**LAHORE ELECTRIC SUPPLY COMPANY LTD**

Office of Chief Executive Officer

22-A Queens Road, Lahore P.O Box # 2261

Phone # 99204801 Fax # 99204803

E-Mail: [ceo@lesco.gov.pk](mailto:ceo@lesco.gov.pk)No. 357 /CFO/LESCO/CPCDated: Nov 17 /2021

The Registrar NEPRA,  
NEPRA Tower Ataturk Avenue (East),  
G 5 / 1, Islamabad.

For w/a case  
- ADG Crfi  
- m/s  
copy to:  
Const (RE/Tech)  
22/11/21  
cc: Chairman  
- VC/m (MKE)  
- m/c/c, - m/w/c

**Sub:- ANNUAL REVENUE REQUIREMENT, DISTRIBUTION MARGIN  
ADJUSTMENTS / INDEXATION FOR FY 2021-22 UNDER MULTIYEAR  
TARIFF (MYT) REGIME.**

Enclosed please find herewith Revenue Requirement and DM adjustment / indexation  
for FY 2021-22 in respect of LESCO, alongwith the following information /documents:


Sr. No.	Description	Submissions
1	Annual Revenue Requirement for FY 2021-22 alongwith its breakup into Distribution & Supply cost.	Annex-A
2	Proposed O&M Cost for FY 2021-22 alongwith its breakup into Distribution & Supply cost.	Annex-B
3	Breakup of O&M Cost & Other Income (un-audited) into Distribution & supply cost for FY 2020-21.	Annex-C
4	Prior Period Adjustments for: FY 2020-21 (Minimum Tax Payments) FY 2020-21 ( Distribution Margin) Supplementary Charges invoices Upto FY 2020-21	Annex-D-1/3 Annex-D-2/3 Annex-D-3/3
5	RORB for FY 2021-22 (calculation is based on 3 months KIBOR + 2.75% spread) and its breakup into Distribution & Supply Cost.	Annex-E
6	Provisional / Un-Audited Accounts for FY 2020-21. The adjustments may be allowed on provisional accounts basis	Annex-F

Tariff Division Record

By No. 7024Dated: 23-11-21**REGISTRAR**Dy. No. 16-741Date: 22-11-2021

	subject to change upon submission of Audited Accounts for FY 2020-21.	
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The information is submitted for the kind consideration of the Authority for determination of Revenue Requirement of LESCO for FY 2021-22 as well as any other relief which the Authority may consider.

  
(Ch. Muhammad Amin)  
**CHIEF EXECUTIVE OFFICER**  
**LESCO**

**Lahore Electric Supply Company Limited**  
**Revenue Requirement**  
**FY 2021-22**

Mln Rs.

Description	Dist.	Rs / KWh	Supply	Rs / KWh	Total	Rs / KWh
<b>A: Power Purchase Price</b>						
UOSC	12,536		12,536		12,536	
Capacity Charges	198,582		198,582		198,582	
Energy charges	221,041		221,041		221,041	
<b>Total</b>	<b>432,159</b>	<b>18.28</b>	<b>432,159</b>	<b>18.28</b>	<b>432,159</b>	<b>18.28</b>
<b>B: Dist. Margin</b>						
O&M cost	41,189		3,053		44,242	
RORB	5,890		437		6,327	
Depreciation	4,145		307		4,452	
<b>Total</b>	<b>51,224</b>		<b>3,796</b>		<b>55,021</b>	
<b>C: Less: Other Income</b>	(5,673)		(420)		(6,093)	
<b>D: Net Dist. Margin</b>	<b>45,552</b>	<b>1.93</b>	<b>3,376</b>	<b>0.14</b>	<b>48,928</b>	<b>2.07</b>
<b>E: Prior Year Adjustment</b>	26,138	1.11	1,937	0.08	28,075	1.19
<b>F: Total (A+ D + E)</b>	<b>503,848</b>	<b>21.31</b>	<b>437,472</b>	<b>18.50</b>	<b>509,162</b>	<b>21.54</b>

Note: Allocation Ratio                      93.1                      6.9                      100

Projected Units Sold                      GWh                      23,643                      18.28

Sr. No.	Description
1	Salaries & Other Benefits & Others
	PM Financial Assistance Package
	<b>Sub- Total</b>
2	Provision for Post Retirement Benefits
	<b>Sub- Total</b>
3	Maintenance Expenses
	Travelling Expenses
	Vehicle Running Expenses
	Other Expenses
	<b>Sub- Total</b>
	<b>Total ( 1+ 2 + 3 )</b>
4	Less : CWIP
	<b>NET TOTAL</b>

Allocation of Cost Ratio

## **Additional Notes in Respect of Revenue Requirement of LESCO for FY 2021-22**

### **1. Following Notifications has been made by GoP with respect to Pay And Allowances:**

- Disparity Reduction Allowance @ 25% of Running Basic Pay w.e.f. March-2021. The estimated financial Impact is Rs. 1,659 mln for FY 2021-22
- Adhoc Relief Allowance @10% of Basic Pay. The estimated financial impact is Rs. 684 mln for FY 2021-22.
- Enhancement of Rent Ceiling @ 44% w.e.f. Jul-2021. The estimated financial impact of is Rs. 903 mln for FY 2021-22
- Increase in Other employee's benefits like orderly allowance, washing allowance etc. in addition to annual increment in basic pay of employees.

