and Rs, 7,010,340 respectively which was rejected. The Company approached M/s Jubilee General Insurance Company and the performance guarantee and mobilization advance guarantee were encashed. However, arguments on the case are still ongoing in the Civil Court. The management believes the matter will ultimately be decided in the favour of the Company and accordingly no provision is required in these financial statements.
- 10.3** Certain persons filed petitions before Lahore High Court (LHC) on June 30, 2018 challenging the legal validity and roles of public sector private companies established by the Government of Punjab. The management is of the view that it is unlikely that any adverse order will be passed against the Company.
- 10.4** Since incorporation and introduction of the Punjab Sales Tax Act 2012, the Company is not charging the Punjab Sales Tax on Services (PST) on the initial/original transfers/receipts/recognition of funds in books of UU for the projects which are being funded/financed through the Development Portfolio of the Government of the Punjab i.e. the Annual Development Program (ADP) and Other Development Programs (ODP). However, the Company is withholding sales tax on services being received from third party vendors, consultants, contractors, etc. which are engaged for these projects, if any. This treatment is aligned with the views of the Company's tax advisors and the figures reported in the previously audited financial statements of the Company.

Subsequent to year end, with the approval of the Company's Audit & Finance Committee, the management has sent a request for clarification on the applicability of PST on the original receipts /transfers/recognition of funds to PRA on 19th February 2021, however, the response is still awaited.

If PRA clarifies that PST is applicable on said transaction(s), the Company would be required to recognize a liability amounting to Rs. 591.85 million plus additional surcharge, if imposed by PRA, in its subsequent financial statements.

Based on the opinion of its tax advisors and the fact that such taxes are not being demanded by the PRA from other similar entities in the Punjab which are executing such projects on behalf of the Government of the Punjab, the management of the Company is confident that the clarification from PRA would be in favor of the Company and PST would not be applicable in such cases.

In case, the PRA clarification is not in favor of the Company, the management intends to move a case for additional funding or exemption of tax to the Government of the Punjab and is confident of getting the matter resolved. Accordingly, there would be no adverse impact on subsequent financial statements as well as the going concern status of the Company.

Commitments

- 10.5** There are no material capital commitments as at the reporting date (2018: Nil).

WPC

Note 11

Property, plant and equipment

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

Description	Cost			Depreciation			Written Down Value	Rate %
	As at July 01, 2018	Additions / (disposals) during the year	As at June 30, 2019	As at July 01, 2018	For the year / (adjustments)	As at June 30, 2019	As at June 30, 2019	
Rupees								
Leasehold Improvements	80,494,271	(4,956,052)	75,538,219	23,993,980	8,044,396 (1,095,359)	30,943,017	44,595,202	10%
Office Furniture	50,178,650	538,109 (826,453)	49,890,306	14,569,658	4,657,792 (424,500)	18,802,950	31,087,356	10%
Library Books	2,849,787	-	2,849,787	634,180	284,928	919,108	1,930,679	10%
Vehicles	11,996,719	791,000 (1,745,910)	11,041,809	7,329,261	1,514,966 (581,964)	8,262,263	2,779,546	20%
Office Equipment	93,576,605	368,600 (1,728,188)	92,217,017	54,056,221	15,101,864 (1,246,046)	67,912,039	24,304,978	20%
Computers and Accessories	225,548,284	20,826 (27,724,176)	197,844,934	145,344,789	33,127,559 (27,724,176)	150,748,172	47,096,762	33%
As at June 30, 2019	464,644,316	1,718,535 (36,980,779)	429,382,072	245,928,089	62,731,505 (31,072,045)	277,587,549	151,794,523	

Description	Cost			Depreciation			Written Down Value	Rate %
	As at July 01, 2017	Additions during the year	As at June 30, 2018	As at July 01, 2017	For the year	As at June 30, 2018	As at June 30, 2018	
Rupees								
Leasehold Improvements	53,964,632	26,529,639	80,494,271	16,477,438	7,516,542	23,993,980	56,500,291	10%
Office Furniture	36,203,075	13,975,575	50,178,650	10,185,354	4,384,304	14,569,658	35,608,992	10%
Library Books	2,718,111	131,676	2,849,787	355,316	278,864	634,180	2,215,607	10%
Vehicles	6,877,359	5,119,360	11,996,719	5,244,966	2,084,295	7,329,261	4,667,458	20%
Office Equipment	77,304,399	16,272,206	93,576,605	38,381,940	15,674,281	54,056,221	39,520,384	20%
Computers and Accessories	133,239,452	92,308,832	225,548,284	119,471,690	25,873,099	145,344,789	80,203,495	33%
As at June 30, 2018	310,307,028	154,337,288	464,644,316	190,116,704	55,811,385	245,928,089	218,716,227	

11.2 Depreciation charge for the year has been allocated to project expenses and administrative expenses as follows:

	Note	2019 Rupees	2018 Rupees
Project expenses	18	57,914,921	49,687,837
Administrative expenses	19	4,816,584	6,123,548
		62,731,505	55,811,385

