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DA AFGHANISTAN BRESHNA SHERKAT (DABS)

Audited Financial Statements

For the Year Ended Hoot 29, 1394 (March 19, 2016)

Avais Hyder Liaquat Nauman
Chartered Accountants

RSM

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Independent Auditor's Report

To Board of Directors and Shareholders,
Da Afghanistan Breshna Sherkat

We have audited the accompanying financial statements of Da Afghanistan Breshna Sherkat (here-in-after referred to as "the Company"), which comprise the statement of financial position as at Hoot 29, 1394 (March 19, 2016), and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on auditor's judgment, including the assessments of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient to provide a basis for our qualified audit opinion.

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Basis for Qualified Opinion

1. The management has engaged an independent consultant to carry out physical verification and their valuation of fixed assets under the overall engagement entitled as "re-evaluation and independent verification of transfer of assets and labilities from DABM and PCU to DABS". The Property, plant and equipment and Investment properties (The Tangible Assets) were revalued during the year which resulted in revaluation surplus of AFN 70,527,574,494 (Owned assets AFN 59,451,521,210 and Funded assets AFN 11,076,053,284) and impairment loss AFN 1,844,997,007. The revaluation surplus and impairment loss were calculated by comparing fair values and net book values of the tangible assets, but we issued qualified opinion on the net book values of the tangible assets in our audit report for the year ended Hoot 29, 1393 (March 20, 2015). The management's plea is understandable that, as a matter of fact, the net book values were the only values which could be used for comparison with revalued values and calculation of revaluation surplus. Due to this mentioned revaluation exercise, where net book values of the tangible assets have been used which are already qualified in our previous years' audit reports, the revaluation surplus and impairment loss appearing in financial statements are not reflecting the actual revaluation surplus and impairment loss. Consequently, revaluation surplus and impairment loss and the deferred tax liability (AFN 2,087,598,975) arising as a result of such revaluation surplus may either be understated or overstated.

   Further, the physical verification of fixed assets was carried out on various dates at various locations throughout the country and resultantly Fixed Asset Register (FAR) has been prepared. As per management, only verbal and inquiry based procedures were applied to determine and relate any asset to prior or current year. No activity has been undertaken to check and verify the additions of current year, verified physically on various locations, with additions as per books of accounts. Hence additions as per FAR are not reconciled with additions appearing in financial statement and corresponding impact on opening balance of Tangible assets due to classification of certain assets as belonging to previous years which might have been the additions during the year and vice versa.

   Fixed assets have been captured in FAR without any distinction whether they relate to current or succeeding year. Accordingly, we are unable to verify the closing balances of fixed assets with FAR as there is neither cut-off "at the year-end" nor any reconciliation available to arrive at year end balances.

   Due to the presence of above mentioned issues, the impact on financial statements in respect of operating assets, accumulated depreciation, depreciation charge of the year and corresponding impact on Equity, surplus on revaluation and deferred tax liability, of such adjustment, if any, that might have been necessitated in the respect, could not be determined.

   Despite the limitations mentioned above Fixed Asset Register (FAR) has been prepared and provided to us.

2. Deferred tax asset amounting to AFN 4,312,816,707 is appearing in financial statements Note No. 12. Management has calculated this deferred tax asset based on taxable losses but these losses claimed were not in accordance with income tax returns, however the management of the company intends to rectify/revise its income tax returns submitted to the tax authorities of Afghanistan to match the correct tax losses in those rectified/revised income tax returns with losses on which deferred tax assets have been calculated. Due to aforementioned issue regarding returns, income tax liability as at year end, if any, remained unverified.

3. According to "International Accounting Standard (IAS) 40 - Investment Property", appreciation in fair value related to Investment Property should be included in the Statement of Profit and Loss; however, we noted that appreciation in fair value during the year has not been accounted for in the Statement of Profit and Loss.

4. The Company has the policy of "Defined Pension Plan" for its employees. According to "International Accounting Standard (IAS) 19- Employee Benefits", the company is required to re-measure the pension fund based on actuarial valuation, however, no independent actuarial valuation was conducted and hence no re-measurement of the fund and the respective loss/gain has been incorporated in the financial statements. We were unable to verify the liability of the company in respect of pension fund under IAS 19.

Qualified Opinion

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion Paragraph, the financial statements present fairly, in all material respects, the financial position of company as at Hoot 29, 1394 (March 19, 2016), and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter:

Because of the qualified opinion in the financial years 1392 and 1393 and disclaimer of opinion in preceding years regarding opening balances, the company hired an independent consultant (as mentioned in note 2 to the Financial Statements) for valuation, correction and confirmation of all assets and liabilities of the company. The consultant evaluated/worked out closing balances of assets and liabilities as at the date of Statement of Financial Position I.e. Hoot 29, 1394 (March 19, 2016) and adjusted/restated the opening balances/comparative figures wherever necessary. As a result of this exercise; the opening balances as at Hoot 29, 1393 (March 20, 2015) arrived at by the consultant are not matching with the balances as per previous year's audit report. So, the users are advised to read both years' audit reports in the context of Note 2 to the annexed financial statements.

Other Matter

The financial statements of the Company for the year ended on Hoot 29, 1393 (March 20, 2015) were audited by us and our report dated February 21, 2016 expressed a qualified opinion thereon.

Avais Hyder Liaquat Nauman;
Chartered Accountants

Avais Hyder Liaquat Nauman Chartered AHLN Accountants

Muhammad Arif Saeed, FCA
Engagement Partner

Kabul
Date: November 21, 2017

DA AFGHANISTAN BRESHNA SHERKAT
STATEMENT OF FINANCIAL POSITION
AS AT HOOT 29, 1394 (19 MARCH 2016)

	Note	19 March 2016 Hoot 29, 1394	20 March 2015 Hoot 29, 1393 (Restated) (Note 2)	20 March 2014 Hoot 29, 1392 (Restated) (Note 2)
		----------Afghani----------		
ASSETS				
Non-current assets				
Property, plant and equipment	5	108,769,697,868	28,254,189,821	25,535,703,649
Investment properties	6	961,415,829	-	-
Deferred tax assets	12	48,042,534	-	-
		109,779,156,230	**28,254,189,821**	**25,535,703,649**
CURRENT ASSETS				
Stores and spares	7	5,503,608,434	5,089,990,197	3,938,887,359
Trade debts	8	8,324,770,789	7,275,815,540	5,556,982,767
Advances and other receivables	9	592,555,235	1,339,433,958	403,164,854
Letter of credit		3,068,518	93,110,470	400,067,955
Taxation-net	19	572,395,731	156,124,515	214,906,329
Cash and bank balances	10	4,743,138,486	4,869,920,961	4,481,262,687
		19,739,537,193	**18,824,395,640**	**14,995,271,951**
TOTAL ASSETS		**129,518,693,423**	**47,078,585,461**	**40,530,975,600**
EQUITY AND LIABILITIES				
SHARE CAPITAL AND RESERVES				
Share capital	11	25,000,000,000	25,000,000,000	25,000,000,000
Retained earnings		62,155,340,708	6,079,229,522	3,928,373,495
TOTAL EQUITY		**87,155,340,708**	**31,079,229,522**	**28,928,373,495**
NON-CURRENT LIABILITIES				
Long term finance	13	13,863,845,743	8,135,765,532	6,688,940,422
Deferred grant	14	20,993,558,785	5,158,012,353	2,802,651,036
Specific grant	15	4,479,100,042	790,592,799	581,301,743
Deferred revenue		3,068,518	93,110,469	400,067,955
Deferred tax liabilities		-	77,610,108	79,328,720
		39,339,573,087	**14,255,091,261**	**10,552,289,875**
CURRENT LIABILITIES				
Trade and other payables	16	2,673,488,596	1,526,024,067	875,492,780
Short term deposits	18	58,804,529	63,097,173	38,933,937
Accrued mark-up	17	291,486,503	155,143,438	135,885,512
		3,023,779,628	**1,744,264,678**	**1,050,312,230**
TOTAL EQUITY AND LIABILITIES		**129,518,693,423**	**47,078,585,461**	**40,530,975,600**
Contingencies and commitments	21			

The annexed notes 1 to 33 form an integral part of these financial statements.

Chief Executive Officer

Chief Financial Officer

DA AFGHANISTAN BRESHNA SHERKAT
STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED HOOT 29, 1394 (19 MARCH 2016)

	Note	For the year ended 19 March 2016 Hoot 29, 1394	For the year ended 20 March 2015 Hoot 29, 1393 (Restated Note 2)
		----------Afghani----------	
Revenue	22	**17,231,379,830**	**15,535,023,550**
Purchase of electricity	23	(14,320,080,699)	(10,635,093,355)
Consumption of fuel and oil	24	(609,500,677)	(1,625,766,014)
Operating expenses	25	(5,885,346,548)	(4,381,897,955)
		(20,814,927,924)	**(16,642,757,324)**
Other operating income	26	940,900,606	1,072,605,568
Rental income from investment properties		19,124,287	19,054,351
		(2,623,523,201)	**(16,073,855)**
Donation income	20	1,228,724,870	1,505,443,002
Exchange loss		(592,824,827)	(22,487,434)
Finance cost		(39,004,444)	(8,523,836)
Impairment losses		(1,844,997,006)	-
LOSS / PROFIT BEFORE TAX		**(3,871,624,608)**	**1,458,357,877**
Taxation	27	2,213,251,617	1,718,611
LOSS / PROFIT FOR THE YEAR		**(1,658,372,991)**	**1,460,076,488**

The annexed notes 1 to 33 form an integral part of these financial statements.

Chief Executive Officer

Chief Financial Officer

DA AFGHANISTAN BRESHNA SHERKAT
STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED HOOT 29, 1394 (19 MARCH 2016)

	Note	For the year ended 19 March 2016 Hoot 29, 1394	For the year ended 20 March 2015 Hoot 29, 1393 (Restated)
		----------Afghani----------	
(Loss) / profit for the year (as previously reported)		-	1,636,508,581
Adjustment		-	(176,432,093)
Restated		**(1,658,372,991)**	**1,460,076,488**
Other comprehensive income			
- Surplus on revaluation of property, plant and equipment		59,451,521,210	-
- Deferred tax on surplus on revaluation of property, plant and equipment	12	(2,087,598,975)	-
Other comprehensive income for the year - net of tax		57,363,922,235	-
Total comprehensive income for the year		55,705,549,243	1,460,076,488

The annexed notes 1 to 33 form an integral part of these financial statements.