### **2. Prime Minister Financial Assistance Package for employees who died during the service:**

It is apprised that LESCO has adopted the order of Establishment Division regarding Assistance Package of employees who died during the service vide approval of BoD LESCO in 176th meeting dated 23-02-2017 and 185th meeting dated 03-11-2017. It is further apprised that LESCO has made payments under the subjected head since FY 2017-18.

Prime Minister's Financial Assistance Package includes the following types of payments

#### **A- LUMP sum Grant:**

<b>In Service Death</b>		<b>Security Related Death</b>	
BPS	Amount	BPS	Amount
1-4	Rs. 0.6 Mln	1-16	Rs. 3 Mln
5-10	Rs. 0.9 Mln	17	Rs. 5 Mln
11-15	Rs. 1.2 Mln	18-19	Rs. 9 Mln
16-17	Rs. 1.5 Mln	20 & above	Rs. 10 Mln
18-19	Rs. 2.4 Mln		
20 & above	Rs. 3.0 Mln		

**B- Purchase Of Plot**

<b>BPS</b>	<b>Amount</b>
1-8	Rs. 2 Mln
9-16	Rs. 5 Mln
17 & above	Rs. 7 Mln

**C- Marriage Grant:**

Rs. 0.8 Mln/- (at the option of widow to draw onetime payment Rs. 0.8 Mln for marriage of her one daughter or draw Rs. 0.4 Mln/- at two times of each daughter for two daughters).

**Requirement for FY 2021-22**

The detail of payments made so far towards Prime Minister Financial Assistance Package is given hereunder:

<b>Year</b>	<b>Amounts Paid Mln Rs.</b>
FY 2017-18	Rs. 160.5 Mln
FY 2018-19	Rs. 246.0 Mln
FY 2019-20	Rs. 316.1 Mln
FY 2020-21	Rs. 442.6 Mln
<b>Total</b>	<b>Rs.1165.2 Mln</b>

Furthermore, at present, 385 No. of cases amounting to Rs. 1,097 million are in process of payment and on average Rs. 565 mln required for each year against PM Package therefore, Rs. 1,500 mln required for FY 2021-22 on provisional basis subject to revision on actual basis.

**3. Delayed Payment Charges Invoices:**

In this regard it is apprised that CPPAG has issued delayed payment charges invoices to LESCO in excess of Late Payment Surcharge to the tune of Rs. 13,199 mln, the same has been requested from Authority, being the legitimate cost i.e. since incurrence of the cost and its recovery from consumers. The reasons of which are beyond control of LESCO. Ministry of Energy (Power Division) has issued a letter dated 13<sup>th</sup> September 2021 regarding Regularization of Supplemental Charges (copy attached **Annex-B-2**)

Government of Pakistan  
Ministry of Energy  
(Power Division)  
Power Policy and Finance Wing  
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Annex-B-

No.PF- 05(04)/20-21

Islamabad the, 23<sup>th</sup> September, 2021

Subject: REGULARIZATION OF SUPPLEMENTAL CHARGES

I am directed to enclose minutes of the meeting held under the chairmanship of Additional Secretary (II) Ministry of Energy (Power Division) on 25<sup>th</sup> August 2021 in the Committee Room CPPA-G Islamabad for information and further necessary action.

(Muhammad Farhan)  
Section Officer (PF)  
051-9209213

Distribution:

The Managing Director PEPCO Lahore  
The Chief Executive Officer CPPA-G Islamabad.  
The Chief Executive Officer, FESCO, Faisalabad.  
The Chief Executive Officer, HESCO, Hyderabad  
→ The Chief Executive Officer, LESCO, Lahore.  
The Chief Executive Officer, MEPCO, Multan.  
The Chief Executive Officer, PESCO, Peshawar  
The Chief Executive Officer, SEPCO, Sukkur.  
The Chief Executive Officer QESCO Quetta  
The Chief Executive Officer TESCO, Peshawar  
The Chief Executive Officer IESCO, Islamabad  
The Chief Executive Officer SEPCO, Gujranwala

C.E.O LESCO

No. 9831

Dt. 20-09-21

Cc

The Director to Minister for Energy.  
PS to SAPM on Power.  
PS to Secretary Power Division.  
SPS to Additional Secretary (II) Power Division.  
SPS to Joint Secretary (Power Finance), Power Division.  
PS to Joint Secretary (T&D), Power Division  
PS to Deputy Secretary (Power Finance) Power Division

CFO, LESCO  
N. 2842  
Date 20-09-21

Mr. Waqar  
3  
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Government of Pakistan  
Ministry of Energy  
(Power Division)  
Power Policy and Finance Wing

MINUTES OF THE MEETING

Subject: REGULARIZATION OF SUPPLEMENTAL CHARGES

In order to resolve the subject issue being faced by the power sector, a meeting under the chairmanship of Additional Secretary (II) Ministry of Energy (Power Division) was held in the Committee Room CPPA-G Islamabad on 25th August 2021. From CPPA-G, CFO, DGM Finance, Manager Finance and Deputy Manager Recovery attended the meeting. CFO PEPCO and CFO LESCO were also participated in the meeting. Chief Executive Officers and Finance Directors of remaining DISCOs virtually participated in the meeting through ZOOM platform.