11.3 The cost of assets includes fully depreciated assets amounting to Rs. 140,820,292 (2018: Rs. 142,332,943).

CP/ML

11.4 The details of property, plant and equipment disposed off during the year are as follows:

Description	Cost	Accumulated depreciation	Net Book Value	Sale Proceeds/ Adjustments	Gain/(Loss)	Mode of disposal	Particulars of buyers
Vehicle	1,745,910	581,964	1,163,946	1,163,946	-	Cabinet decision of Punjab Govt & BoD decision	GoPb Service & Gen. Admin. Department
Leasehold Improvements	76,892	38,200	38,692	22,504	(16,188)	Tendering	Mr.Rana Mukhtar Ahmad
Leasehold Improvements	4,879,160	1,057,159	3,822,001	3,822,001	-	Assets written off	Not applicable
Office Furniture	826,453	424,500	401,953	154,599	(247,354)	Tendering	Mr.Rana Mukhtar Ahmad
Office Equipment	385,259	377,159	8,100	3,885	(4,215)	Tendering	Mr. Muhammad Naveed Ali Hayat
Office Equipment	17,980	17,980	-	845	845	Tendering	Mr.Rana Mukhtar Ahmad
Office Equipment	1,322,299	849,069	473,230	473,230	-	Transferred	Pakistan Railways
Office Equipment	2,650	1,838	812	812	-	Asset written off	Not applicable
Computer and Accessories	6,064,552	6,064,552	-	60,662	60,662	Tendering	Mr. Muhammad Naveed Ali Hayat
Computer and Accessories	21,659,624	21,659,624	-	-	-	Transferred	Pakistan Railways
	<u>36,980,779</u>	<u>31,072,045</u>	<u>5,908,734</u>	<u>5,702,484</u>	<u>(206,250)</u>		

Note 12

Intangible assets

	Note	2019 Rupees	2018 Rupees
Cost			
Opening balance as at July 01,		20,297,796	8,518,009
Addition during the year		-	11,779,787
Written off during the year		(578,500)	-
Closing balance June 30,		<u>19,719,296</u>	<u>20,297,796</u>
Amortization			
Opening balance as at July 01,		7,284,602	5,778,720
For the year	12.1	1,520,340	1,505,882
Adjustment during the year		(101,241)	-
Closing balance June 30,		<u>8,703,701</u>	<u>7,284,602</u>
Written down value			
As at June 30,		<u>11,015,595</u>	<u>13,013,194</u>
Amortization rate		10%	10%

12.1 Amortization charge for the year has been allocated to project expenses.

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Note 13

Project receivables - net

	Note	2019 Rupees	2018 Rupees
Receivable from the Government of Punjab against Urban Immovable Property Tax (UIPT) Project (related party) - considered good		239,800,645	204,800,645
Other receivables - considered good	13.1	155,278,789	260,861,609
Other receivables - considered doubtful		133,859,260	88,479,398
Retention money receivable - considered good	13.1	1,751,392	1,626,664
Retention money receivable - considered doubtful		1,884,400	1,884,400
Less: Receivables written off during the year		(596,360)	(26,895,701)
Less: Provision against doubtful receivables		(133,859,260)	(88,479,398)
Less: Provision against doubtful retention money receivable		(1,884,400)	(1,884,400)
		156,433,821	235,592,572
		396,234,466	440,393,217

13.1 This includes receivables from third parties and related parties for various consultancies, smaller projects and training activities conducted by the Company during the year. This also includes Rs. 6,900,000 receivable from Environment Protection Department against purchase of vehicles.

13.2 Receivables from related parties include:

13.2.1 Trade Receivables

	2019 Rupees	2018 Rupees
Excise, Taxation & Narcotics Control Department.	239,800,645	204,800,645
Planning & Development Board	-	56,782,000
Water and Sanitation Agency	12,241,000	12,241,000
Board of Revenue	2,409,874	2,409,874
Local Government and Community Development Department	30,865,262	30,865,262
Provincial Disaster Management Authority	15,834,600	15,834,600
Lahore Arts Council	1,270,500	-
Environment Protection Department	91,984,216	42,236,119
Punjab Saaf Pani Company	88,479,398	88,479,398
Punjab Healthcare Commission	-	9,656,261
	482,885,495	463,305,159

13.2.2 Retention Money

Punjab Saaf Pani Company	1,884,400	1,884,400
Board of Revenue	433,778	433,778
	2,318,178	2,318,178

13.3 The aging of trade receivables as at the reporting date is as follows:

Past due 1 - 90 days	104,216,999	189,336,561
Past due 91 - 180 days	1,530,528	10,018,824
Past due 181 - 365 days	126,546,918	106,855,577
1 - 2 years	135,209,287	169,770,155
More than 2 years	164,474,394	54,775,898
	531,978,126	530,757,015

13.4 Movement of provision against doubtful receivables is as follows:

Opening balance		90,363,798	-
Provision made during the year	21	45,379,862	90,363,798
Closing balance		135,743,660	90,363,798

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Note 14

Project Inventory

	2019	2018
	Rupees	Rupees
Eco-Tourism In Soon Valley at Khabeki and Uchali Lake	-	19,004,749
	-	19,004,749

Note 15

Advances, prepayments and other receivables

		2019	2018
		Rupees	Rupees
Income tax refundable		18,154,085	23,088,659
Mobilization advance	15.1	29,437,163	33,849,118
Advances & other receivables (unsecured - but considered good)	15.2	5,029,985	4,431,761
Prepayments		705,058	6,163,622
		<u>53,326,291</u>	<u>67,533,160</u>

15.1 These are considered good by management of the company and are unsecured.

15.2 This also includes Rs. 1.918 million (2018: Rs. 1.918 million) receivable from a Ex-Director on account of business expenses (refer to Note 25).

