



# POWERING KARACHI, EMPOWERING THE NATION

REPORT FOR THE NINE MONTHS  
ENDED 31 MARCH 2015

## COMPANY INFORMATION

### Board of Directors (BOD)

#### Chairman

Tabish Gauhar

#### Chief Executive Officer

Muhammad Tayyab Tareen

#### Independent Director

Khalid Rafi

#### Non-Executive Directors

Aziz Moolji

Frederic Sicre

Khaqan Murtaza

Mubasher H. Sheikh

Muhammad Zargham Eshaq Khan

Nayyer Hussain

Noor Ahmed

Omar Khan Lodhi

Shan A. Ashary

#### Executive Director

Syed Arshad Masood Zahidi

#### Board Audit Committee (BAC)

Khalid Rafi

Chairman

Aziz Moolji

Member

Mubasher H. Sheikh

Member

Nayyer Hussain

Member

Tabish Gauhar

Member

#### Board Human Resource & Remuneration

##### Committee (BHR&RC)

Tabish Gauhar

Chairman

Shan A. Ashary

Member

Muhammad Tayyab Tareen

Member

#### Board Finance Committee (BFC)

Shan A. Ashary

Chairman

Muhammad Tayyab Tareen

Member

Nayyer Hussain

Member

Omar Khan Lodhi

Member

#### Chief Financial Officer

Syed Moonis Abdullah Alvi

#### Company Secretary

Muhammad Rizwan Dalia

#### Chief Internal Auditor

Khalilullah Shaikh

#### Legal Adviser

Abid S. Zuberi & Co.

#### External Auditors

KPMG Taseer Hadi & Company,  
Chartered Accountants

#### Share Registrar

Central Depository Company of Pakistan Limited

#### Bankers

Albaraka Bank (Pakistan) Limited

Allied Bank Limited

Askari Bank Limited

Bank Alfalah Limited

Bank Al-Habib Limited

Bank Islami Pakistan Limited

Barclays Bank Limited

Burj Bank Limited

Citibank N.A.

Dubai Islamic Bank Pakistan Limited

Faysal Bank Limited

First Women Bank Limited

Habib Bank Limited

Industrial & Commercial Bank of China Limited

KASB Bank Limited

MCB Bank Limited

Meezan Bank Limited

National Bank of Pakistan

NIB Bank Limited

Samba Bank Limited

Soneri Bank Limited

Standard Chartered Bank (Pakistan) Limited

Summit Bank Limited

United Bank Limited

#### Registered Office

KE House, 39-B, Sunset Boulevard, Phase-II (Ext)  
Defence Housing Authority, Karachi, Pakistan

#### Website

www.ke.com.pk

#### UAN

111-537-211

# K-ELECTRIC LIMITED

## BRIEF INTERIM REVIEW

I am pleased to present the Condensed Interim Financial Information (un-audited) of K-Electric Limited (KE) for the nine (9) months period ended 31 March 2015 on behalf of the Board of Directors.

Key operational and financial results are summarized below:

	<b>JUL-MAR 2015</b>	<b>JUL-MAR 2014</b>
	<b>(UNITS - GWh)</b>	
<b><u>OPERATIONAL</u></b>		
Units generated (net of auxiliary)	5,898	5,487
Units purchased	5,512	5,448
Total units available for distribution(sent out)	11,410	10,935
Units billed	8,746	8,195
Transmission & Distribution Losses %	23.4%	25.1%
	<b>(PKR - MILLIONS)</b>	
<b><u>FINANCIAL</u></b>		
Revenue	139,350	138,183
Profit before taxation	10,777	5,535
Taxation – net	5,504	734
<b>Net profit for the period</b>	<b>16,281</b>	<b>6,270</b>
<b>Earnings per share-BASIC/DILUTED</b>	<b>0.59</b>	<b>0.23</b>
	<b>(Rupees)</b>	
<b>Earnings before Interest, Tax, Depreciation and Amortization (EBITDA)</b>	<b>25,608</b>	<b>20,707</b>

### FINANCIAL REVIEW:

KE recorded an increase of PKR 5.2 billion in Profit Before Tax (PBT) as compared to the same period last year. The increase in PBT was mainly driven by fleet efficiency, reduction in Transmission and Distribution (T&D) losses by 1.7% and increase in units sent out by 475 GWh. Despite the presence of challenges including gas allocation, economic environment and regulatory matters, the Company manages the operations smoothly and brought further improvements resulting earnings per share increase to PKR 0.59 from corresponding period of PKR 0.23 per share.