2. The Chair welcomed the participants. The CFO CPPA-G while apprising the backdrop of the issue informed that after incorporation of CPPA-G an amount of Rs 110.63 billion was transferred by NTDCL as receivable balance from DISCOs on account of supplemental charges for the FY 2009-10 to 2014-15. Due to non-booking, certain DISCOs financial statements show receivable balance from CPPA instead of payables. Consequently, non-booking of 110.63 billion has resulted in auditor's qualification in CPPA books. CFO CPPA-G further apprised that owing to the situation, expenses of DISCOs are understated, and income is overstated, resulting in depletion of untrue profit in their books. In fact, the Companies are bound to book the actual costs in their accounts pursuant to the Energy Sales Agreement and then analyze the profit loss situation. However, same is not being observed in its true spirit.

3. After detailed deliberations, it was decided that Ministry of Energy (Power Division) being permanent 100% proxyholder of shares of all the DISCOs, will take up the issue with DISCOs for an early resolution. afterwards, CPPA-G will issue necessary adjustment to DISCOs in this regard.

4. The meeting ended with vote of thanks to and from the Chair.



13/9.



**Lahore Electric Supply Company Limited**  
**Operating & Management Expenses**  
**FY 2020-21 (Provisional)**

Description	Mln Rs.		
	Distribution	Supply	Total
Salaries, wages and other benefits	15,384	1,140	16,524
Post Retirement benefits	16,218	1,202	17,420
Repair and maintenance	1,599	118	1,717
Rent, rates and taxes	157	12	169
Power, light and water	125	9	135
Communication	39	3	42
Office supplies and other expenses	189	14	202
Travelling expenses	400	30	430
Electricity bills collection expenses	391	29	420
Director's fees	10	1	10
Professional fees	199	15	214
Auditors' remuneration	-	-	-
Outside services employed	13	1	14
Management fees	159	12	171
Vehicle running and maintenance	539	40	579
Advertisement expenses	30	2	32
Miscellaneous expenses	89	7	96
<b>Total</b>	<b>35,541</b>	<b>2,634</b>	<b>38,175</b>
Less: Charged to capital work in progress	(977)	0	(977)
<b>Total</b>	<b>34,564</b>	<b>2,634</b>	<b>37,198</b>
<b>Depreciation</b>	<b>3,947</b>	<b>293</b>	<b>4,239</b>
<b>NET O&amp;M (Inc. Depreciation)</b>	<b>38,510</b>	<b>2,927</b>	<b>41,437</b>
Allocation Ratio	93.1	6.9	100

**Lahore Electric Supply Company Limited**  
**Other Income (Provisional)**  
**FY 2020-21**

Description	Rs. Mln.		
	Distribution	Supply	Total
Meter / Service rent	-	263	263
Reconnection fees	-	55	55
Income from non-utility operations	931	-	931
Income from television license collection fee	-	48	48
Miscellaneous	270	20	290
Profit on bank deposits (Exc. Pension Fund)	2,452	165	2,617
Amortization of deferred credit	1,889	-	1,889
<b>Total</b>	<b>5,543</b>	<b>551</b>	<b>6,093</b>

**LESCO**  
**Prior Year Adjustments**

	Rs. Mln.
FY 2020-21 ( M. Tax payments)	4,145
FY 2020-21 (D.M)	10,731
<b>Total</b>	<b>14,876</b>

Variance of Supplementary charges  
than Late Payment Surcharge 13,199  
**(Annex-B-1)**

<b>Prior Year Adjustment</b>	<b>28,075</b>
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**Lahore Electric Supply Company Limited**  
**PYA 2020-21**

Description	Date	Rs. Min.
Minimum Tax Payment to FBR	29-09-2020	893
Minimum Tax Payment to FBR	28-12-2020	1100
Minimum Tax Payment to FBR	26-03-2021	800
Minimum Tax Payment to FBR	25-06-2021	780
Tax Deducted at source during the year		572

<b>Total Minimum Tax Payments</b>	<b>4,145</b>
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INCOME TAX DEPARTMENT  
COMPUTERIZED PAYMENT RECEIPT ( CPR - IT )



SBP Banking Services Corporation

Alternative Delivery Channel - ADC (0101) : ISLAMABAD

CPR No : IT-20201228-0101-1594176

Payment Date : 28-Dec-2020

Payment Section : 147 - Advance Income Tax - 9202

RTO/LTU : LTO LAHORE

Nature of Payment : Advance Income Tax

Tax Period : 2021

Account Head(NAM) : B01105

Details of Tax Payer

NTN / CNIC : 3041094-7 / 0038810

Status : CO

Taxpayer/Business : LAHORE ELECTRIC SUPPLY COMPANY LIMITED

Name & Address : LAHORE ELECTRIC SUPPLY COMPANY LIMITED , 22-A QUEENS ROAD

Tax Amount : 1,100,000,000

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

Payment Mode	Amount	Date	AC / Ref No	Bank & Branch
ADC (e-payment)	1,100,000,000	28-Dec-2020		