Note 16

Cash and bank balances

		2019	2018
	Note	Rupees	Rupees
Cash in hand		74,115	119,476
Cash at banks:			
- Saving accounts	16.1	204,798,238	82,972,885
- Current accounts	16.2	7,106,369	1,763,873
		<u>211,978,722</u>	<u>84,856,234</u>

16.1 The saving accounts carry markup ranging between @ 4.5% to 10.25% (2018: 3.83%) per annum, approximately.

16.2 Bank balances include a joint bank account with a consultant (JV) i.e. Jers Engineering Consultants with a closing balance amounting to Rs. 6,849,545 (2018: Rs. 507,822). The company also maintains assignment account with National Bank of Pakistan with a closing balance amounting to Rs. Nil (2018; Rs. Nil).

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Note 17

Project revenue

	2019	2018
	Rupees	Rupees
		Restated
Computerization of UIPT in 30 Districts of Punjab (Phase II) GIS Integrated	134,313,539	131,682,524
Urban Immovable Property Tax SLA 2018-19	35,000,000	-
Property Tax Survey to Develop Provincial Digitization Model, Sukkur	22,412,201	14,579,362
Establishment of Segregation Treatment & Disposal Plant (Sahiwal)	17,901,660	88,505,215
Restoration and Up-Gradation of Murree Mall Road	17,616,924	54,028,319
Consultancy Services For "Digitalization of Roads Directory in the Country	14,635,242	-
Eco-Tourism in Soon Valley at Khabeki and Uchali Lake	11,133,075	2,501,312
Capacity Building of Middle Management and Field Staff (Operations) - WSSC Mardan	7,652,640	-
Flood Emergency Reconstruction & Resilience Project	7,605,000	-
WSSP Revenue Enhancement Strategy through D2D Survey	5,800,000	-
Training & Capacity Development of Management Team, WSS Abbottabad	5,265,000	-
Restructuring and Capacity Building of Environment Protection Agency, Punjab	4,140,324	28,404,147
Asset Management of Pakistan Railway Land with GIS/MIS	3,869,630	8,027,534
GIZ Project for ISPA Core Diagnostic Instrument CODI Data Collection in Punjab	3,677,661	-
Capacity Building for WSS Peshawar	3,180,000	-
Performance Assessment & Business Plan Development for WSS Peshawar	2,000,000	-
Punjab Water & Sanitation Academy Lahore	1,910,265	19,649,000
Establishment of Media Monitoring Cell	595,500	5,608,083
Project Management Consultancy Services to Punjab Saaf Pani Company - North	-	63,643,656
Urban Immovable Property Tax SLA 2017-18	-	45,110,000
Urban Immovable Property Tax SLA 2016-17	-	28,026,006
Khadim-e-Punjab Saaf Dehat Programme	-	20,825,001
Pre-Feasibility Assessment for New City Development (M2 Corridor)	-	18,555,493
Census for Manufacturing Industries	-	10,000,200
MIS/GIS Survey & System for Punjab Saaf Pani	-	7,994,697
Water & Sanitation Services, Peshawar	-	7,400,800
Khadim-E-Aala Rural Roads Program	-	7,103,376
Census of Healthcare Establishments	-	6,211,790
Outsourcing of Solid Waste Management in 5 Cities	-	3,543,290
ADP Dashboard Government of Sindh	-	2,719,161
Federal Government Employees Housing Foundation	-	2,494,561
Hiring of Managing Directors for Waste Management Companies	-	1,513,611
Land Record Management Information System	-	1,204,937
Others	7,072,780	2,506,841
Less: Sales tax on services	(14,698,432)	(23,976,317)
	<u>291,083,009</u>	<u>557,862,599</u>