Receivable from Government entities continued to increase, including dues from Karachi Water and Sewerage Board and City District Government Karachi amounting to PKR 36.3 billion and PKR 8.26 billion respectively. Delay on the part of Federal Government in resolving the circular debt issue timely is significantly hampering the ability of the Company to enhance the pace of investment in Company's infrastructure.

### FINANCING – DEBT RESTRUCTURING

#### **Launch of KE SUKUK of PKR 22 Billion**

On 13 February 2015, the Company made prepayment of respective long term loans to senior lenders, including International Finance Corporation (IFC) and Asian Development Bank (ADB), amounting to approximately PKR 18 billion. The pre-payment was primarily funded out of proceeds of SUKUK Pre-IPO of PKR 15 billion invested by leading commercial banks of Pakistan in KE's PKR 22 billion SUKUK Issue. The balance portion of the SUKUK issue amounting to PKR 7 billion including a green shoe option of PKR 2 billion will be offered to

General Public through Initial Public Offering (IPO). The regulatory approvals including approvals of SECP and KSE, for the public issue, are in final stages and likely to be accorded shortly and the Company is planning to launch the SUKUK in May 2015. The proposed SUKUK is for a period of 7 years and has been rated AA+ by JCR-VIS.

## **ACTIVITIES UNDER REVIEW**

### **GENERATION EXPANSION and REHABILITATION**

During review period, Generation increased by 7.4% as compared to corresponding period last year. Gas supply remained at low level with an average of 164 MMCFD causing under-utilization of the highly efficient single fuel fired power stations.

SGTPS-II and KGTPS-II power stations acquired international QMS certification of ISO 9001:2008 for achieving and maintaining high Quality standards. Other power stations in the fleet have already acquired the prestigious accreditations. Additionally, a number of Efficiency, Performance and Reliability improvement initiatives have been executed during the review period as listed below:

#### **Closing of Open Cycle GTs - Korangi Combined Cycle Power Plant (KCCPP)**

EPC contract for the project was signed in November 2012 (NTP issued in January 2013) to close open cycle GT-1 and GT-2 at KCCPP by installing Heat Recovery Steam Generator (HRSG) and connecting it to a second Steam Turbine. STG synchronized in February 2015, Full Load Test of Steam Turbine completed in second week of March 2015 and Provisional Take-Over Certificate (PTOC) is expected to be achieved by end of April 2015.

#### **GE Jenbacher Plant – KGTPS and SGTPS – Closing open cycle**

At KGTPS, 95% design work has been completed and civil work along with electro-mechanical work is progressing as per plan. Whereas at SGTPS progress status is more or less similar with a lag of a month or so and Commercial Operation Dates (COD) are scheduled in June and August 2015 for KGTPS and SGTPS respectively.

#### **BQPS-I Rehabilitation**

Due to deterioration in the quality and quantity of raw water supply from KWSB, enough availability of demineralised water is a continuous challenge at BQPS-1 especially in view of full complex operation in the upcoming summer months. In order to address the issue, a Brackish Water Reverse Osmosis (BWRO) Plant project was conceived which will be completed on a fast track basis ensuring efficient utilization of KWSB raw water and the project is likely to be completed by April 2015.

#### **BQPS-II:**

Based on recommendations of OEM, General Electric (GE), KE undertook a major upgrade of BQPS II Gas Turbines by replacing the standard “Hot Gas Path” components with newly upgraded “Advanced Gas Path” components”. GE has guaranteed increased output, improved Heat Rate and enhanced maintenance cycle on the upgraded Gas Turbines. Successful installation and up-gradation work has been completed.