FBR ADC 0101

IT-20201228-0101-1594176

Signature & Stamp of Manager / Authorized officer



**INCOME TAX DEPARTMENT**  
**COMPUTERIZED PAYMENT RECEIPT ( CPR - IT )**



SBP Banking Services Corporation

Alternative Delivery Channel - ADC (0101) : ISLAMABAD

**CPR No** : IT-20200929-0101-1508666

**Payment Date** : 29-Sep-2020

**Payment Section** : 147 - Advance Income Tax - 9202

**RTO/LTU** : LTO LAHORE

**Nature of Payment** : Advance Income Tax

**Tax Period** : 2021

**Account Head(NAM)** : B01105

Details of Tax Payer

**NTN / CNIC** : 3041094-7 / 0038810

**Status** : CO

**Taxpayer/Business** : LAHORE ELECTRIC SUPPLY COMPANY LIMITED

**Name & Address** : LAHORE ELECTRIC SUPPLY COMPANY LIMITED , 22-A QUEENS ROAD

**Tax Amount** : 893,000,000

**Amount of Tax in Words** : Eight Hundred Ninety Three Million Rupees And No Paisas Only

Payment Mode	Amount	Date	AC / Ref No	Bank & Branch
ADC (e-payment)	893,000,000	29-Sep-2020		



IT-20200929-0101-1508666

FBR ADC 0101

\_\_\_\_\_  
Signature & Stamp of Manager / Authorized officer

SBP Banking Services Corporation

Alternative Delivery Channel - ADC (0101) : ISLAMABAD

CPR No : IT-20210326-0101-1699965

Payment Date : 26-Mar-2021

Payment Section : 147 - Advance Income Tax - 9202

RTO/LTU : LTO LAHORE

Nature of Payment : Advance Income Tax

Tax Period : 2021

Account Head(NAM) : B01105

## Details of Tax Payer

NTN / CNIC : 3041094-7 / 0038810

Status : CO

Taxpayer/Business : LAHORE ELECTRIC SUPPLY COMPANY LIMITED

Name &amp; Address : LAHORE ELECTRIC SUPPLY COMPANY LIMITED , 22-A QUEENS ROAD

Tax Amount : 800,000,000

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

Payment Mode	Amount	Date	AC / Ref No	Bank & Branch
ADC (e-payment)	800,000,000	26-Mar-2021		



FBR ADC 0101

IT-20210326-0101-1699965

Signature &amp; Stamp of Manager / Authorized officer

SBP Banking Services Corporation

Alternative Delivery Channel - ADC (0101) : ISLAMABAD

CPR No : IT-20210625-0101-1567677

Payment Date : 25-Jun-2021

Payment Section : 147 - Advance Income Tax - 9202

RTO/LTU : LTO LAHORE

Nature of Payment : Advance Income Tax

Tax Period : 2021

Account Head(NAM) : B01105

Details of Tax Payer

NTN / CNIC : 3041094-7 / 0038810

Status : CO

Taxpayer/Business : LAHORE ELECTRIC SUPPLY COMPANY LIMITED

Name &amp; Address : LAHORE ELECTRIC SUPPLY COMPANY LIMITED , 22-A QUEENS ROAD

Tax Amount : 780,000,000

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

Payment Mode	Amount	Date	AC / Ref No	Bank & Branch
ADC (e-payment)	780,000,000	25-Jun-2021		



FBR ADC 0101

IT-20210625-0101-1567677

Signature &amp; Stamp of Manager / Authorized officer

**Prior Year Adjustment**

<b>Basis</b>	<b>Description</b>
Actual	Salaries, Wages & Other Benefits
Actual/ Provisional	Provision for Post Retirement Benefits
CPI-Based increase (Base Year FY 2015-16 Accounts)	Maintenance Expenses
	Travelling Expenses
	Vehicle Running Expenses
	Other Expenses

**Total**

Charge to Work in Progress (CWIP)

**Net O&M**

Actual	Depreciation
KIBOR+2.75%	RORB

**Gross DM**

Other Income (Exc. LPS)

**NET DM**



**Lahore Electric Supply Company Limited**  
**Supplementary Charges & Late Payment Surcharge**

Rs. Mln.

Year	S.Charges Invoice	Late Payment Surcharge	Difference
Prior from 2014-15	11,438	-	11,438
FY 2014-15	1,156	2,956	(1,800)
FY 2015-16	311	2,760	(2,449)
FY 2016-17	177	3,022	(2,845)
FY 2017-18	1,204	3,537	(2,333)
FY 2018-19	4,013	3,649	364
FY 2019-20	6,478	3,692	2,786
FY 2020-21 (Annex-D-3/3)	8,783	4,765	4,019
FY 2021-22 (Provisional)	8,783	4,765	4,019
<b>Total</b>	<b>42,344</b>	<b>29,145</b>	<b>13,199</b>

**Lahore Electric Supply Company Limited**  
**RORB Calculation**

Description	Rs. Mln.		
	2019-20	2020-21	2021-22
	Provisional	Provisional	Projected
Gross Fixed Assets in Operation - Opening Bal	105,642	117,022	128,327
Addition in Fixed Assets	11,380	11,305	11,352
Gross Fixed Assets in Operation - Closing Bal	117,022	128,327	139,679
Less: Accumulated Depreciation	38,769	43,008	47,460
Net Fixed Assets in Operation	78,253	85,319	92,219
Add: Capital Work In Progress - Closing Bal	14,575	15,237	17,976
Investment in Fixed Assets	92,828	100,555	110,194
Less: Deferred Credits	46,990	51,900	54,625
Regulatory Assets Base	45,838	48,656	55,570
Average Regulatory Assets Base	43,679	47,247	52,113
Rate of Return	16.42%	11.94%	12.14%
Return on Rate Base	7,171	5,642	6,327
Distribution (93.1%)	6,676	5,253	5,890
Supply (6.9%)	495	389	437
<b>Total</b>	<b>7,171</b>	<b>5,642</b>	<b>6,327</b>