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Note 18

Projects expenses

	Note	2019 Rupees	2018 Rupees Restated
Punjab Cities Governance Improvement Project (PCGIP)			
- Consultancy		4,293,434	1,115,000
- Travelling and conveyance		490,670	10,782,770
- Rent		196,810	15,942,776
- Fee and subscriptions		170,246	1,187,728
- Utilities		27,064	7,558,733
- Training and development		11,065	722,267
- Communication		4,870	8,469,929
- Repair and maintenance		1,040	2,327,934
- Printing, stationery and office supplies		120	629,932
- Salaries and other benefits		-	79,849,018
- Advertisement		-	189,791
- Legal and professional		-	4,000
- Miscellaneous		103,029	1,174,604
- Depreciation and amortization	11.2 & 12	2,807,911	4,351,885
		8,106,259	134,306,367
Less: Amortization of deferred credit	5.2.2	(2,914,575)	(132,345,363)
Net expense (A)		<u>5,191,684</u>	<u>1,961,004</u>
Punjab Spatial Strategy			
- Salaries and other benefits		200,867,550	394,661,629
- Consultancy		32,359,015	24,993,423
- Rent		27,462,303	29,194,392
- Utilities		13,777,236	9,726,027
- Travelling and conveyance		11,685,685	16,207,512
- Repair and maintenance		9,459,133	10,884,455
- Communication		4,797,817	3,104,982
- Printing, stationery and office supplies		2,087,599	4,295,619
- Training and development		533,019	1,024,818
- Advertisement		419,457	1,420,274
- Fee and subscriptions		83,500	10,300
- Civil, mechanical and electrical works		-	6,961,127
- Legal and professional		-	6,000
- Miscellaneous		5,432,480	9,206,109
- Depreciation and amortization	11.2 & 12	43,881,034	26,882,036
		352,845,828	538,578,703
Less: Amortization of deferred credit	5.2.2	(352,845,828)	(538,578,703)
Net expense (B)		<u>-</u>	<u>-</u>
Other projects			
- Salaries and other benefits		167,247,105	252,211,526
- Civil, mechanical and electrical works		44,352,966	124,673,675
- Repair and maintenance		19,630,720	4,232,493
- Travelling and conveyance		16,026,928	24,778,999
- Consultancy		10,080,562	12,808,509
- Rent		8,117,439	7,688,154
- Utilities		3,354,828	1,099,722
- Training and development		2,088,351	1,114,299
- Printing, stationery and office supplies		1,660,984	3,983,082
- Communication		1,340,399	7,022,937
- Advertisement		401,837	1,925,019
- Fee and subscriptions		38,000	4,000
- Legal and professional		3,700	169,092
- Miscellaneous		1,719,100	2,597,783
- Depreciation and amortization	11.2 & 12	12,746,316	19,959,798
Total (C)		288,809,235	464,269,088
Project expenses - Total (A+B+C)		<u>294,000,919</u>	<u>466,230,092</u>

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Note 18, Project expenses - Continued...

18.1 Project wise breakup of Rs. 294.001 million (June 30, 2018 : 466.23) is as follow:

	2019	2018
	Rupees	Rupees
Computerization of UIPT in 30 Districts of Punjab (Phase II) GIS Integrated	134,313,539	131,682,524
Property Tax Survey to Develop Provincial Digitization Model Sukkur	27,594,610	30,148,538
Conservation and Restoration of Government House Murree	23,102,038	24,498,543
Eco-Tourism in Soon Valley at Khabeki and Uchali Lake	20,456,423	2,501,312
Establishment of Segregation Treatment & Disposal Plant (Sahiwal)	17,901,660	88,505,215
Restoration and Up-Gradation of Murree Mall Road	17,616,924	54,028,319
Capacity Building of Middle Management and Field Staff (Operations) - WSSC Mardan	6,628,752	-
Consultancy Services For "Digitalization of Roads Directory in the Country	6,102,873	-
Punjab Water & Sanitation Academy Lahore	6,002,510	29,194,732
WSSP Revenue Enhancement Strategy through D2D Survey	5,617,183	-
Training & Capacity Development of Management Team WSS Abbottabad	4,524,693	-
Capacity Building for WSS Peshawar	2,756,170	-
Asset Management of Pakistan Railway Land with GIS/MIS	2,125,718	24,869,707
Punjab Cities Governance Improvement Project	5,191,684	1,961,004
Restructuring and Capacity Building of Environment Protection Agency Punjab	1,622,719	2,608,565
Establishment of Media Monitoring Cell	595,500	2,783,229
Federal Government Employees Housing Foundation	193,753	889,199
Project Management Consultancy Services to Punjab Saaf Pani Company - North	120,900	15,679,554
MIS/GIS Survey & System for Punjab Saaf Pani	93,336	1,942,755
ADP Dashboard Government of Sindh	84,747	6,860,691
Urban Immovable Property Tax SLA 2017-18	-	12,744,839
Outsourcing of Solid Waste Management in 5 Cities	-	3,054,560
Pre-Feasibility Assessment for New City Development (M2 Corridor)	-	14,055,493
Khadim-e-Punjab Saaf Dehat Programme	-	2,204,589
Census of Healthcare Establishments	-	3,086,782
Khadim-E-Aala Rural Roads Program	-	27,872
Water & Sanitation Services, Peshawar	-	122,107
Hiring of Managing Directors for Waste Management Companies	-	1,304,837
Punjab Economic Forum	-	189,080
Sub-National Governance Project	-	55,000
Others	11,355,188	11,231,046
	<u>294,000,920</u>	<u>466,230,092</u>

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Note 19

Administrative expenses

		2019	2018
	Note	Rupees	Rupees
Salaries and other benefits		33,133,568	34,105,163
Rent		26,602,593	24,090,224
Utilities		9,929,612	8,377,357
Travelling and conveyance		1,985,832	1,009,901
Legal and professional charges		1,858,975	4,001,089
Office running / hospitality		1,383,583	2,871,048
Repairs and maintenance		820,073	2,562,592
Fees and subscription		575,541	211,000
Printing, stationery and office supplies		564,449	1,702,943
Board meetings expenses		460,000	642,981
Training and development expense		425,916	1,364,570
Auditors' remuneration		400,000	350,000
Communication		143,809	258,602
Recreational expenses		109,568	772,285
Advertisement		81,485	305,615
Miscellaneous		1,360,912	1,422,592
Depreciation	11.2	4,816,584	6,123,548
		<u>84,652,500</u>	<u>90,171,510</u>