Chief Executive Officer

Chief Financial Officer

DA AFGHANISTAN BRESHNA SHERKAT
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED HOOT 29, 1394 (19 MARCH 2016)

	Share Capital	Reserves			Total equity
		Revaluation surplus	Retained earnings	Total reserves	
	---------- Afghani ----------				
Balance as at Hoot 29, 1392 (20 March, 2014)					
(As previously reported)	25,000,000,000	-	5,136,033,999	5,136,033,999	30,136,033,999
Adjustment (Note 2)	-	-	(1,207,660,504)	(1,207,660,504)	(1,207,660,504)
Restated	**25,000,000,000**	**-**	**3,928,373,495**	**3,928,373,495**	**28,928,373,495**
Profit for the year (As previously reported)	-	-	1,636,508,581	-	-
Adjustments (Note 2)	-	-	(176,432,093)	-	-
Other comprehensive income	-	-	-	-	-
Total comprehensive income (Restated)			**1,460,076,488**		
Balance as at Hoot 29, 1393 (20 March, 2015)					
(As previously reported)	**25,000,000,000**	**-**	**6,772,542,579**	**6,772,542,579**	**31,772,542,579**
Adjustment (Note 2)	**-**	**-**	**(693,313,057)**	**(693,313,057)**	**(693,313,057)**
Restated	**25,000,000,000**	**-**	**6,079,229,522**	**6,079,229,522**	**31,079,229,522**
Loss for the year	**-**	**-**	**(1,658,372,991)**	**(1,658,372,991)**	**(1,658,372,991)**
Adjustment (Note 2)			**-**	**370,561,942**	**370,561,942**
Other comprehensive income	**-**	**57,363,922,235**	**-**	**57,363,922,235**	**57,363,922,235**
Total comprehensive income	**-**	**57,363,922,235**	**(1,658,372,991)**	**56,076,111,185**	**56,076,111,185**
Balance as at Hoot 29, 1394 (19 March, 2016)	**25,000,000,000**	**57,363,922,235**	**4,420,856,531**	**62,155,340,708**	**87,155,340,708**

The annexed notes 1 to 33 form an integral part of these financial statements.

Chief Executive Officer

Chief Financial Officer

DA AFGHANISTAN BRESHNA SHERKAT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED HOOT 29, 1394 (19 MARCH 2016)

	Note	For the year ended 19 March 2016 Hoot 29, 1394	20 March 2015 Hoot 29, 1393 (Restated)
		----------Afghani----------	
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) / profit before taxation		(3,871,624,608)	1,458,357,877
Adjustments for non-cash charges and other items:			
Depreciation and amortization	25	2,827,562,154	1,678,278,858
Donation income		(1,228,724,870)	(1,505,443,002)
Exchange loss		592,824,827	22,487,434
Finance cost		39,004,444	8,523,836
Impairment losses		1,844,997,006	-
BRT expense		572,551,302	307,767,089
Provision for debts considered doubtful		173,260,368	-
Operating profit before working capital changes		**949,850,623**	**1,969,972,092**
Working capital changes			
(Increase) / decrease in current assets			
Stores and spares		(413,618,237)	(1,151,102,838)
Trade debts		(974,781,090)	(2,142,506,181)
Advances and other receivables		754,934,259	(936,269,104)
		(633,465,068)	**(4,229,878,123)**
Increase / (decrease) in current liabilities			
Trade and other payables		1,147,464,528	650,531,287
Short-term deposits		(4,292,644)	24,163,236
Accrued mark-up		115,178,938	158,260,387
		1,258,350,821	**832,954,910**
Cash generated from / (used) in operations		**1,574,736,376**	**(1,426,951,121)**
Income tax paid	19	(988,822,518)	(248,985,276)
Finance cost paid		(495,153)	(27,343,857)
Net cash generated from / (used) in operating activities		**585,418,705**	**(1,703,280,254)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure incurred		(12,955,314,821)	(2,523,936,227)
Net cash used in investing activities		**(12,955,314,821)**	**(2,523,936,227)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Deferred grant		6,281,117,928	2,355,361,317
Specific grant		816,557,736	204,185,749
Long term finance		5,145,437,977	1,064,344,871
Net cash generated from financing activities		**12,243,113,641**	**3,623,891,937**
Net decrease in cash and cash equivalent		**(126,782,475)**	**(603,324,543)**
Cash and cash equivalent at beginning of the period		4,869,920,961	5,473,245,504
Cash and cash equivalent at end of the period	10	**4,743,138,486**	**4,869,920,961**

The annexed notes 1 to 33 form an integral part of these financial statements.

Chief Executive Officer

Chief Financial Officer

DA AFGHANISTAN BRESHNA SHERKAT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED HOOT 29, 1394 (19 MARCH 2016)

THE COMPANY AND ITS OPERATIONS

1. Da Afghanistan Breshna Sherkat (DABS or the Company) has the legal status of a corporation under the laws of the Islamic Republic of Afghanistan ("Afghanistan"). DABS is the national electricity company of Afghanistan and is engaged in the purchase, production, transmission, distribution and sale of electricity in Afghanistan. Headquarter of the Company is located at Chaman Houzari Road, Kabul Afghanistan.

   DABS was registered with the Afghanistan Investment Support Agency (AISA) in September 2009 bearing license No. D-30766.

   The Power Construction Unit (PCU) is a division of DABS that manages utility construction projects and manufacturing of Meter Box, Poles etc.

2. PRIOR PERIOD ADJUSTMENTS AND RESTATEMENTS

With respect to the financial statements of DABS issued for the financial years 2009 to 2015, the independent auditors included qualifications on various financial statement items due to the lack of reliable financial information and reconciliation with the underlying accounting records maintained by DABS. Specifically it was stated that reliable information is not available with respect to assets transferred to DABS after the liquidation of DABM and the PCU by the government of Afghanistan in 2009 and, therefore, the impact of such transferred assets on the closing balances could not be determined.

In view of the above, the management of DABS appointed an independent firm of consultants to carry out the complete physical verification and valuation of all of its assets and liabilities in order to determine the amounts that should be reported in the financial statements of DABS for the year ended 19 March 2016 (29 Hoot 1394). This exercise included verifications with respect to tangible assets as well as reconciliations of financial assets and financial liabilities, review of accounting policies of DABS based on the requirements of IFRS and an assessment of the overall presentation and adequacy of disclosures in the financial statements.

As a result of the above exercise, various accounting errors and omissions in the disclosures have been identified. The correction of such errors have been made in these financial statements in accordance with the requirements of IAS 8 - Accounting Policies Change in Accounting Estimates and Error by retrospectively adjusting the financial information to the extent deemed practicable.

The impact of the above changes in these financial statements is summarized below:

(a) Long term finance

It was identified that long term financing arrangements from the Asian Development Bank aggregating to AFN 4,000 million for the acquisition of capital assets were not accounted for by DABS in the respective years. These financing arrangements along with the related exchange loss, has been accounted for retrospectively by restating the balance sheets as presented in these financial statements for the year ended 2015 and 2014.

(b) Exchange loss

The liabilities denominated in foreign currencies were not re-translated into AFN in prior periods as required under IAS 21 "Foreign Currency Exchange Gain and Loss". The aforementioned accounting error has been rectified by recording the exchange difference on liabilities in the current and prior periods.

(c) Reconciliation of trade debts, other receivables and trade payables

As a result of the reconciliation of subsidiary records with respect to trade debts, other receivables and payables with the journal ledger balances it was noted that certain balances were overstated or understated in the general ledger and, hence, require rectification. Accordingly, the balances of trade debts, other receivables and payables are restated with corresponding balance in the opening balance of the current year.

(d) Cash and bank balances

Cash and bank balances amounting AFN 615.72 million includes AFN 582.6 million that was held by the Development Bank of Afghanistan (DBA) which was taken over by the Central Bank of Afghanistan after the liquidation of DBA. Due to the remote probability of recoverability of this balances , the Company has made a full provision in this respect in the financial statement. Further, the remaining balance represent provision against prior years balances of AFN 33.12 million with respect of multiple bank accounts which were not identified.

(e) Taxation

The tax liabilities and expense with respect to prior years were accounted for to the extent of Business Receipts Tax (BRT) only. The income tax payments made were only recognized as advance tax in accordance with the requirements of IAS 12 "Income Taxes". DABS should have accounted for current and deferred taxation based on its tax liability for the respective years. This accounting error has been rectified by recording the deferred taxation retrospectively and comparative information has been restated accordingly. Due to tax losses for the current and previous losses no provision for current taxation is required to be recorded.

(f) Investment properties

During the year, the Company has carried out physical verification and valuation exercise of its fixed assets as a result certain assets were identified as investment properties and reclassified from property, plant equipment to investment properties.

(g) Stores and spares / inventories

As a result of the physical verification of the inventories during the year, the Company has restated inventories balances as of 19 March 2016. The restatement resulted in increase in the recording of inventories which were received in prior years from various donor agencies and consequently the additional inventories of Afghani 5.5 billion are incorporated with corresponding increase in the deferred grant.

NOTES TO THE FINANCIAL STATEMENTS

2.1 The following is a summarized break down of prior year adjustments in opening retained earning and prior year financial statements;

	(20 March 2015) 29 Hoot 1393	(20 March 2014) 29 Hoot 1392
	----------Afghani----------	
Property and equipment		
Owned		
As previously reported-comparatives	18,498,114,138	18,241,964,777
Adjustments to comparatives:		
Omitted loans	3,321,563,127	3,321,563,127
Borrowing cost	455,055,794	455,055,794
Accumulated depreciation	(398,786,113)	(104,977,583)
Delayed capitalization	1,840,889,407	1,840,889,407
Accumulated depreciation	(1,050,305,486)	(1,050,305,486)
Restated - comparatives	**22,666,530,868**	**22,704,190,037**
Capital work-in-progress		
As previously reported-comparatives	5,720,505,455	3,720,599,881
Adjustments to comparatives:	(1,840,889,407)	(1,840,889,407)
Specific grant	8,410,704	8,410,704
Specific grant	(110,670,102)	-
Exchange loss	5,516,987	
Restated - comparatives	**3,782,873,637**	**1,888,121,178**
Deferred Taxation		
As previously reported-comparatives		
Adjustments to comparatives:		
	77,610,108	79,328,720
Restated		
	77,610,108	**79,328,720**
Long term finance		
As previously reported-comparatives	4,390,236,366	2,971,415,677
Adjustments to comparatives:		
Property, plant and equipment-Owned	3,262,468,951	3,262,468,951
Exchange loss	455,055,794	455,055,794
Exchange loss	22,487,434	-
Exchange loss	5,516,987	-
Restated - comparatives	**8,135,765,532**	**6,688,940,422**
Specific grant		
As previously reported-comparatives	892,852,197	572,891,039
Adjustments to comparatives:		
Capital work-in-progress	8,410,704	8,410,704
Capital work-in-progress	(110,670,102)	
Restated - comparatives	**790,592,799**	**581,301,743**
Accrued markup		
As previously reported-comparatives	38,625,428	27,891,338
Adjustments to comparatives:		
Finance cost	48,899,997	48,899,997
Finance cost	8,523,836	
Omitted loans	59,094,177	59,094,177
Restated - comparatives	**155,143,438**	**135,885,512**