**RORB Calculation Based on KIBOR**

2nd Jul 2015	Cost	Ratio	Rate
Equity	16.67%	30%	5.00%
Debt (2.75% Spread+ 3 Months KIBOR offer Rate)	9.76%	70%	6.83%
<b>RORB Determined (First Year of Control Period)</b>			<b>11.83%</b>

3rd Jul 2018			
Equity	16.67%	30%	5.00%
Debt (2.75% Spread+ 3 Months KIBOR offer Rate)	9.68%	70%	6.78%
<b>Calculated Rate</b>			<b>11.78%</b>

2nd Jan 2019			
Equity	16.67%	30%	5.00%
Debt (2.75% Spread+ 3 Months KIBOR offer Rate)	13.30%	70%	9.31%
<b>Calculated Rate</b>			<b>14.31%</b>
<b>Average for FY 2018-19</b>			<b>13.04%</b>

2nd Jul 2019			
Equity	16.67%	30%	5.00%
Debt (2.75% Spread+ 3 Months KIBOR offer Rate)	15.72%	70%	11.00%
<b>Calculated Rate</b>			<b>16.01%</b>

2nd Jan 2020			
Equity	16.67%	30%	5.00%
Debt (2.75% Spread+ 3 Months KIBOR offer Rate)	16.31%	70%	11.42%
<b>Calculated Rate</b>			<b>16.42%</b>

2nd Jul 2020			
Equity	16.67%	30%	5.00%
Debt (2.75% Spread+ 3 Months KIBOR offer Rate)	9.78%	70%	6.85%
<b>Calculated Rate</b>			<b>11.85%</b>
<b>Average for FY 2019-20</b>			<b>14.13%</b>

4th Jan 2021			
Equity	16.67%	30%	5.00%
Debt (2.75% Spread+ 3 Months KIBOR offer Rate)	10.05%	70%	7.04%
<b>Calculated Rate</b>			<b>12.04%</b>
<b>Average for FY 2020-21</b>			<b>11.94%</b>

2nd Jul 2021			
Equity	16.67%	30%	5.00%
Debt (2.75% Spread+ 3 Months KIBOR offer Rate)	10.20%	70%	7.14%
<b>Calculated Rate</b>			<b>12.14%</b>

LAHORE ELECTRIC SUPPLY COMPANY LIMITED  
BALANCE SHEET  
AS AT 30 June 2021

	Provisional June 2021 Rupees	Provisional June 2020 Rupees
<b>ASSETS</b>		
<b>Non-current assets</b>	<b>745,073,125</b>	<b>873,357,113</b>
Property, plant and equipment		
Operating fixed assets	85,314,234,285	78,251,816,286
Capital work in progress	15,236,988,337	15,513,105,523
	<b>100,551,222,622</b>	<b>93,764,921,809</b>
Long term loans	669,760,089	785,160,395
Long term deposits	1,787,345	755,366
	<b>101,222,770,056</b>	<b>94,550,837,570</b>
<b>Current assets</b>		
Stores and spares	3,867,418,649	3,978,457,201
Trade debts	48,908,037,573	50,493,007,198
Tariff Adjustment	-	-
Advances	123,511,212	154,955,185
accrued interest	307,614,006	307,737,939
Other receivables	210,096,934,457	167,050,811,355
Current portion of long term loans	75,313,036	88,196,718
Tax refunds due from the Government	11,849,687,643	7,737,925,274
Post retirement benefit fund	-	-
Short term investments	53,761,373,665	47,191,769,060
Bank balances	5,694,006,306	7,517,061,492
	<b>334,683,896,547</b>	<b>284,519,921,422</b>
<b>TOTAL ASSETS</b>	<b>435,906,666,604</b>	<b>379,070,758,992</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Share capital and reserves</b>		
Authorized share capital		
5,000,000,000 (2015: 5,000,000,000) ordinary shares of Rupees 10/- each	<b>50,000,000,000</b>	<b>50,000,000,000</b>
Issued, subscribed and paid up share capital	<b>7,624,002,419</b>	<b>7,624,002,419</b>
Accumulated losses	(153,335,337,713)	(140,922,477,065)
	<b>(145,711,335,294)</b>	<b>(133,298,474,646)</b>
Deposit for issuance of shares	<b>37,151,327,177</b>	<b>37,151,327,177</b>
<b>Non-current liabilities</b>		
Long term financing	10,187,748,467	10,532,997,467
Long term security deposits	17,192,320,547	15,534,251,469
Employee retirement benefits	177,846,484,083	167,035,004,484
Deferred credit	38,406,709,133	35,815,736,184
-346	<b>243,633,262,230</b>	<b>228,917,989,604</b>
<b>Current liabilities</b>		
Trade and other payables	283,551,375,346	229,891,334,483
Receipts against deposit work	12,116,902,297	11,609,053,382
Accrued interest	5,062,784,897	4,697,179,043
Bank overdraft	-	-
Provision for taxation	102,349,951	102,349,949
Current maturity of long term financing	-	-
	<b>300,833,412,491</b>	<b>246,299,916,857</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>435,906,666,604</b>	<b>379,070,758,992</b>