Note 20

Finance cost

		2019	2018
	Note	Rupees	Rupees
Interest on loan		80,274	-
Bank charges		71,850	114,645
Amortization of deferred income	7	1,952,222	-
		<u>2,104,346</u>	<u>114,645</u>

Note 21

Other expenses

		2019	2018
	Note	Rupees	Rupees
Provision for doubtful receivables	13.4	45,379,862	90,363,798
Receivables written off	13	596,360	26,895,701
Loss on disposal of property, plant and equipment		206,250	-
		<u>46,182,472</u>	<u>117,259,499</u>

Note 22

Other income

		2019	2018
	Note	Rupees	Rupees
Markup on bank saving accounts		3,166,721	4,300,988
Liabilities written back during the year		20,507,437	47,539,894
Liquidated damages recovered from vendors		5,786,558	17,549,484
Amortization of deferred income on subsidized loan	5.3	1,952,222	-
Others		1,550,781	2,837,989
		<u>32,963,719</u>	<u>72,228,355</u>

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Note 23
Taxation

	2019 Rupees	2018 Rupees Restated
Current:		
- For the year	8,055,851	12,314,559
- Prior years	365,146	-
	8,420,997	12,314,559
Deferred	(6,171,645)	38,999,261
	<u>2,249,352</u>	<u>51,313,820</u>
23.1 Reconciliation of tax charge for the year		
Loss before taxation	<u>(102,893,510)</u>	<u>(43,684,792)</u>
Tax @ 29% (2018: 30%) on profit before taxation	-	-
Minimum tax	8,055,851	12,314,559
Adjustment for prior years	365,146	-
Deferred taxation	(6,171,645)	38,999,261
	<u>2,249,352</u>	<u>51,313,820</u>

Note 24
Remuneration of Chief Executive Officer, Directors and Executives

Aggregate amounts charged in the financial statements for the year as remuneration and benefits to the Chief Executive Officer, full-time working directors and other executives of the company are as follows:

	Chief Executive Officer		Non-Executive Directors		Executives	
	2019	2018	2019	2018	2019	2018
	(Rupees)		(Rupees)		(Rupees)	
Managerial remuneration	1,223,244	13,501,715	-	-	187,157,963	309,727,835
Bonus	-	1,652,604	-	-	-	-
Meeting fee allowance	60,000	130,000	400,000	510,000	-	-
	<u>1,283,244</u>	<u>15,284,319</u>	<u>400,000</u>	<u>510,000</u>	<u>187,157,963</u>	<u>309,727,835</u>
Number of persons	1	1	6	6	71	112

24.1 An executive is defined as an employee, other than the chief executive and directors, whose basic salary exceeds Rs. 1,200,000 in a financial year.

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Note 25

Transactions with Related Parties

Related parties comprise Government of Punjab, departments of Government of Punjab, associated companies, key management personnel (those having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including directors of the Company and their close relative).

Transactions with related parties are as follows :

Party Name	Nature of Relationship	Nature of Transactions	2019	2018
			Rupees	Rupees
Government of Punjab	Owner of the Company through Planning and Development Board	Loan obtained to meet operating expenditures	293,000,000	-
Local Government and Community Development Department	Department of Government of Punjab	Funds received against project	45,000,000	10,000,000
Excise, Taxation & Narcotics Control Department	Department of Government of Punjab	Funds received against project	-	295,128,000
Planning and Development Board	Administrative department through major shareholding	Funds received against projects	356,782,000	472,772,000
Water and Sanitation Agency, Lahore	Department of Government of Punjab	Funds received against project	-	5,500,000
Directorate General Public Relations	Department of Government of Punjab	Advertisement expenses	546,368	3,457,844
The Bank of Punjab	Owned by Government of Punjab	Markup income Bank charges	3,166,721 75,077	4,300,988 116,739
Local Government and Community Development Department	Department of Government of Punjab	Receivable booked against projects	-	25,881,902
Excise, Taxation & Narcotics Control Department.	Department of Government of Punjab	Receivable booked against project	35,000,000	73,136,006
Environment Protection Department	Department of Government of Punjab	Receivable booked against project	4,140,324	28,404,147
Lahore Arts Council	Department of Government of Pakistan	Receivable booked against project	1,270,500	-