Trade and other payable		
As previously reported-comparatives	1,865,218,828	1,214,687,542
Adjustments to comparatives:	(331,383,441)	(331,383,441)
	(7,811,321)	(7,811,321)
Restated - comparatives	**1,526,024,066**	**875,492,780**
Trade debts		
As previously reported - comparatives	8,032,960,677	5,238,114,485
Adjustments to comparatives:	1,156,316,918	318,868,282
Restated - comparatives	**9,189,277,595**	**5,556,982,767**
Advance and other receivables		
As previously reported - comparatives	1,222,456,664	240,618,172
Adjustments to comparatives:	33,506,696	33,506,696
Restated - comparatives	**1,255,963,360**	**274,124,868**
Cash and bank balances		
As previously reported - comparatives	5,485,639,419	5,096,981,145
Adjustments to comparatives:		
Cash and bank balances	(582,593,852)	(582,593,852)
Cash and bank balances	(33,124,606)	(33,124,606)
Restated - comparatives	**4,869,920,961**	**4,481,262,687**
Retained earnings		
As previously reported - comparatives	**6,772,542,579**	**5,136,033,999**
Adjustments to comparatives:		
Property, plant and equipment-Owned	(104,977,583)	(104,977,583)
Property, plant and equipment-Owned	(293,808,529)	-
Depreciation	(1,050,305,486)	(1,050,305,486)
Trade debts	146,669,095	-
Trade debts	1,009,647,823	318,868,282
Cash and bank balances	(582,593,852)	(582,593,852)
Cash and bank balances	(25,313,286)	(25,313,286)
Trade and other payables	331,383,441	331,383,441
Long term finance	(22,487,434)	-
Accrued markup	(48,899,997)	(48,899,997)
Accrued markup	(8,523,836)	-
Advances and other receivables	33,506,696	33,506,696
Deferred taxation	(79,328,720)	(79,328,720)
Deferred taxation	1,718,611	-
	(693,313,057)	**(1,207,660,504)**
Restated - comparatives	**6,079,229,522**	**3,928,373,495**

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 Statement of compliance

These financial statements have been prepared in accordance with the requirements of the DABS Bylaws and approved accounting standards as applicable in Afghanistan. Approved accounting standards are comprised of International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board. Wherever the DABS Bylaws differ from the requirements of the IFRSs, the requirements of the DABS Bylaws shall prevail.

3.2 Basis of preparation

These financial statements have been prepared under the historical cost convention except for the following:

- certain classes of assets included in property, plant and equipment are stated at revalued amounts as referred to in note 5.

3.3 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. The financial statements are presented in Afghanis, which is also the Company's functional currency.

3.4 Significant accounting estimates and judgments

The preparation of financial statements in conformity with the requirements of the DABS Bylaws and IFRSs also requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that would require material adjustments to the carrying amounts of assets or liabilities in future periods.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates underlying the assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In the process of applying the Company's accounting policies, management has made the following accounting estimates and judgments which are significant to these financial statements:

3.4.1 Property, plant and equipment

The Company reviews the appropriateness of the rate of depreciation, useful life, residual value and method of depreciation used in the calculation of depreciation. The estimates of assets at revalued amounts are based on a valuation carried out by a professional valuation firm. Further, where applicable, an estimate of the recoverable amount of the assets is made for possible impairment on an annual basis. In making these estimates, the Company uses both the technical resources available within the Company and an independent professional. Any change in the estimates in the future might affect the carrying amount of respective item of property, plant and equipment, with corresponding effects on the depreciation charge and impairment.

3.4.2 Trade debts

The Company reviews its doubtful trade debts at each reporting date to assess whether an impairment allowance should be recorded to reduce trade debts to their recoverable amounts. In particular, judgment by management is required in the estimation of the amount and timing of future cash flows when determining the level of provision required. Such estimates are based on assumptions with a number of factors and actual results may differ, resulting in future changes to the impairment allowance.

3.4.3 Stores and spares

The Company reviews the net realizable value (NRV) and impairment of stores and spares to assess any diminution in the respective carrying values and wherever required the provision for NRV impairment is made. The calculation of the provision involves the use of estimates with regards to future estimated use and past consumption along with the stores and spare holding period.

3.4.4 Employees defined pension plan

The cost of defined benefit plans are determined using actuarial valuations. An actuarial valuation involves certain actuarial assumptions that have been adopted for valuation of present value of defined benefit obligations. Any changes in these assumptions in future years might affect actuarial gains and losses in those years.

3.4.5 Taxation

In making the estimate for income tax payable by the Company, the Company takes into account the applicable tax laws. During the year, tax assessment was conducted by the consultants which has resulted in substantial change in the value of assets and depreciation and accordingly profits of the Company liable to tax has change substantially.

Deferred assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timely and level of future taxable profits, together with future tax planning strategies.

3.5 Accounting developments

Certain standards and amendments to published standards and interpretations of accounting standards became effective during the year. Although these new standards and amendments were applied for the first time in 2016, they did not have a material impact on the financial statements of the Company.

3.6 Standards, amendments or an interpretation issued but not yet effective

The following standards, amendments and interpretations with respect to the approved accounting standards as applicable would be effective from the dates mentioned below for the respective standard or interpretation:

Standard or Interpretation	Effective date (annual periods Beginning on or after)
IFRS 2: Share-based Payments – Classification and Measurement of Share-based Payments Transactions (Amendments)	January 1, 2018
IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 28 Investment in Associates – Investment Entities: Applying the Consolidation Exception (Amendment).	January 1, 2016
IFRS 10 Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment).	Not yet finalized
IFRS 11 Joint Arrangements - Accounting for Acquisition of Interest in Joint Operation (Amendment)	January 1, 2016
IAS 1 – Presentation of Financial Statements - Disclosure Initiative (Amendment)	January 1, 2016
IAS 7 Financial Instruments: Disclosures - Disclosure Initiative - (Amendment)	January 1, 2017
IAS 12 Income Taxes – Recognition of Deferred Tax Assets for Unrealized losses (Amendment)	January 1, 2017
IAS 16 Property, Plant and Equipment and IAS 38 intangible assets - Clarification of Acceptable Method of Depreciation and Amortization (Amendment)	January 1, 2016
IAS 16 Property, Plant and Equipment and IAS 41 Agriculture - Agriculture: Bearer Plants	

(Amendment)	January 1, 2016
IAS 27 – Separate Financial Statements – Equity Method in Separate Financial Statements (Amendment)	January 1, 2016
IFRS 9 – Financial Instruments: Classification and Measurement	January 1, 2018
IFRS 14 – Regulatory Deferral Accounts	January 1, 2016
IFRS 15 – Revenue from Contracts with Customers	January 1, 2018
IFRS 16 – Leases	January 1, 2019

The above standards and amendments are not expected to have any material impact on the Company's financial statements in the period of initial application.

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB in September 2014. Such improvements are generally effective for accounting periods beginning on or after 01 January 2016. The Company expects that such improvements to the standards will not have any material impact on the Company's financial statements in the period of initial application.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except for changes explained in note 4.1.

4.1 Property, plant and equipment

The cost of an item of property, plant and equipment is recognized as an asset if it is probable that future economic benefits associated with the item will flow to the Company and the cost of such item can be measured reliably. Recognition of the cost in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by the Management of the Company.

Cost in relation to power plant, generating equipment and accessories, equipment and network accessories, and transformers signify historical costs. Stores and spares parts, which form part of the contract under which the project was undertaken, are also capitalized with power plant, generating equipment and accessories, equipment and network accessories.

Changes in Accounting Policies

Property, plant and equipment - Owned / Funded

During the current year, the Company changed its accounting policy in respect of property, plant and equipment. These are carried at their revalued amounts, being the fair value at the date of revaluation less subsequent accumulated depreciation and any subsequent accumulated impairment losses. Previously these assets were carried at cost less accumulated depreciation and impairment, if any.

The above change has been accounted for with effect from the beginning of the current financial year in accordance with the International Accounting Standard (IAS) – 16 "Property, plant and equipment", as required under IAS – 8 "Accounting Policies, Change in Accounting Estimate and Errors".

A revaluation surplus is recorded in other comprehensive income and credited to the asset revaluation reserve in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognized in profit or loss, the increase is recognized in profit and loss. A revaluation deficit is recognized in the statement of comprehensive income except to the extent that it offsets an existing surplus on the same asset recognized in the asset revaluation reserve.

An annual transfer from the asset revaluation reserve to retained earnings is made for the difference between the depreciation is based on the revalued carrying amount of the asset and depreciation based on the asset's original cost. Additionally, accumulated depreciation is based on the asset's original cost. Additionally, accumulated depreciation as of the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is related to the revalued amount of the asset and the net amount is related to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

Expenditures incurred to replace a component of an item of operating assets are capitalized and the asset so replaced is retired. Other subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Company and the cost of the asset can be measured reliably. The carrying amount of the replaced part is derecognized.

Depreciation

Depreciation is charged to the statement of profit or loss, applying the straight line method whereby costs of assets, less their residual values, is written off over their estimated useful lives at rates disclosed in note 5 to these financial statements.

Depreciation on additions is charged for the 06 months in the year from the month in which the asset is available for use up to the month preceding the disposal except for capital spares relating to the transmission and distribution network where depreciation is charged after one year from the date of purchase of such spares.

In case of extension and addition in existing assets, depreciation is charged from the date of actual commissioning and with respect to material replacements and modernization, from the date of capitalization. Cost of subsequent acquisition of stores and spares under specific agreements for specific project are depreciated over the remaining economic useful life of such plant and machinery.

Useful lives are determined by management based on the expected usage of the asset, expected physical wear and tear, technical and commercial obsolescence, legal and similar limits on the use of assets and other similar factors.

The assets' residual values, useful lives and methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amounts of the item) is included in the statement of comprehensive income in the year the asset is derecognized.

Gains and losses on the disposal of assets are taken into the statement of profit or loss. When revalued assets are sold, the relevant remaining surplus is transferred directly by the Company to retained earnings.

Normal repairs and maintenance are charged to the statement of profit or loss during the financial period in which they are incurred.