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

LAHORE ELECTRIC SUPPLY COMPANY LIMITED  
PROFIT AND LOSS ACCOUNT  
FOR THE PERIOD ENDED 30 June 2021

	June 2021 Rupees Provisional	June 2020 Rupees Provisional
Electricity sales - net	272,862,460,358	268,539,486,425
Subsidy from Government of Pakistan on sale of electricity	59,024,614,883	58,202,391,190
	<b>331,887,075,241</b>	<b>326,741,877,615</b>
Cost of electricity	305,282,460,449	298,508,360,028
Gross profit	<b>26,604,614,792</b>	<b>28,233,517,587</b>
Amortization of deferred credit	<b>1,889,318,017</b>	1,664,046,455
	<b>28,493,932,809</b>	<b>29,897,564,042</b>
Operating expenses :		
Distribution costs	<b>38,740,707,073</b>	34,286,640,958
Administrative expenses	<b>8,013,338,621</b>	7,092,035,353
Customer service costs	<b>3,469,873,119</b>	3,070,937,595
	<b>50,223,918,813</b>	<b>44,449,613,906</b>
Other income	<b>10,717,125,356</b>	10,938,696,108
Provision for workers profit participation fund	-	-
Operating loss	<b>(11,012,860,648)</b>	<b>(3,613,353,756)</b>
Finance costs	<b>1,400,000,000</b>	1,415,021,869
Loss before taxation	<b>(12,412,860,648)</b>	<b>(5,028,375,625)</b>
Taxation	-	-
Loss for the year	<b>(12,412,860,648)</b>	<b>(5,028,375,625)</b>

April

Ruppes

Loss before taxation		(12,412,860,648)
Adjustments for non-cash items:		
Advances written off	30	
Exchange gain	32	-
Depreciation on operating fixed assets	6	4,239,163,319
Amortization of deferred credits	21	(1,889,318,017)
Provision for employee retirement benefits	20.5	17,423,656,720
Profit on bank deposits	32	(4,365,795,509)
Income from non-utility operations	32	(930,881,606)
Provision for doubtful debts	10.2	-
Adjustment of over-billing	10	-
Provision for bonus		-
Finance costs	33	1,400,000,000
		<u>3,463,964,259</u>

**11,817,083,013**

Employees' retirement benefits paid	20	(6,612,177,120)
Finance costs paid		(1,034,394,146)
Long term loans		128,283,988
Long term deposits		(1,031,979)
		(7,519,319,257)
Net cash generated from / (used in) operating activities		4,297,763,756

(12,421,778,901)

5,694,006,306

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

**LAHORE ELECTRIC SUPPLY COMPANY LIMITED**

		June 2021 Rupees	June 2020 Rupees
<b>32. OTHER INCOME</b>	<b>Note</b>		
<b>Income from financial assets</b>			
Profit on bank deposits		4,365,795,509	5,741,248,528
Surcharge on arrears of electricity sold		4,764,664,539	3,684,407,367
		<u>9,130,460,048</u>	<u>9,425,655,895</u>
<b>Income from non financial assets</b>			
Meter / service rent		262,501,972	367,972,574
Reconnection fees		55,255,214	19,626,290
Income from non-utility operations		930,881,606	890,400,669
Income from television license collection fee		48,045,135	36,600,664
Miscellaneous		264,728,501	149,979,475
Exchange gain		-	-
Sale of Scrap		25,252,880	48,460,541
		<u>1,586,665,308</u>	<u>1,513,040,213</u>
		<u>10,717,125,356</u>	<u>10,938,696,108</u>
<b>33. FINANCE COSTS</b>			
Interest on long term loans			
Bank charges			4,788,010
		-	<u>4,788,010</u>
<b>34. PROVISION FOR WORKERS PROFIT PARTICIPATION FUND (WPPF)</b>			
Provision for WPPF	25.3	-	-
<b>35. TAXATION</b>			
<b>35.1</b>	In view of the available tax losses, no provision for taxation has been made during the current year.		
	During the current year (tax year 2016), as a result of expiry of SRO 171/(I/2008), the Company is liable to pay minimum tax on its turnover without excluding purchase price of electricity. However for the purpose of calculating minimum tax under section 113 of the income tax ordinance 2001, subsidy income receivable from Government of Pakistan is to be excluded from turnover of the Company as it constitutes exempt income. Consequently, exclusion of same results in gross loss to the Company on which minimum tax is not applicable. Furthermore, the provisions of section 113 (C) relating to "Alternate Corporate Tax" are also not applicable for reasons of accounting loss during the year.		
<b>35.2</b>	Deferred tax asset has not been recognized in the financial statements as the management does not expect future taxable profits.		
<b>36. CASH AND CASH EQUIVALENTS</b>			
Bank balances	15	5,694,006,306	7,517,061,492
Book overdraft	23	-	-
Short term investment having maturity up to 3 months		<u>5,694,006,306</u>	<u>7,517,061,492</u>

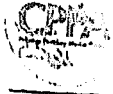
**LAHORE ELECTRIC SUPPLY COMPANY LIMITED**

**29. OTHER OPERATING COST EXCLUDING DEPRECIATION**

Salaries, wages and other benefits  
 Post retirement benefits  
 Repair and maintenance  
 Rent, rates and taxes  
 Power, light and water  
 Communication  
 Office supplies and other expenses  
 Travelling expenses  
 Electricity bills collection expenses  
 Provision for doubtful debts  
 Director's fees  
 Professional fees  
 Auditors' remuneration  
 Outside services employed  
 Management fees  
 Mkt operation fee  
 Vehicle running and maintenance  
 Advertisement expenses  
 Suuplementry  
 Advances written off  
 Depreciation expense  
 Miscellaneous expenses