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Party Name	Nature of Relationship	Nature of Transactions	2019	2018
			Rupees	Rupees
Board of Revenue	Department of Government of Punjab	Receivable booked against project	-	1,204,937
Directorate General Monitoring and Evaluation	Department of Government of Punjab	Receivable booked against project	-	7,103,376
Punjab Healthcare Commission	Department of Government of Punjab	Receivable booked against project	-	6,211,790
Punjab Saaf Pani Company South	Department of Government of Punjab	Receivable booked against project	-	7,994,697
Punjab Saaf Pani Company - North	Department of Government of Punjab	Receivable booked against project	-	63,643,656
Water and Sanitation Agency, Lahore	Department of Government of Punjab	Receivable booked against project	-	12,241,000
Services & General Administration Department	Department of Government of Punjab	Vehicle handed over	1,163,946	-
		Vehicle received from	700,000	-
Recoverable from Ex-director - un-secured			2019	2018
			Rupees	Rupees
Saleem Alam & Co.	Contract for legal consultancy services		1,917,856	1,917,856

This amount is recoverable from an Ex-Director as the Board of Directors did not approve this transaction

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Note 26

Financial Risk Management

The Company finances its operations through equity, grants and management of working capital with a view to obtain a reasonable mix between various sources of finance to minimize the risk.

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, cash flow interest rate risk, other market price 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 Company's 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.

The Company's overall risk management procedures, to minimize the potential adverse effects of financial market on the Company's performance, are as follows:

26.1 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign currency, interest rate, commodity price and equity price that will affect the Company's income or the value of its holdings of financial instruments.

26.1.1 Currency risk

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

The Company is not exposed to any significant currency risk.

26.1.2 Interest/ Markup 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/markup rates.

The Company analyses its interest/markup rate exposure on a dynamic basis taking into consideration refinancing, renewal of existing positions, alternative financing etc. The Company has no variable interest/markup bearing borrowings. The Company's interest/markup rate risk arises from balance with the banks on saving accounts. These saving accounts are at variable interest/markup rates and expose the Company to cash flow interest/markup rate risk. At the reporting date, the profile of the Company's interest/markup bearing financial instruments was as under:

	2019	2018
	Rupees	Rupees
<u>Floating rate instruments</u>		
Financial assets		
Bank balances - saving accounts	204,798,238	82,972,885

Fair value sensitivity analysis for fixed rate instruments

The Company has fixed rate financial liabilities. Therefore, a change in interest/markup rates at the reporting date would not affect profit or loss of the Company.

Cash flow sensitivity analysis for variable rate instruments

If interest/markup rates at the reporting date fluctuate by 1% higher / lower with all other variables held constant, loss before taxation for the year would have been Rs. 2,047,982 (2018: Rs. 829,729) lower / higher , mainly as a result of higher / lower interest/markup income on floating rate saving accounts. This analysis is prepared assuming the amounts of bank balance at the reporting date are outstanding for the entire year.

26.1.3 Equity Price risk

Equity price risk arises from investments held by the Company. The Company does not have any investments as at the reporting date.

26.2 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. Carrying amounts of financial assets represent the maximum credit exposure.

The Company's credit risk is primarily attributable to deposits with banks, receivables, deposits, advances and other receivables. The management assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board. The utilization of credit limits is regularly monitored. For banks and financial institutions, only independently rated parties with a strong credit rating are accepted.

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Note 26, Financial Risk Management - Continued...

26.2.1 Exposure to credit risk

Carrying values of financial assets exposed to credit risk and which are neither past due nor impaired are as under:

	2019	2018
	Rupees	Rupees
Long term security deposits	9,965,285	15,597,934
Trade (Project) receivables	396,234,466	440,393,217
Contract assets	15,122,520	-
Bank balances	211,904,607	84,736,758
Other receivables	5,029,985	4,431,761
	<u>638,256,863</u>	<u>545,159,670</u>

26.2.2 The aging of trade receivables as at the reporting date is as follows:

	2019	2018
	Rupees	Rupees
Past due 1 - 90 days	104,216,999	189,336,561
Past due 91 - 180 days	1,530,528	10,018,824
Past due 181 - 365 days	126,546,918	106,855,577
1 - 2 years	135,209,287	169,770,155
More than 2 years	164,474,394	54,775,898
	<u>531,978,126</u>	<u>530,757,015</u>

The Company believes that it is not exposed to major concentration of credit risk as its exposure is spread over a large number of counter parties especially Government departments.

The management estimates the recoverability of project receivables on the basis of financial position and past history of its customers based on the objective evidence that it shall not receive the amount due from the particular customer. The provision is written off by the Company when it expects that it cannot recover the balance due. Any subsequent repayments in relation to amounts written off are credited directly to the statement of profit or loss.

26.2.3 Credit quality of bank balances

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

	Rating		Rating Agency	2019	2018
	Short term	Long term		Rupees	Rupees
The Bank of Punjab	A1+	AA	PACRA	<u>211,904,607</u>	<u>84,736,758</u>

Due to the Company's long standing business relationships with these counterparties and 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. However, there is a concentration of credit risk.