4.2 Capital work in progress

Capital work-in-progress is stated at cost less accumulated impairment, if any, and consists of expenditures incurred and advances made with respect to operating fixed assets in the course of their acquisition, erection, construction and installation, including salaries and wages directly attributable to capital work-in-progress, determined by management. The assets are transferred to relevant categories of operating fixed assets when they are available for use. Spare parts, stand by equipment and servicing equipments are recognized as property plant and equipment when they meet the definition of property, plant and equipment.

4.3 Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. All of the Company's property interests held to earn rentals or for capital appreciation purposes are accounted for as investment properties and are measured using the fair value model. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on de-recognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognized.

4.4 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Costs that are directly associated with identifiable software products controlled by the Company and have probable economic benefit beyond one year are recognized as intangible assets. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets with finite useful lives are amortized over the economic useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. With respect to additions and deletions of intangible assets during the year, amortization is charged from the month of acquisition and up to the month preceding the deletion, respectively.

Intangible assets with finite lives are amortized on a straight line basis over their economic useful lives.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in statement of profit or loss when the asset is derecognized.

4.5 Borrowing costs

Borrowing costs are recognized in statement of profit or loss in the period in which these are incurred except to the extent of borrowing costs on long-term finances that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs, if any, are capitalized, during the period of time that is required to complete and prepare the asset for its intended use.

4.6 Loans, advances and deposits

Loans, advances and deposits are initially recognized at cost, which is the fair value of the consideration given. Subsequent to an initial recognition assessments are made at each reporting date to determine whether there is an indication that a financial asset or group of assets may be impaired. If such an indication exists, the estimated recoverable amount of that asset or group of assets is determined and any impairment loss is recognized for the difference between the recoverable amount and the carrying value.

4.7 Stores and spares

Stores and spares are stated at cost or NRV, whichever is lower, except items in transit, which are stated at cost. For items which are slow moving and / or identified as surplus to the Company's requirements an adequate provision is made for any excess book value over estimated realizable value.

Provision is made for obsolete and slow moving items where necessary and is recognized in the statement of profit or loss.

4.8 Trade debts and other receivables

Trade debts and other receivables are stated initially at fair value and subsequently measured at amortized cost using the effective interest rate method, if applicable, less a provision for impairment, if any. A provision for impairment is established where there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Trade debts and other receivables are written off when considered as irrecoverable.

No provision is made for trade debts due from federal / provincial government and local bodies, as management believes that these trade debts are not impaired and will be recovered.

4.8.1 Other receivables

Other receivables are stated at cost, less provision for impairment, if any.

4.9 Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand, balances with banks and short-term placements readily convertible to known amounts of cash and subject to insignificant risk of changes in value. Cash and cash equivalents also include bank overdrafts which form an integral part of the Company's cash management.

4.10 Interest / mark-up bearing loans and borrowings

All loans and borrowings are initially recognized at the fair value of the consideration received less directly attributable transaction costs.

Loans and borrowings are subsequently stated at amortized cost with any difference between the proceeds (net of transaction costs) and the redemption value recognized in the statement of profit or loss over the period of the borrowing using the effective interest method.

Gains and losses are recognized in the statement of profit or loss when the liabilities are derecognized as well as through the amortization process.

4.11 Employee Benefits - Defined benefit plan

The Company operates a contributory pension plan approved by the Board of Directors for all employees. Equal monthly contributions are made, both by the Company and the employees, to the fund at the rate approved by DABS management.

Provisions are made to cover the obligations under the defined benefit plan on the basis of actuarial valuation and are charged to profit and loss account.

4.12 Taxation

4.12.1 Current

The provision for current taxation is based on taxable income at current rates of taxation after taking into account non-deductible expenses and non-taxable income available, if any. It also includes any adjustment to tax payable with respect to prior years.

4.12.2 Deferred

Deferred tax is recognized using the balance sheet method, providing for all significant temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using the tax rates enacted or substantively enacted at the balance sheet date.

The Company recognizes a deferred tax asset to the extent that it is probable that taxable profits for the foreseeable future will be available against which the assets can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

4.13 Trade and other payables

Trade and other payables are recognized initially at fair value plus directly attributable costs, if any, and subsequently measured at amortized cost using the effective interest method.

4.14 Provisions

A provision is recognized in the balance sheet when the Company has a present obligation (legal or constructive obligation) as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

4.15 Revenue recognition

4.15.1 Energy sale

Revenue is recognized on the supply of electricity to consumers based on meter readings at the rates notified by the Government from time to time, Customers are billed on a bi-monthly cycle. In the cases where realisability of revenue is uncertain the revenues is recognized on receipt basis.

4.15.2 Late payment surcharge

Surcharge on late payment is accounted for after the due date of payment has passed. In the case of Government accounts the late payment surcharge is accounted for on the receipt basis.

4.15.3 Meter rentals

Meter rentals are recognized bi-monthly, on the basis of specified rates for various categories of consumers.

4.15.4 Interest / mark-up income

The Company recognizes interest income / mark-up on short term deposits and interest bearing advances on a time proportion basis.

4.15.5 Grant from Government

General grant

General grants, including cash, different kinds of operating asset(s), stores and spares or any goods received from any donor or agency or ministry, is recognized on basis when the Company receive it.

Specific Grant for fuel subsidies received from the Government of Afghanistan

Specific grants are recognized in the statement of comprehensive income on a systematic basis over the fuel received against the said subsidies.

4.16 Impairment

Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. 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 that asset.

Non-financial assets

The carrying amounts of non-financial assets other than inventories and the deferred tax asset, are assessed at each reporting date to ascertain whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. An impairment loss is recognized, as an expense in the statement of profit or loss, for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Value in use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

4.17 Foreign currencies translation

Foreign currency transactions during the year are recorded at the exchange rates approximating those in effect on the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange which approximate those prevailing on the reporting date. Gains and losses on re-translation are taken to statement of profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as of the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

4.18 Financial instruments

All financial assets and liabilities are initially measured at fair value, and subsequently re-measured at fair value or amortized cost as the case may be. The Company derecognizes the financial assets and financial liabilities when it ceases to be a party to such contractual provisions of the instruments.

4.19 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements only when there is a legally enforceable right to offset the recognized amounts and the Company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously. Income and expenses arising from such assets and liabilities are also offset accordingly.

4.20 Appropriations to reserves

Appropriations to reserves are recognized in the financial statements in the period in which these are approved.

4.21 Operating segments

For management purposes, the activities of the Company are organized into one operating segment i.e. purchase, production, transmission, distribution and sale of electricity in Afghanistan. The Company operates in the said reportable operating segment based on the nature of the products, risks and returns, organizational and management structure and internal financial reporting systems. Accordingly, the figures reported in these financial statements are related to the Company's only reportable segment.

5 PROPERTY, PLANT AND EQUIPMENT

	Note	19 March 2016 Hoot 29, 1394	20 March 2015 Hoot 29, 1393 (Restated)
		---------- Afghani ----------	
Property, plant and equipment - Owned	5.1	79,396,115,927	22,666,530,868
Property, plant and equipment - Funded	5.2	12,792,325,422	1,804,785,316
Capital work-in-progress	5.3	12,823,278,727	3,782,873,637
Capital stores and spares	5.4	3,757,977,792	-
		108,769,697,868	**28,254,189,821**

5.1 Property, plant and equipment - Owned

	2016												
	COST / REVALUATION							ACCUMULATED DEPRECIATION				WRITTEN DOWN VALUE	Annual rate of depreciation
	As at 21 March 2015 (Restated)	Reversal of Accumulated Depreciation	Revaluation	Additions for the year	Adjustment	Reclassification	As at 19 March 2016	As at 21 March 2015	Reversal of Accumulated Depreciation	Charge for the year	As at 19 March 2016	As at 19 March 2016	%
	---------- Afghanis ----------												
Owned Assets													
Land	3,214,395,341	-	49,013,526,334	3,127,867	-	(736,072,700)	51,494,976,843	-	-	-	-	51,494,976,843	
Buildings	8,673,160,248	(2,424,027,077)	10,377,560,813	48,624,992	-	(225,343,129)	16,449,975,847	2,424,027,077	(2,424,027,077)	492,769,901	492,769,901	15,957,205,946	3
Power plant and equipments	22,526,487,757	(9,530,373,632)	(1,813,004,881)	1,523,933,553	(16,870)	-	12,707,025,927	9,530,373,632	(9,530,373,632)	1,194,427,902	1,194,427,902	11,512,598,025	10
Vehicles	359,117,229	(216,742,225)	60,434,062	187,477,168	-	-	390,286,234	216,742,225	(216,742,225)	29,654,765	29,654,765	360,631,469	10
Furniture, air-conditioners and office equipment	151,731,976	(118,606,606)	(10,248,882)	33,786,307	-	-	56,662,795	118,606,606	(118,606,606)	6,363,143	6,363,143	50,299,652	16
Computers and related equipment	59,904,359	(28,516,501)	(21,743,243)	13,510,909	-	-	23,155,524	28,516,501	(28,516,501)	2,751,531	2,751,531	20,403,993	16
	34,984,796,910	**(12,318,266,042)**	**57,606,524,204**	**1,810,460,796**	**(16,870)**	**(961,415,829)**	**81,122,083,170**	**12,318,266,042**	**(12,318,266,042)**	**1,725,967,242**	**1,725,967,242**	**79,396,115,927**	

5.1.1 As referred to note 4.1, the Company has revalued all its assets with effect from the beginning of the current year, the valuation was conducted by independent values. Due to limitation of records in respect of individual cost of various assets transferred to DABS from the DABM in 2009. The surplus on revaluation is worked out on the asset category level.