Note	June 2021	June 2020
	Provisional	Provisional
	16,523,702,657	14,255,314,819
	17,423,656,720	17,419,656,720
	1,717,382,605	1,804,773,590
	168,845,130	67,102,215
	134,602,461	106,402,694
	42,224,401	37,971,428
	202,471,501	180,878,298
	430,102,521	468,782,906
	420,305,302	357,673,441
10.2	10,381,000	7,969,500
	213,724,505	256,203,700
	13,552,537	10,911,112
	171,305,077	260,316,957
	-	-
	578,522,279	538,511,120
	32,147,170	49,566,933
22.4.1	8,783,149,003	5,774,092,317
	6,830,297	(667,798)
	4,239,163,319.31	3,811,731,238
	89,223,000	76,681,204
	51,201,291,485	45,483,872,394
	(977,372,672)	(1,034,258,488)
	50,223,918,813	44,449,613,906

Charged to capital work in progress



# Central Power Purchasing Agency (Guarantee) Limited

A Company of Government of Pakistan



## Delayed Payment Charges Advice

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


Name and Address

Lahore Electric Supply Company (LESCO)  
22-A Queens Road, Lahore

GST No 03-05-2716-002-91

Billing Month	June-2021
Advice No	LP/1st-2016/555
Issue Date	16/07/2021

Description	Amount (Rs.)
Supplemental Charges for Jun-2021	1,265,321,660

  
Dy Manager Finance (Billing & Recovery)





# Central Power Purchasing Agency (Guarantee) Limited

A Company of Government of Pakistan



## Delayed Payment Charges Advice

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

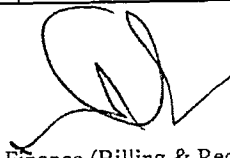
Name and Address

Lahore Electric Supply Company (LESCO)  
22-A Queens Road, Lahore

GST No 03-05-2716-002-91

Billing Month	May-2021
Advice No	LPS/May-21/LESCO
Issue Date	21/06/2021

Description	Amount (Rs.)
Supplemental Charges for May-2021	488,268,598

  
Dy Manager Finance (Billing & Recovery)



# Central Power Purchasing Agency (Guarantee) Limited

A Company of Government of Pakistan



## Delayed Payment Charges Advice

CPPA-NTN: 4401241-1

CPPA-GST No. 3277876113750

Name and Address

Lahore Electric Supply Company (LESCO)  
22-A Queens Road, Lahore

GST No 03-05-2716-002-91

Billing Month	April-2021
Advice No	LPS/Apr-21/LESCO
Issue Date	31/05/2021

Description	Amount (Rs.)
Supplemental Charges for April-2021	489,831,232

Dy Manager Finance (Billing & Recovery)



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



**Delayed Payment Charges Advice**

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

Name and Address

Lahore Electric Supply Company (LESCO) 22-A Queens Road, Lahore  GST No 03-05-2716-002-91
--

Billing Month	March-2021
Advice No	LPS/Mar-21/LESCO
Issue Date	14/04/2021

Description	Amount (Rs.)
Supplemental Charges for March-2021	322,010,028

Dy Manager Finance (Billing & Recovery)



# Central Power Purchasing Agency (Guarantee) Limited

A Company of Government of Pakistan



## Delayed Payment Charges Advice

CPPA-NTN: 4401241-1

CPPA-GST No. 3277876113750


Name and Address

Lahore Electric Supply Company (LESCO)  
22-A Queens Road, Lahore

GST No 03-05-2716-002-91

Billing Month	February-2021
Advice No	LPS/Feb-21/LESCO
Issue Date	17/03/2021

Description	Amount (Rs.)
Supplemental Charges for February-2021	787,132,370

  
Dy Manager Finance (Billing & Recovery)



# Central Power Purchasing Agency (Guarantee) Limited

A Company of Government of Pakistan



## Delayed Payment Charges Advice

CPPA-NTN: 4401241-1

CPPA-GST No. 3277876113750


Name and Address

Lahore Electric Supply Company (LESCO)  
22-A Queens Road, Lahore

GST No 03-05-2716-002-91

Billing Month	January-2021
Advice No	LPS/Jan-21/LESCO
Issue Date	15/02/2021

Description	Amount (Rs.)
Supplemental Charges for January-2021	516,358,972

  
Dy Manager Finance (Billing & Recovery)



# Central Power Purchasing Agency (Guarantee) Limited

A Company of Government of Pakistan



## Delayed Payment Charges Advice

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

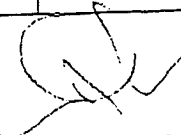
Name and Address

Lahore Electric Supply Company (LESCO)  
22-A Queens Road, Lahore

GST No 03-05-2716-002-91

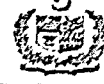
Billing Month	November-2020
Advice No	LPS/Nov-20/LESCO
Issue Date	15/12/2020

Description	Amount (Rs.)
Supplemental Charges for November-2020	530,348,966

  
Dy Manager Finance (Billing & Recovery)



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



**Delayed Payment Charges Advice**

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

**Name and Address**

Lahore Electric Supply Company (LESCO) 22-A Queens Road, Lahore  GST No 03-05-2716-002-91
--