26.3 Liquidity risk

Liquidity risk represents the risk that the Company shall encounter difficulties in meeting obligations associated with financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents and the availability of funding through an adequate amount of committed credit facilities. 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 meeting delays in release of grants. The table below analyses the Company's financial liabilities into relevant maturity based on the remaining period as at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Description	Carrying amount	Contractual cash flows	Within 1 year	1-2 Years	2-5 Years	Above 5 Years
Rupees						
Contractual maturities of financial liabilities as at June 30, 2019:						
Loan	293,000,000	293,000,000	-	-	293,000,000	-
Project payables	172,416,080	172,416,080	172,416,080	-	-	-
Accrued mark up	80,274	80,274	80,274	-	-	-
Other accrued liabilities	4,828,874	4,828,874	4,828,874	-	-	-
	<u>470,325,228</u>	<u>470,325,228</u>	<u>177,325,228</u>	<u>-</u>	<u>293,000,000</u>	<u>-</u>
Contractual maturities of financial liabilities as at June 30, 2018:						
Project payables	164,116,542	164,116,542	164,116,542	-	-	-
Other accrued liabilities	10,680,950	10,680,950	10,680,950	-	-	-
	<u>174,797,492</u>	<u>174,797,492</u>	<u>174,797,492</u>	<u>-</u>	<u>-</u>	<u>-</u>

Note 26, Financial Risk Management - Continued...

26.4 Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the reporting date. The quoted market prices used for financial assets held by the Company is current bid price.

IFRS 13, 'Fair Value Measurements' requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The fair value hierarchy has the following levels:

Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (level 1).

Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (level 2).

Unobservable inputs for the asset or liability (level 3).

The additional disclosures due to the adoption of IFRS 13 Fair value measurement are as follows:

Particulars	Carrying amount			Fair value			
	Amortised cost	FVTOCI	Total	Level 1	Level 2	Level 3	Total
June 30, 2019							
Rupees							
Financial assets not measured at fair value							
Non current assets							
Long term security deposits	9,965,285	-	9,965,285	-	-	-	-
Current assets							
Projects fund receivable	396,234,466	-	396,234,466	-	-	-	-
Contract assets	15,122,520	-	15,122,520	-	-	-	-
Advances and other receivables	5,029,985	-	5,029,985	-	-	-	-
Cash and bank balances	211,978,722	-	211,978,722	-	-	-	-
	<u>638,330,978</u>	<u>-</u>	<u>638,330,978</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Particulars	Carrying amount			Fair value			
	Amortised cost	FVTOCI	Total	Level 1	Level 2	Level 3	Total
June 30, 2018							
Rupees							
Financial assets not measured at fair value							
Non current assets							
Long term security deposits	15,597,934	-	15,597,934	-	-	-	-
Current assets							
Projects fund receivable	440,393,217	-	440,393,217	-	-	-	-
Advances and other receivables	4,431,761	-	4,431,761	-	-	-	-
Cash and bank balances	84,856,234	-	84,856,234	-	-	-	-
	<u>545,279,146</u>	<u>-</u>	<u>545,279,146</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Financial liabilities not measured at fair value

Particulars	Financial liabilities at amortised cost	
	2019	2018
	Rupees	Rupees
Long term loan	176,908,655	-
Project payables	172,416,080	164,116,542
Accrued mark up on loan	80,274	-
	<u>349,405,009</u>	<u>164,116,542</u>

Financial liabilities not measured at fair value

LMR

Note 26, Financial Risk Management - Continued...

26.5 Changes in liabilities arising from financing activities

During the year, the company has obtained loan from Government of Punjab amounting to Rs. 293,000,000/-.

26.6 Capital Risk Management

The Company's objectives when managing capital are to safeguard the entity's ability to continue as a going concern, so that it can continue to provide adequate returns for shareholders and benefits for other stakeholders, and to maintain a strong capital base to support the sustained development of its businesses. The Company manages its capital structure which comprises capital and reserves by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of appropriation of amounts to capital reserves or / and issue new shares, as the case may be.

Consistent with others in the industry, the Company manages its capital risk by monitoring its debt levels and liquid assets and keeping in view future investment requirements and expectations of the shareholders. During the year, the company has obtained loan from government of Punjab amounted to Rs.293,000,000/-.

26.7 Financial instruments by categories

Financial assets as at June 30, 2019

	Amortised Cost	FVTOCI	Total
	Rupees	Rupees	Rupees
Long term security deposits	9,965,285	-	9,965,285
Project receivables - net	396,234,466	-	396,234,466
Contract assets	15,122,520	-	15,122,520
Advances & other receivables (unsecured - but considered good)	5,029,985	-	5,029,985
Cash and bank balances	211,978,722	-	211,978,722
	<u>638,330,978</u>	<u>-</u>	<u>638,330,978</u>

Financial assets as at June 30, 2018

	Cash & Cash Equivalent	Loans and receivables	Others	Total
	Rupees	Rupees	Rupees	Rupees
Long term security deposits	-	15,597,934	-	15,597,934
Project receivables - net	-	440,393,217	-	440,393,217
Advances and other receivables	-	4,431,761	-	4,431,761
Cash and bank balances	84,856,234	-	-	84,856,234
	<u>84,856,234</u>	<u>460,422,912</u>	<u>-</u>	<u>545,279,146</u>
			2019	2018
			Rupees	Rupees

Financial liabilities at amortized cost

Project payables	172,416,080	164,116,542
Other accrued liabilities	4,828,874	10,680,950
Long term loan	293,000,000	-
Accrued mark up on loan	80,274	-
	<u>470,325,228</u>	<u>174,797,492</u>

GAAP

Notes to and forming part of the Financial Statements

Note 27

Number of employees

	Note	2019 Number	2018 Number
Number of employees as at June 30,	27.1	359	806
Average number of employees during the year		462	1,021

27.1 This also includes 162 employees (2018: 436 employees) hired on temporary basis for specific projects.

Note 28

Authorization of financial statements

These financial statements were authorized for issue on 12-11-2021 by the Board of Directors of the Company.