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5.1 Property, plant and equipment - Owned - continued

2015 (Restated)

	COST / REVALUATION									ACCUMULATED DEPRECIATION										WRITTEN DOWN VALUE (PREVIOUSLY REPORTED)	WRITTEN DOWN VALUE (RESTATED)	Annual rate of depreciation
	As at 21 March 2014 (As previously reported)	Adjustment (Note 2)	Adjustment (Note 2)	As at 21 March 2014 (Restated)	Additions	As at 21 March 2015 (Previously reported)	Adjustment (Note 2)	Adjustment (Note 2)	As at 20 March 2015 (Restated)	As at 21 March 2014 (Previously reported)	Adjustment (Note 2)	Adjustment (Note 2)	As at 21 March 2014 (Restated)	Charge for the year	As at 21 March 2015 (Previously reported)	Adjustment (Note 2)	Adjustment (Note 2)	Adjustment (Note 2)	As at 20 March 2015 (Restated)	As at 20 March 2015	As at 20 March 2015	%
	Afghani																					
Owned Assets																						
Land	3,210,372,441	-	-	3,210,372,441	4,022,900	3,214,395,341	-	-	3,214,395,341	-	-	-	-	-	-				-	3,214,395,341	3,214,395,341	
Buildings	8,611,886,219	-	-	8,611,886,219	61,274,029	8,673,160,248	-	-	8,673,160,248	2,164,751,380	-	-	2,164,751,380	259,275,697	2,424,027,077				2,424,027,077	6,249,133,171	6,249,133,171	3
Power plant and equipments	15,507,348,030	1,840,889,407	3,776,618,922	21,124,856,359	1,401,631,398	16,908,979,428	1,840,889,407	3,776,618,922	22,526,487,757	7,104,008,450	1,050,305,486	104,977,583	8,259,291,519	977,273,583	8,081,282,033	1,050,305,486	104,977,583	293,808,529	9,530,373,632	8,827,697,396	12,996,114,125	10
Vehicles	314,850,862	-	-	314,850,862	44,266,367	359,117,229	-	-	359,117,229	183,043,820	-	-	183,043,820	33,698,405	216,742,225				216,742,225	142,375,004	142,375,004	10
Furniture, air-conditioners and office equipment	129,612,760	-	-	129,612,760	22,119,216	151,731,976	-	-	151,731,976	106,999,699	-	-	106,999,699	11,606,907	118,606,606				118,606,606	33,125,370	33,125,370	16
Computers and related equipment	48,385,530	-	-	48,385,530	11,518,829	59,904,359	-	-	59,904,359	21,687,716	-	-	21,687,716	6,828,785	28,516,501				28,516,501	31,387,858	31,387,858	16
	27,822,455,842	1,840,889,407	3,776,618,922	33,439,964,171	1,544,832,739	29,367,288,581	1,840,889,407	3,776,618,922	34,984,796,910	9,580,491,065	1,050,305,486	104,977,583	10,735,774,134	1,288,683,378	10,869,174,443	1,050,305,486	104,977,583	293,808,529	12,318,269,042	18,498,114,131	22,666,530,868	

5.2 **Property, plant and equipment - Funded**

	2016											
	COST / REVALUATION					ACCUMULATED DEPRECIATION				WRITTEN DOWN VALUE	Annual rate of depreciation
	As at 21 March 2015	Reversal of Accumulated Depreciation	Revaluation (Note 5.2.1)	Additions for the year	As at 19 March 2016	As at 21 March 2015	Adjustment	Charge for the year	As at 19 March 2016	As at 19 March 2016	%
	---------- Afghani ----------										
Funded Assets											
Land	31,260,515	-	267,575,810	10,800	298,847,125	-	-	-	-	298,847,125	
Buildings	15,105,188	(453,954)	2,956,429,687	2,381,750	2,973,462,671	453,954	(453,954)	89,168,154	89,168,154	2,884,294,516	3
Power plant and equipments	1,800,841,573	(128,597,580)	7,782,204,051	934,107,908	10,388,555,952	128,597,580	(128,597,580)	992,150,200	992,150,200	9,396,405,752	10
Vehicles	95,528,432	(13,560,724)	61,479,304	75,961,727	219,408,739	13,560,724	(13,560,724)	18,142,788	18,142,788	201,265,951	10
Furniture, air-conditioners and office equipment	4,126,790	(2,227,430)	8,014,579	475,750	10,389,689	2,227,430	(2,227,430)	1,624,290	1,624,290	8,765,399	16
Computers and related equipment	5,294,201	(2,531,695)	349,853	143,800	3,256,159	2,531,695	(2,531,695)	509,481	509,481	2,746,678	16
	1,952,156,699	**(147,371,383)**	**11,076,053,284**	**1,013,081,735**	**13,893,920,335**	**147,371,383**	**(147,371,383)**	**1,101,594,913**	**1,101,594,913**	**12,792,325,422**	

5.2.1 As a result of physical verification and revaluation of property and equipment during the year, the funded assets received were also revalued and a consequent fair value adjustments were recognized in deferred grants.

5.2 Property, plant and equipment - Funded - continued

	2015							
	COST			ACCUMULATED DEPRECIATION			WRITTEN DOWN VALUE	Annual rate of depreciation
	As at 21 March 2014	Additions for the year	As at 21 March 2015	As at 21 March 2014	Charge for the year	As at 20 March 2015	As at 20 March 2015	%
	Afghani							
Funded Assets								
Land	26,961,315	4,299,200	31,260,515	-	-	-	31,260,515	
Buildings	7,579,228	7,525,960	15,105,188	113,688	340,266	453,954	14,651,234	3
Power plant and equipments	857,197,420	943,644,153	1,800,841,573	44,125,420	84,472,160	128,597,580	1,672,243,993	10
Vehicles	93,822,912	1,705,520	95,528,432	4,093,157	9,467,567	13,560,724	81,967,708	10
Furniture, air-conditioners and office equipment	4,121,790	5,000	4,126,790	1,567,544	659,886	2,227,430	1,899,360	16
Computers and related equipment	5,294,201	-	5,294,201	1,684,623	847,072	2,531,695	2,762,506	16
	994,976,866	**957,179,833**	**1,952,156,699**	**51,584,432**	**95,786,951**	**147,371,383**	**1,804,785,316**	

5.3 CAPITAL WORK-IN-PROGRESS

The movement of capital work-in-progress during the year is as follows:

	Energy Sector Development investment Programs	Development of mini Hydro Power Plants	USAID Projects	Power Transmission and Distribution Project	World Bank (NHRP-Construction)	Others	Total
	Afghani						
Balance as at Hoot 29, 1393 (20 March 2015) (Restated)	**3,286,182,250**	**5,516,987**	**-**	**-**	**-**	**491,174,400**	**3,782,873,637**
Additions during the year	4,514,262,202	-	3,213,851,250	937,062,204	63,614,139	311,615,295	9,040,405,090
Balance as at Hoot 29, 1394 (19 March 2016)	**7,800,444,452**	**5,516,987**	**3,213,851,250**	**937,062,204**	**63,614,139**	**802,789,695**	**12,823,278,727**
Balance as at Hoot 29, 1392 (20 March 2014) **(As previously reported)**	3,350,211,864	102,259,398				268,128,619	3,720,599,881
Adjustment:							
Added to the:							
Capital work in progress	3,776,618,922	-	-	-	-	-	3,776,618,922
Capital work in progress		8,410,704	-	-	-	-	8,410,704
Transferred to the:							
Property, plant and equipment	(3,776,618,922)	-	-	-	-	-	(3,776,618,922)
Property, plant and equipment	(1,840,889,407)	-	-	-	-	-	(1,840,889,407)
Balance as at Hoot 29, 1392 (20 March 2014) **(Restated)**	1,509,322,457	110,670,102	-	-	-	268,128,619	1,888,121,178
Additions during the year	1,799,335,213	-	-	-	-	333,768,767	2,133,103,980
Balance as at Hoot 29, 1393 (20 March 2015) **(As previously reported)**	5,127,071,657	102,259,398				491,174,400	5,720,505,455
Adjustment:							
Added to the:							
Capital work in progress	3,776,618,922	5,516,987	-	-	-	-	3,782,135,908
Capital work in progress	-	8,410,704	-	-	-	-	8,410,704
Transferred to the:							
Property, plant and equipment	(3,776,618,922)	-	-	-	-	-	(3,776,618,922)
Property, plant and equipment	(1,840,889,407)	-	-	-	-	-	(1,840,889,407)
Witten-off	-	(110,670,102)	-	-	-	-	(110,670,102)
Balance as at Hoot 29, 1393 (20 March 2015) **(Restated)**	**3,286,182,250**	**5,516,987**	**-**	**-**	**-**	**491,174,400**	**3,782,873,637**

5.3.1 Capital work in progress includes principal, markup and related exchange loss / gain.

5.4 During the year, management ascertained certain inventory which were identified as capital expenditure and were reclassified. However, the cost of these assets were not traceable in previous periods. Hence, these are reclassified in the current period.

5.5 During the year the Company change its accounting policy with respect to the valuation of plant and equipment, land and buildings are carried at their historical cost and have not been revalued, where by, effectively from the current year, these assets are now carried at revalued amounts.

The fair values were determined with reference to market based evidence, based on active market prices and relevant enquiries and information as considered necessary, adjusted for any difference in nature, location or condition of the specific property and, in case where market based evidence was not available or not applicable due to the specialized nature of asset, than it was based on depreciated replacement cost method. The surplus on revaluation arose as follow:

5.6 Since cost data related to property, plant and equipment were not available or supported by underlying records, disclosures related to the cost of assets had there been no revaluation were not presented.

5.7 Due to the nature of the Company's operations, certain assets included in the transmission and distribution network which are not in the possession of the Company. In view of the large number of consumers, management considers it impracticable to disclose particulars of assets not in the possession or control of the Company as required by IFRS.

5.8 Depreciation charges for the year has been fully allocated to administration, generation, transmission, distribution and consumer service expenses.

	Note	19 March 2016 Hoot 29, 1394	20 March 2015 Hoot 29, 1393
		----------Afghani----------	
6 INVESTMENT PROPERTIES			
Opening balance as at 21 March 2015		-	-
Land reclassification from property plant and equipme	6.1	736,072,700	-
Buildings reclassification from property, plant and equipment		225,343,129	-
Closing balances as at 19 March 2016		**961,415,829**	-

6.1 As referred to in note 2 (f), the investment properties of the Company have been revalued during the year. The revaluation was carried by an independent professional value using appropriate and industry acceptable basis of revaluation by considering the market values and resulted in a fair value of Afghani 961.415 million. However, the fair value of these investment properties is not practical to be ascertained in the previous year.

7 STORES AND SPARES

	19 March 2016 Hoot 29, 1394	20 March 2015 Hoot 29, 1393
	----------Afghani----------	
Owned	1,060,352,864	107,336,206
Funded	4,443,255,570	4,982,653,991
	5,503,608,434	**5,089,990,197**

8 TRADE DEBTS

	Note	19 March 2016 Hoot 29, 1394	20 March 2015 Hoot 29, 1393 (Restated)
		----------Afghani----------	
Considered good			
Unsecured		10,411,493,212	9,189,277,595
	8.1 & 8.2	**10,411,493,212**	**9,189,277,595**
Provision for doubtful debts	8.3	(2,086,722,423)	(1,913,462,055)
		8,324,770,789	**7,275,815,540**

8.1 Category wise trade debts

Government	**4,119,087,510**	3,961,503,191
Private customers	**6,292,405,704**	5,227,774,404
	10,411,493,214	**9,189,277,595**

8.2 This includes gross receivables of Afghani 385.504 million (20 March 2015: Afghani 396.150 million) due from Government and autonomous bodies. No provision has been made against government and autonomous bodies receivables as management is confident that the amount is ultimately recoverable from them.