Billing Month	October-2020
Advice No	LPS/Oct-20/LESCO
Issue Date	13/11/2020

Description	Amount (Rs.)
Supplemental Charges for October-2020	1,169,567,113

Dy Manager Finance (Billing & Recovery)



# Central Power Purchasing Agency (Guarantee) Limited

A Company of Government of Pakistan



## Delayed Payment Charges Advice

CPPA-NTN: 4401241-1


CPPA-GST No. 3277876113750

Name and Address

Lahore Electric Supply Company (LESCO) 22-A Queens Road, Lahore  GST No 03-05-2716-002-91
--

Billing Month	September-2020
Advice No	LPS/Sep-20/LESCO
Issue Date	28/10/2020

Description	Amount (Rs.)
Supplemental Charges for September-2020	709,584,631

  
Dy Manager Finance (Billing & Recovery)





# Central Power Purchasing Agency (Guarantee) Limited

A Company of Government of Pakistan



## Delayed Payment Charges Advice

CPPA-NTN: 4401241-1

CPPA-GST No. 3277876113750


Name and Address

Lahore Electric Supply Company (LESCO)  
22-A Queens Road, Lahore

GST No 03-05-2716-002-91

Billing Month	August-2020
Advice No	LPS/Aug-20/LESCO
Issue Date	24/09/2020

Description	Amount (Rs.)
Supplemental Charges for Aug-2020	426,740,054

  
Dy Manager Finance (Billing & Recovery)



# Central Power Purchasing Agency (Guarantee) Limited

A Company of Government of Pakistan



## Delayed Payment Charges Advice

CPPA-NTN: 4401241-1

CPPA-GST No. 3277876113750

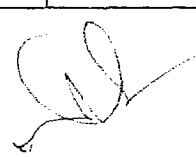
Name and Address

Lahore Electric Supply Company (LESCO)  
22-A Queens Road, Lahore

GST No 03-05-2716-002-91

Billing Month	July-2020
Advice No	LPS/Jul-20/LESCO
Issue Date	26/08/2020

Description	Amount (Rs.)
Supplemental Charges for June-2020 <i>July</i>	1,197,041,429

  
Dy Manager Finance (Billing & Recovery)

**LAHORE ELECTRIC SUPPLY COMPANY LIMITED**  
**OPERATING & MANAGEMENT COST (PROPOSED)**  
**FY 2021-22**

Rs. in Million

Sr. No.	Description	Distribution	Supply	Total	Remarks
1	Salaries & Other Benefits & Others	19,669	1,458	21,127	Annex-B-1
	PM Financial Assistance Package	1,397	104	1,500	Annex-B-1
	<b>Sub- Total</b>	<b>21,066</b>	<b>1,561</b>	<b>22,627</b>	
2	Provision for Post Retirement Benefits	16,218	1,202	17,420	Provisional amount of Acturial Report of FY 2018-19 has been assumed for the current year which will be subject to Acturial Valuation for the current period.
	<b>Sub- Total</b>	<b>16,218</b>	<b>1,202</b>	<b>17,420</b>	
3	Maintenance Expenses	2,429	180	2,609	CPI increase @ 8.83% (As on May-2021) over reference year requested expenses.
	Travelling Expenses	354	26	381	
	Vehicle Running Expenses	455	34	489	
	Other Expenses	1,432	106	1,538	
	<b>Sub- Total</b>	<b>4,670</b>	<b>346</b>	<b>5,016</b>	
	<b>Total ( 1+ 2 + 3 )</b>	<b>41,954</b>	<b>3,109</b>	<b>45,063</b>	
4	Less : CWIP	(821)		(821)	Average of Last Five Years
	<b>NET TOTAL</b>	<b>41,132</b>	<b>3,109</b>	<b>44,242</b>	

Allocation of Cost Ratio

93.1

6.9

100

## Prior Year Adjustment Calculation for FY 2020-21

LESCO Requested			LESCO		Rs. Mln.	Prior Year Adjstment		
Basis	Description	2020-21	2020-21			2020-21	Distribution	Supply
			Recovered	Provisional	PYA			
Actual	Salaries, Wages & Other Benefits	15,514	14,078	16,524	2,445	2,276	169	2,445
Actual/ Provisional	Provision for Post Retirement Benefits	17,420	12,466	17,420	4,954	4,612	342	4,954
CPI-Based increase (Base Year FY 2015-16 Accounts)	Maintenance Expenses	2,397	2,148	1,717	249	232	17	249
	Travelling Expenses	350	313	430	36	34	3	36
	Vehicle Running Expenses	449	402	579	47	43	3	47
	Other Expenses	1,413	1,266	1,506	147	137	10	147
Total		37,543	30,674	38,175	7,878	7,335	544	7,878
Charge to Work in Progress (CWIP)				(977)	(977)	(910)	(67)	(977)
Net O&M		37,543	30,674	37,198	6,901	6,425	476	6,901
Actual  KIBOR+2.75%	Depreciation	4,126	3,326	4,239	914	850	63	914
	RORB	5,857	5,082	7,171	2,089	1,945	144	2,089
	Gross DM	47,526	39,082	48,608	9,904	9,220	683	9,904
	Other Income (Exc. LPS)	(6,920)		(6,093)	827	770	57	827
	NET DM	40,605	39,082	42,515	10,731	9,990	740	10,731