Note 29

General

29.1 Figures have been rounded off to the nearest rupee.

29.2 Corresponding figures have been re-arranged and / or reclassified, where ever considered necessary, for the purpose of better presentation of the financial statements. However, no material re-arrangements have been made in these financial statements. except. following restatements have been made in these financial statements.

29.2.1 The impact of the restatement of on the statement of financial position and statement of profit and loss is discussed below:

Effects of restatement on financial statements as at June 30, 2017

	As per audited financial statement accounts	Effect of restatements	Restated amount
Statement of financial position			
Unappropriated (loss) / profit	155,897,146	(15,092,109)	140,805,037
Provision for taxation	12,053,625	15,444,714	27,498,339
Deferred taxation	1,215,876	(352,605)	863,271
Statement of profit or loss			
Taxation	12,730,212	15,092,109	27,822,321

Effects of restatement on financial statements as at June 30, 2018

	As per audited financial statement accounts	Effect of restatements	Restated amount
Statement of financial position			
Unappropriated (loss) / profit	101,568,254	(55,761,829)	45,806,425
Deferred liabilities	61,811,079	1,961,004	63,772,083
Deferred taxation	7,718,459	32,144,073	39,862,532
Project payables	200,709,148	878,541	201,587,689
Provision for taxation	6,984,264	5,330,295	12,314,559
Statement of profit or loss			
Project revenue	558,741,140	(878,541)	557,862,599
Projects expenses	464,269,088	1,961,004	466,230,092
Taxation	13,483,645	37,830,175	51,313,820

GPR

 CHIEF EXECUTIVE OFFICER


 DIRECTOR

Pattern of Shareholding As at June 30, 2019

Additional information

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

Shareholders' Categories	Number of Shares held	Percentage
--------------------------	-----------------------	------------

Government

- | | | |
|-----------------------------------------------------------------------------|-----|--------|
| 1. Representative Government of the Punjab, Planning and Development Board. | 995 | 99.50% |
|-----------------------------------------------------------------------------|-----|--------|

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

- | | | |
|------------------------------|---|-------|
| 1. Ms. Zarine Aziz | 1 | 0.10% |
| 2. Mr. Khalid Sherdil | 1 | 0.10% |
| 3. Dr. Naveed Ahmad Ch. | 1 | 0.10% |
| 4. Mr. Ali Shahzad | 1 | 0.10% |
| 5. Mr. Muhammad Iqbal Hassan | 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 Board. | 995 | 99.50% |
|-----------------------------------------------------------------------------|-----|--------|

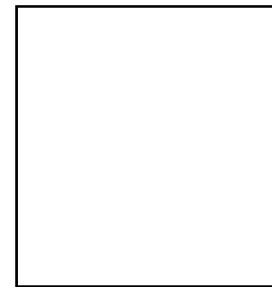


Form of Proxy

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 7th Annual General Meeting of the Company to be held on Monday 17th January, 2022 at 02:00 P.M. at 503, 5th Floor Shaheen Complex, Egerton Road, Lahore and at any adjournment thereof.

Signature this day of 202 .

WITNESSES: _____
1. Signature: _____
Name: _____
Address: _____
CNIC or _____
Passport # _____



Signature
As registered with the Company

2. Signature: _____
Name: _____
Address: _____
CNIC or _____
Passport # _____

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





پراکسی فارم

میں اہم _____ محثیت ممبر اربن سیکٹر پلاننگ اینڈ مینجمنٹ سروسز (پرائیویٹ) لمیٹڈ اور حامل
عمومی حصص برطابق رجسٹرڈ فوئیو نمبر _____ بذریعہ تحریر ہذا محترم / محترمہ _____ کو یا ان کی غیر حاضری کی صورت
میں محترم / محترمہ _____ کو جو بحوالہ رجسٹرڈ فوئیو _____ اربن سیکٹر پلاننگ اینڈ مینجمنٹ
سروسز (پرائیویٹ) لمیٹڈ کے / کی ممبر بھی ہیں۔ اپنا پراکسی مقرر کرتا / کرتی / کرتے ہیں تاکہ وہ میرے / ہمارے لیے اور میری / ہماری طرف سے کمپنی کے
ساتویں سالانہ اجلاس عام میں ووٹ ڈال سکیں جو مورخہ 17 جنوری بروز پیر 2022 بوقت سہ پہر 2:00 بجے کمپنی کے رجسٹرڈ آفس 503، 5th فلور شاہین
کمپلیکس ایچ ٹن روڈ لاہور میں یا اس کے کسی بھی التوا کی صورت میں منعقد ہوگا۔

پچاس روپے کے رسیدی ٹکٹس

تاریخ دستخط _____

دستخط

(جو کمپنی کے پاس رجسٹرڈ ہیں)

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

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

نوٹ:

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