8.3 Provision for impairment (against debts considered doubtful)

Opening balance		1,913,462,055	1,913,462,055
Charge for the year	8.3.1	173,260,368	-
		2,086,722,423	**1,913,462,055**

8.3.1 During the year, management has adjusted the general provision based on the provisioning policy established on time based criteria. Therefore, an addition of Afghani 173.260 million has been charged in the statement of comprehensive income.

8.4 The age analysis of trade debts as at the reporting date that are not impaired is as follows:

		Past due recoverable			
	Total	Within 1 year	1-2 years	2-3 years	Above 3 years
	---------- Afghani ----------				
19 March 2016 (Hoot 29, 1394)					
Government	4,119,087,510	3,961,503,191	1,009,748,376	385,841,160	970,753,269
Private customers	**6,292,405,704**	5,227,774,404	1,404,142,710	580,669,775	803,981,294
Total	**10,411,493,214**	**9,189,277,595**	**2,413,891,085**	**966,510,935**	**1,774,734,563**
Less: impairment provision	(2,086,722,423)	(1,913,462,055)	(702,071,355)	(580,669,775)	(803,981,294)
Net balance	8,324,770,791	7,275,815,540	1,711,819,730	385,841,160	970,753,269

9 ADVANCES AND OTHER RECEIVABLES

	Note	19 March 2016 Hoot 29, 1394	20 March 2015 Hoot 29, 1393 (Restated)
		----------Afghani----------	
Advance for power purchases	9.1	328,714,514	974,845,977
Non-electrical receivables		89,761,898	-
Advance to vendors and suppliers		-	95,383,802
Advance against employees		4,625,932	7,569,485
Advance against donated project		2,570,269	-
LC margin		5,973,879	83,470,598
Rent receivable		3,420,635	330,000
Miscellaneous advances		37,295,386	71,557,553
Others		120,192,722	106,276,543
		592,555,235	**1,339,433,958**

9.1 These represent amounts advanced to suppliers in Uzbekistan and Turkmenistan with respect to the purchase of power.

		Note	19 March 2016 Hoot 29, 1394	20 March 2015 Hoot 29, 1393 (Restated)
			----------Afghani----------	
10	**CASH AND BANK BALANCES**			
	Cash in hand		14,052,205	12,393,915
	Cash in banks:			
	Current accounts		2,783,388,812	3,188,404,584
	Deposit accounts	10.1	33,766,184	15,117,863
	Collection accounts		2,527,649,743	2,269,723,057
			5,344,804,739	**5,473,245,504**
	Provision/ written-off for doubtful balances	10.2	(615,718,458)	(615,718,458)
			4,743,138,486	**4,869,920,961**

10.1 These bank accounts carry 0% markup (2015: 0%).

10.2 Provision / written-off for doubtful balances

Development Bank of Afghanistan bank balances	10.2.1	(582,593,852)	(582,593,852)
Other bank balances	10.2.2	(33,124,606)	(33,124,606)
		(615,718,458)	**(615,718,458)**

10.2.1 Represents the cash in bank held by the Development Bank of Afghanistan (DBA) which was taken over by the Central Bank of Afghanistan after the liquidation of DBA. The management of DABS has held several meetings with the Central Bank in this respect and plans to take legal action for the recovery of the amount. In view of above, the management of Company as a matter of prudence, has recorded a full provision in respect of above in these financial statements.

10.2.2 Represents a write-off against multiple bank accounts of prior years as these balances are not identified with bank statements and bank reconciliations.

11 SHARE CAPITAL

2016	2015		Note	19 March 2016 Hoot 29, 1394	20 March 2015 Hoot 29, 1393
(Number of Shares)				----------Afghani----------	
		Authorized share capital			
1,000,000,000	1,000,000,000	Ordinary shares of Afghani 100 each fully paid	11.1	100,000,000,000	100,000,000,000
1,000,000,000	1,000,000,000			**100,000,000,000**	**100,000,000,000**
		Issued, subscribed and paid-up capital			
250,000,000	250,000,000	Issued for consideration other than cash ordinary shares of Afghani 100 each		25,000,000,000	25,000,000,000
250,000,000	250,000,000			**25,000,000,000**	**25,000,000,000**

11.1 Initial authorized capital of Da Afghanistan Breshna Sherkat was 100,000,000,000 (one hundred billion Afghanis).

11.2 The Ministry of Finance transferred all asset and liabilities to DABS, there was no component paid in cash against capital.

11.3 Initial paid up capital of the Da Afghanistan Breshna Sherkat was 25,000,000,000 (twenty five billion Afghanis) and was divided into the following entities:

	% Percentage holding	Issued, subscribed and paid up capital in Afghani
Ministry of Finance	45%	11,250,000,000
Ministry of Energy and Water	35%	8,750,000,000
Ministry of Urban Development and Housing	10%	2,500,000,000
Ministry of the Economy	10%	2,500,000,000
	100%	**25,000,000,000**

12 DEFERRED TAXATION

	Note	19 March 2016 Hoot 29, 1394	20 March 2015 Hoot 29, 1393 (Restated)
		----------Afghani----------	
Deferred tax liability arising on:			
Property, plant and equipment		2,594,519,683	4,021,314,310
Deferred tax asset arising on:			
Provision against doubtful debts		(417,344,485)	(382,692,411)
Taxable losses		(4,312,816,707)	(3,561,011,790)
	12.1	**(2,135,641,509)**	**77,610,108**
Deferred tax liability arising on:			
Surplus on revaluation of property, plant and equipment		2,087,598,975	-
		(48,042,534)	**77,610,108**

12.1 Movement Schedule

Opening balance		77,610,108	79,328,720
Recognized during the year	27	(2,213,251,617)	(1,718,611)
Closing balance		**(2,135,641,509)**	**77,610,108**

13 LONG-TERM FINANCE

From Government of Afghanistan			
Energy Sector Development Investment Program - Project 1	13.1		
- Opening balance		3,048,395,934	2,266,083,932
- Additions during the year		2,248,761,251	782,312,003
		5,297,157,185	**3,048,395,934**
Energy Sector Development Investment Program - Project 2	13.1		
- Opening balance		1,347,357,419	717,057,505
- Additions during the year		1,514,458,650	630,299,914
		2,861,816,069	**1,347,357,419**
Energy Sector Development Investment Program - Project 3	13.1		
- Opening balance		-	-
- Reclassified from specific grants		436,338,501	-
		436,338,501	-
Energy Sector Development Investment Program - Project 4	13.1	-	
- Reclassified from specific grants		937,801,911	-
		937,801,911	-
Regional Power Transmission Interconnection Project	13.1		
- Opening balance		3,558,930,790	2,963,185,583
- Additions during the year		557,213,333	595,745,207
		4,116,144,123	**3,558,930,790**
Power Transmission and Distribution Project	13.1		
- Opening balance		181,081,389	179,794,989
- Additions during the year		33,506,564	1,286,399
		214,587,953	**181,081,389**
		13,863,845,743	**8,135,765,532**

13.1

LONG TERM FINANCE (Purpose & details)	Energy Sector Development Investment Program - Project 1	Energy Sector Development Investment Program - Project 2	Energy Sector Development Investment Program - Project 3	Energy Sector Development Investment Program - Project 4	Regional Power Transmission Interconnection Projects		Power Transmission and Distribution Project
Amount (USD)	USD 138,600,000	USD 81,500,000	USD 90,400,000	USD 200,000,000	USD 12,000,000	USD 12,000,000	USD 17,298,000
Subsidiary Loan Agreement Number	0134 - AFG (SF)	0184 - AFG	0280 AFG (SF) & 0281-0282	0332 - AFG(SF)	0230-AFG	2304-AFG	2165-AFG
Effective Date of Agreement	16-May-09	1-Dec-10	12-Mar-12	1-Jun-13	13-Mar-13	2-Aug-07	18-Dec-05
Funded By	Asian Development Bank (ADB) through Ministry of Finance (MoF) Afghanistan	Asian Development Bank (ADB) through Ministry of Finance (MoF) Afghanistan	Asian Development Bank (ADB), United Kingdom of Great Britain (UKGB), Northern Ireland and the Kingdom of Denmark through Ministry of Finance (MoF) Afghanistan	Asian Development Bank (ADB) through Ministry of Finance (MoF) Afghanistan	Asian Development Bank (ADB) through Ministry of Finance (MoF) Afghanistan	Asian Development Bank (ADB) through Ministry of Finance (MoF) Afghanistan	Asian Development Bank (ADB) through Ministry of Finance (MoF) Afghanistan
Interest Rate	1%-Grace period 1.5% -Other Period	1%-Grace period 1.5% -Other Period	1%-Grace period 1.5% - Other Period	1%-Grace period 1.5% -Other Period	1%-Grace period 1.5% - Other Period	1%-Grace period 1.5% - Other Period	1%-Grace period 1.5% -Other Period
Grace period (first)	8 Years	8 Years	8 Years	8 Years	8 Years	8 Years	10 Years
Total Period	32 year	32 year	32 year	32 year	32 year	32 year	40 Years
Payment Frequency	Semi-annual	Semi-annual	Semi-annual	Semi-annual	Semi-annual	Semi-annual	Semi-annual

		Note	19 March 2016 Hoot 29, 1394	20 March 2015 Hoot 29, 1393
			----------Afghani----------	
14	**DEFERRED GRANT**			
	Funded Asset	5.2	12,792,325,422	1,804,785,315
	Funded Inventory	7	4,443,255,570	3,353,227,038
	Capital stores and spares	5.4	3,757,977,792	-
			20,993,558,785	**5,158,012,353**

			19 March 2016 Hoot 29, 1394	20 March 2015 Hoot 29, 1393 (Restated)
15	**SPECIFIC GRANT**		--------Afghani--------	
	FROM THE GOVERNMENT OF AFGHANISTAN			
	Opening balance	15.1 & 15.2	-	102,259,398
	Received during the year		-	8,410,704
	Provision for discontinued project		-	(110,670,102)
			-	-
	FROM THE GOVERNMENT OF AFGHANISTAN			
	Opening balance-reclassified from long-term financing		790,592,799	470,631,641
	Received during the year		411,047,412	319,961,158
		15.3 & 15.4	**1,201,640,211**	**790,592,799**
	FROM THE USAID			
	Received during the year		3,213,845,691	-
		15.5	**3,213,845,691**	-
	FROM THE WORLD BANK			
	Received during the year		63,614,139	-
		15.6	**63,614,139**	-
			4,479,100,042	**790,592,799**

15.1 The Asian Development Bank (ADB) approved the provision of assistance on a grant basis from the Japan Fund for Poverty Reduction (JFPR) to the Government of the Islamic Republic of Afghanistan for the Development of Mini Hydropower Plants in Badakhshan and Bamyan Provinces. The Government and DABS enter into a Memorandum of Agreement with respect to the implementation of the JFPR Project and agreed to by DABS by ADB through a Letter of Agreement dated February 01, 2009, which was signed on behalf of the Government of Afghanistan, DABS and ADB by their respective representatives on the same date.

15.2 This represents the total utilized portion of a grant amounting US $2,011,286 (1393: US $1,863,625) received from the Government of Afghanistan represented by Ministry of Finance. During the year ADB through its letter informed DABS that the uncommitted grant balance is insufficient to complete the project and ADB is not in position to continue this project hence provision was recorded against the project.

15.3 The ADB approved the provision of assistance on a grant basis from the United Kingdom of Great Britain and Northern Ireland (UK) and the Kingdom of Denmark (Denmark) to the Government of the Islamic Republic of Afghanistan for Rehabilitation of Gereshk Hydropower Plants in Helmand Provinces on the condition that the Government and DABS enter into a Memorandum of Agreement, satisfactory to the ADB, with respect to the implementation of the Project-3 and agreed to by DABS by ADB through a Letter of Agreement dated March 12, 2012, which was signed on behalf of the Government of Afghanistan, DABS and ADB by their respective representatives on the same date.

15.4 This represents the total utilized portion of a grant amounting US $20,149,796 (1393: US $13,704,157) received from the Government of Afghanistan represented by Ministry of Finance.

15.5 US Agency for International Development (USAID) approved the provision of assistance on a grant basis under grant agreement no: 306-05-00 dated 24 December 2014 between DABS and various contractors for professional services incurred for the Installation of Turbine Generator Unit No 2 at the Kajaki Dam Hydro power plant.

15.6 During the year DABS and various consultants entered into an agreements in between 21 March 2015 to 19 March 2016 for various consultancy services. The World Bank approved the provision of assistance on a grant basis under grant number TF014861 for Naghlu Hydropower Rehabilitation Project.

16 TRADE AND OTHER PAYABLES

	Note	19 March 2016 Hoot 29, 1394	20 March 2015 Hoot 29, 1393 (Restated)
		--------Afghani--------	
Trade creditors			
Power purchases	16.1	1,933,050,097	933,591,661
Fuel and gas	16.2	11,751,200	
Other creditors		111,410,908	83,921,659
		2,056,212,205	**1,017,513,320**
Other liabilities			
Tax deducted at source	16.3	7,463,471	6,560,228
Payable to pension fund	16.4	469,259,227	378,660,433
Audit fee payable		1,451,750	2,838,672
Other liabilities		139,101,942	120,451,414
		617,276,391	**508,510,747**
		2,673,488,596	**1,526,024,067**

16.1 This includes amount dues to the suppliers for purchases of electricity from Tavanir Electricity, I.R of Iran, Department of Energy of Turkmenistan, Ministry of Energy Turkmenistan and Holding Electricity Company (Barqi Tajik)-Tajikistan.

16.2 This includes amounts due to suppliers mainly for the purchase of goods, diesel and lubricants.

16.3 Tax deducted at source by the Company from suppliers as well as employees on behalf of concerned authorities.

16.4 Payable for the outstanding contribution to the pension plan fund to be deposited to a separate bank account of the employer for the contribution and includes the amount due for the amount deducted as the pension contribution from the employee's salaries but not yet deposited into the separate bank account.

17 ACCRUED MARK-UP

	Note	19 March 2016 Hoot 29, 1394	20 March 2015 Hoot 29, 1393 (Restated)
		--------Afghani--------	
Long term financing			
Energy Sector Development Investment Program - Project 1	13.1		
- Opening balance		33,589,204	22,890,448
- Accrual during the year		50,583,174	28,109,287
- Payments during the year		-	(17,410,531)
		84,172,378	**33,589,204**
Energy Sector Development Investment Program - Project 2	13.1		
- Opening balance		5,036,224	5,000,890
- Accrual during the year		22,988,107	9,968,660
- Payments during the year		-	(9,933,326)
		28,024,331	**5,036,224**
Energy Sector Development Investment Program - Project 3	13.1		
- Accrual during the year		1,066,604	-
		1,066,604	-
Energy Sector Development Investment Program - Project 4	13.1		
- Accrual during the year		1,139,762	-
		1,139,762	-
Regional Power Transmission Interconnection Project	13.1		
- Opening balance		110,695,945	107,994,174
- Accrual during the year		57,342,200	2,701,771
		168,038,145	**110,695,945**
Power Transmission and Distribution Project	13.1		
- Opening balance		5,822,065	-
- Accrual during the year		3,223,218	5,822,065
		9,045,283	**5,822,065**
		291,486,503	**155,143,438**

18 SHORT TERM DEPOSITS

Security deposits payable to contractors and suppliers	18.1	54,967,661	62,909,691
Security deposits against performance of contractor	18.2	2,574,312	187,482
Security deposits payable to employees		1,262,556	-
		58,804,529	**63,097,173**

18.1 These include non-interest bearing amounts contributed by contractors and suppliers with respect to service connections. The same is refundable upon completion of the work.

18.2 These include non-interest bearing refundable deposits received from various contractors against the performance of the contract.

19. TAXATION -net	Note	19 March 2016 Hoot 29, 1394	20 March 2015 Hoot 29, 1393
		----------Afghani----------	
Opening balance		156,124,515	214,906,328
Paid during the year		988,822,518	248,985,276
Recognized during the year	25	(572,551,302)	(307,767,089)
Closing balance - net		**572,395,731**	**156,124,515**

20 DONATION INCOME		
Donation income	1,228,724,870	1,505,443,002
	1,228,724,870	**1,505,443,002**

21 CONTINGENCIES AND COMMITMENTS

21.1 Contingencies

21.1.1 The Kajaki Dam Hydropower Plant Project is funded by USAID and a consultant was appointed for project numbers DABS-92-ICB-010 and DABS-92-ICB-012.

The Consultant issued four invoices totaling $3.343 million to the Company for payment. These invoices were subsequently forwarded to USAID (the project donor) for review and approval in line with the arrangement between these parties. USAID withheld the payment of these invoices to cover questioned costs of $7.66 million based on the result of an audit report on USAID Resources managed by DABS for the period from 05 December 2012 until 31 December 2014 (Report No. F-306-16-014-N) and documentation received from the Office of Inspector General related to collusion and steering in the awarding of the GFA Intelligence security sub-contract.

Subsequently, the legal counsel of DABS, by their letter dated 03 September 2016, made demand on the consultants for recovery of the amount of $3.343 million, which DABS believes was received by consultant by fraudulent and coercive methods. The matter is under negotiation and the Company consider that the above mentioned dispute would be settled in favour of the Company. Hence, no provision has been made in the financial statements for any liability that may arise as a result of this settlement.

21.1.2 A demurrage claim amounting to $0.623 million was invoiced to the Company by a consultant with respect to the rehabilitation of the Naghlu and Mahipur 110KV Switchyards. The invoices were then forwarded to the World Bank (the donor of the project) for payment approval in accordance with the arrangement between these parties. The matter is under negotiation and the Company believes that the above mentioned dispute will be settled in favour of the Company. Hence, no provision has been made in the financial statements for any liability that may arise a result of this settlement.

21.2 Commitments

	19 March 2016 Hoot 29, 1394	20 March 2015 Hoot 29, 1393
	----------Afghani----------	
Commitments with respect to capital expenditures:		
220 KV Transmission Line between Kunduz and Taloqan	188,188,860	213,234,874
Distribution plant for Baghlan and Kunduz	2,019,066,572	2,463,211,677
Transmission line between Chimtala & Kabul S. West	310,030,933	461,044,265
Rehabilitation of Gereshk Hydro Power plant	1,638,053,184	1,989,509,228
Kabul SW 220 / 20KV Arghandi Sub-station	603,766,413	682,923,544
USAID funded Kajaki Project	6,082,972,587	-
World Bank Project (NHRP Construction-Go downs)	5,291,446	-
	10,847,369,994	**5,809,923,588**

21.3 Other commitments by donors to DABS for the following contracts;

	19 March 2016 Hoot 29, 1394 Contract value	20 March 2015 Hoot 29, 1393 Amount disbursed
	----------USD----------	
GFA Consulting Ltd	20,577,235	32,811,235
Phoenix Corporate Management Support	20,756,099	8,416,136
Phoenix G & T	27,465,095	10,070,711
Phoenix IT Solutions Ltd	9,976,714	6,865,632
Ernst & Young Ford Rhodes Sidat Hyder	2,105,849	271,628
	80,880,992	**58,435,342**

22 REVENUE		
Residential customers	8,947,585,296	8,240,224,104
Government and autonomous bodies	2,592,693,286	2,184,307,956
Markets	1,871,024,709	52,119,990
Shops	1,661,876,934	1,624,827,746
Registered companies	1,144,699,133	429,968,311
Others	1,013,500,472	3,003,575,443
	17,231,379,830	**15,535,023,550**

22.1 Kabul Breshna Directorate (KBD) system extracted revenue report includes Afghanis 15.8 million revenue of prior years but recorded in current year's system report.

			19 March 2016 Hoot 29, 1394	20 March 2015 Hoot 29, 1393 (Restated)
			----------Afghani----------	
23	**PURCHASE OF ELECTRICITY**			
	Uzbekistan		7,598,541,163	5,640,313,894
	Tajikistan		2,782,911,434	2,355,366,040
	Turkmenistan		610,403,554	489,923,364
	Iran		3,328,224,548	2,149,490,057
			14,320,080,699	**10,635,093,355**
23.1	The Pamir supplier has been regrouped into Tajikistan for better presentation.			
24	**CONSUMPTION OF FUEL AND OIL**			
	Fuel expenses		601,020,796	1,620,384,531
	Lubricants		8,479,881	5,381,483
			609,500,677	**1,625,766,014**
25	**OPERATING EXPENSES**			
	Salaries, wages and other benefits		1,563,119,915	1,468,214,999
	Depreciation		2,827,562,154	1,384,470,329
	Prior year depreciation		-	293,808,529
	Repair and maintenance-power plant and equipment		32,577,114	174,305,928
	Repairs and maintenance		255,387,821	166,656,519
	Provision against doubtful debts		173,260,368	-
	Vehicle expenses		71,032,641	93,105,228
	Utilities expenses		67,271,932	69,721,978
	Retirement benefits		64,550,691	50,740,763
	Traveling expenses		40,721,726	39,899,485
	Bank charges		37,393,439	40,359,921
	Rent of building		37,183,580	2,189,370
	Security expenses		31,244,315	35,632,096
	Advertisement		25,890,504	26,541,108
	Stationery expenses		21,014,859	30,902,163
	Communication		15,862,348	21,897,035
	Labour expense		13,433,233	14,708,488
	Food and entertainment expenses		8,840,466	7,675,228
	Withholding taxes		247,426	4,669,995
	Board expenses		2,285,000	2,156,000
	Inquiries and damage		2,067,470	1,096,575
	Auditors' remuneration		1,451,750	1,451,750
	Other operating expenses		-	117,790,867
	BRT expense	19	572,551,302	307,767,089
	Others		20,396,494	26,136,511
			5,885,346,548	**4,381,897,955**
26	**OTHER OPERATING INCOME**			
	Electricity income		445,840,506	611,289,667
	Liability reversal		23,946,727	-
	Service connection charges		289,613,973	261,078,939
	Meter and electric property rent		25,836,151	26,104,129
	Income from forms and bills		53,420,980	48,185,060
	Sale of cables and meters		28,329,830	16,641,154
	Late payment surcharge		12,660,314	9,228,884
	Others		61,252,125	100,077,735
			940,900,606	**1,072,605,568**
27	**TAXATION**			
	Deferred tax income	12.1	(2,213,251,617)	(1,718,611)
			(2,213,251,617)	**(1,718,611)**

28 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	19 March 2016 Hoot 29, 1394			20 March 2015 Hoot 29, 1393		
	Chief Executive	Directors	Executives	Chief Executive	Directors	Executives
	---------- Afghani ----------					
Managerial remuneration	5,160,321	-	10,102,847	5,053,533	-	11,387,376
	5,160,321	**-**	**10,102,847**	**5,053,533**	**-**	**11,387,376**
Number of persons	1	4	2	1	4	2

29 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICES

Financial Risk Factors

Risk Management Framework

DABS has following governance bodies;

(1) DABS Shareholders

(2) DABS Board of Directors

(3) DABS Audit Committee "Haiti Nazar"; and

(4) DABS Senior Management Group (SMG) that includes but is not limited to (a) Chief Executive Officer (CEO) (b) Chief Financial Officer (CFO) (c) Chief Operating Officer (COO) (d) Chief Commercial Officer (CCO).

The Shareholders Assembly is the highest decision making body of DABS.

The Board of Directors have the overall responsibility for the establishment and oversight of the Company's risk management framework. The Board has established a Committee such as (i) Finance and Budget Committee (ii) Procurement and Contracts Committee (iii) Regional Breshna Committee (iv) Legal and Regulatory Committee and (v) Government Relations Committee which is responsible for developing and monitoring the Company's risk management policies. The Committee regularly reports to the Board on its activities.

The Senior Management Group (SMG). The SMG is responsible for establishing DABS divisions, departments and units in order to effectively and transparently manage DABS operations, to be cost effective and technically efficient

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's Audit Committee (Haiti Nazar) oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to risks faced by the Company. The Audit Committee is assisted in its oversight role by the internal audit function. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures the results of which are reported to the Audit Committee.

The Company's principal financial liabilities are comprised of long-term loans, trade and other payables etc. The main purpose of these financial liabilities is to raise capital reserves for the Company's operations. The Company has various financial assets such as cash in bank, trade debts and other receivables which arise directly from its operations.

The Company has exposure to the market, credit and liquidity risks arising from financial instruments.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below :

Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing return.

Market risks is comprised of three components - the currency risk, interest rate risk and other price risk. All such transactions are carried out within guidelines set by the Board Committee - Finance and Budget Committee.

29.1.1 Currency risk

The Company is exposed to foreign currency risk on purchases and long-term finance that are denominated in a currency other than the Afghani. As the Company imports items of operating fixed assets and stores and spares for generation plants accordingly it is exposed to currency risk, primarily with respect to liabilities denominated in US Dollars. The Company is mainly exposed to long-term finance in USD and its relative accrued markup amounting to Afghanis 13,863 million (2015: Afghanis 8,135 million) and Afghanis 291.486 million (2015: Afghanis 155.143 million) respectively.

	Average rate for the year		Spot rate as at	
	19 March 2016 Hoot 29, 1394	20 March 2015 Hoot 29, 1393	19 March 2016 Hoot 29, 1394	20 March 2015 Hoot 29, 1393
	---------- Afghani ----------			
Afghani per				
USD	**68.61**	**57.77**	**68.46**	**57.89**
Sensitivity analysis			**138,638,457**	**81,357,655**

A five percent strengthening / (weakening) of the Afghani against foreign currency as at 19 March 2016 would have increased / (decreased) equity and profit and loss account by Afghanis 138.6 million (2015: Afghanis 81.3 million). This analysis assumes that all other variables, in particular interest rates, remaining constant. The analysis is performed on the same basis for 2016 as in 2015.

29.1.2 Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's interest rate risk arises from long-term financing borrowing facilities for financing its generation, transmission and distribution projects and meeting working capital requirements at variable rates. The Company manages these mismatches through risk management policies where significant changes in gap position can be adjusted.

29.1.3 Other Price Risk

Other price risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market prices such as equity price risk. Equity price risk is the risk arising from uncertainties about future value of investments securities. As of the balance sheet date, the Company is not exposed to equity price risk.

29.2 Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or a counter party to a financial instrument fails to meet its contractual obligation, and arises principally from the Company's receivables from customers and balances held with banks.

Exposure to credit risk

Financial instruments that potentially subject the Company to a concentration of credit risk are trade debts. Out of the total financial assets of Afghanis 10.331 million (2015: Afghanis 9.189 million), the financial assets which are subject to credit risk amounted to Afghanis 2.086 million (2015: Afghanis 1.913 million). The Company's electricity is sold to industrial and residential consumers and government organizations. Due to the large number and diversity of its consumer base, the concentration of credit risk with respect to trade debts is limited. Further, the Company manages its credit risk by obtaining security deposits from the consumers.

	19 March 2016 Hoot 29, 1394		20 March 2015 Hoot 29, 1393	
	Financial assets	Maximum exposure	Financial assets	Maximum exposure
	---------- (Afghani) ----------			
Trade debts	4,119,087,510	6,292,405,704	3,961,503,191	5,227,774,404
Cash and bank balances	4,743,138,486	5,344,804,739	4,869,920,961	5,473,245,504
	8,862,225,996	**11,637,210,443**	**8,831,424,152**	**10,701,019,908**

29.3 Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The following are the contractual maturities of financial liabilities, including interest payments:

	19 March 2016 Hoot 29, 1394					
	Carrying Amount	Contractual cash flows	Six months or less	Six to twelve months	One to Five years	More than five years
	---------- Afghani ----------					
Financial liabilities						
Long term financing	13,863,845,743	13,863,845,743	-	-	-	(13,863,845,743)
Trade and other payables	2,673,488,596	(2,673,488,596)	(2,673,488,596)	-	-	-
Accrued mark-up	291,486,503	(291,486,503)	(291,486,503)	-	-	-
Short-term deposits	58,804,529	(58,804,529)	(58,804,529)	-	-	-
	16,887,625,371	**10,840,066,115**	**(3,023,779,628)**	**-**	**-**	**(13,863,845,743)**

	20 March 2015 Hoot 29, 1393					
	Carrying Amount	Contractual cash flows	Six months or less	Six to twelve months	One to Five years	More than five years
	---------- Afghani ----------					
Financial liabilities						
Long term finance	8,135,765,532	8,135,765,532	-	-	-	(8,135,765,532)
Trade and other payables	1,526,024,067	(1,526,024,067)	(1,526,024,067)	-	-	-
Accrued mark-up	155,143,438	(155,143,438)	(155,143,438)	-	-	-
Short-term deposits	63,097,173	(63,097,173)	(63,097,173)	-	-	-
	9,880,030,211	**6,391,500,854**	**(1,744,264,678)**	**-**	**-**	**(8,135,765,532)**

Capital Management

The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business, sustain future development of the business, and maximize shareholders value. No changes were made in the objectives, policies or processes during the year ended 19 March 2016.

The Company manages its capital structure and makes adjustment to it in the light of changes in economic conditions and the requirements of the financial covenants.

30 TRANSACTIONS / BALANCES WITH RELATED PARTIES

Related parties of the Company are comprised of associated companies, state-controlled entities, the staff retirement benefit plan, and the company's directors and key management personnel.

Details of transactions / balances with related parties not disclosed elsewhere in the financial statements are as follows:

	19 March 2016 Hoot 29, 1394	20 March 2015 Hoot 29, 1393
	----------Afghani----------	
30.1 Key management personnel		
Managerial remuneration	**15,263,168**	**16,440,909**

30.2 Remuneration to the executive officers of the Company, as disclosed in note 28 to these financial statements, are determined in accordance with the terms of their employment.

30.3 Transactions with related parties

	Ministry of Finance	Ministry of Energy and Water	Ministry of Urban Development	Ministry of the Economy
	---------- Afghani ----------			
19 March 2016 (Hoot 29, 1394)				
Sale of electricity during the year	**19,041,735**	**381,487**	**12,293,452**	**843,137**
20 March 2015 (Hoot 29, 1393)				
Sale of electricity during the year	15,536,951	422,233	2,953,418	442,134

30.4 Balances with related parties

19 March 2016 (Hoot 29, 1394)				
Trade receivable	**3,288,127**	**127,545**	**4,297,984**	**264,740**
20 March 2015 (Hoot 29, 1393)				
Trade receivable	3,191,026	209,888	917,098	205,904

31 RECLASSIFICATION

Certain prior year figures have been re-classified to reflect a more appropriate presentation of events and transactions for the purpose of better presentation.

Statement	Components	Reclassification from	Reclassification to	19 March 2016 (29 Hoot 1394)	20 March 2015 (29 Hoot 1393)
Profit and loss	Rental income	Non-operating income	Rental income on investment property	19,124,287	19,054,351
Profit and loss	Operating expenses	Taxation	Operating expenses	572,551,302	307,767,089
Balance Sheet	Investment property	Property Plant and equipment	Investment property	961,415,829	-
Balance Sheet	Capital stores and spares	Stores and spares	Capital work in progress	3,757,977,792	-

32 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on Nov 20, 2017 by the Board of Directors of the Company.

33 GENERAL

33.1 All figures have been rounded off to the nearest Afghani.

Chief Executive Officer

Chief Financial Officer