## **TRANSMISSION NETWORK**

In order to enhance and improve the capacity, stability and reliability of EHT network and to meet the long term load evacuation requirement, following is the progress achieved during the period:

### **Transmission Project: (TP-1000)**

The technical evaluation of Siemens bid is in progress and a third party M/S Fichtner has been engaged to review the bids. Environmental Impact Assessment (EIA) stands completed and NOCs (no objection certificates) for construction of proposed sites of 132kV grid stations have been obtained and TP is likely to be kick-started around June 2015.

### **Agha Khan Grid Project**

It is a joint venture with Aga Khan Hospital & Medical College Foundation (AKHMCF) which will cater the growing needs of one of the biggest hospitals of the country and also the adjoining areas. The 132 KV transmission

lines feeding AKHMCF grid station (Gulshan-AKU and AKU-Civic) were energized on 16 February 2015 and subsequently complete grid was energized in March 2015.

## **DISTRIBUTION**

### **Transmission & Distribution Loss:**

During the third quarter ended March 31, 2015, the Company sustained its trajectory towards reducing T&D losses and achieved a decline of 1.7% over corresponding period last year.

The Company continued its strict focus to achieve a sustained T&D loss reduction in high loss areas through the installation of Aerial Bundled Cabling (ABC). During the review period, ABC has been successfully rolled-out on an additional one hundred and eighteen (118) Pole Mounted Transformers (PMTs) cumulating to a total of two hundred and fifty six (256) PMTs. The ABC spans over 185 kilometers of KE distribution network and have resulted in significant loss reduction on targeted PMTs.

Furthermore, an initiative targeting technical loss reduction was undertaken on certain feeders through network optimization. The reduction in technical loss on these feeders ranges from 30% to 50% coupled with declining consumer complaints related to faults and tripping due to improved High Tension: Low Tension ratio of the distribution system. To date the pilot project has been implemented on eighteen (18) feeders yielding encouraging results and the project is being rolled out across the distribution network.

### **Recovery Ratio:**

The recovery ratio, excluding Public Sector Consumers (PSC), during the period under review stood at 91.9% while recoveries from PSC stood at 65.9%. The low recovery ratio from PSC was mainly due to non-payment by Karachi Water and Sewerage Board (KWSB) despite consistent efforts of the management. Despite allocation of PKR 5.0 billion by Government of Sindh in the budget for the current financial year to provide financial assistance to KWSB, the Company has not received any amount so far, resulting in undue burden on its financial resources.

### **Customer Facilitation:**

Customer service has been the main focus of the Company and a number of initiatives have been taken to enhance customer satisfaction. KE became the first-ever distribution company in Pakistan to earn an ISO 9001-2008 Certification for its Integrated Business Center (IBC) and to date five IBCs have achieved this certification. The Company is working with local financial institutions for the implementation of utility bills payment solution along with cash desks at the IBCs to improve cash update mechanism which will help reduce consumer complaints. Taking forward its resolve to provide seamless quality service, an exclusive online customer portal is being designed to offer a bandwidth of services like more options of online payment, prior information of customized outages and load shed schedule, and priority handling of complaints relating to billing and technical issues.

### **Network Health:**

System improvement and upkeep of distribution network are on-going processes. The Company is consistently adding capacity to the distribution system alongside preventive maintenance program being conducted on Low Tension and High Tension networks. During the nine month period under review the Company effectively executed preventive maintenance on over 99 feeders resulting in significant reduction in feeder tripping.

## **STRATEGY AND BUSINESS DEVELOPMENT**

In line with Company's vision to provide affordable, reliable and uninterrupted power supply to the citizens of Karachi, KE has embarked upon several long term, sustainable and economical alternative options of generation. KE is in the process of converting its two units (210 MW x 2) of Bin Qasim Power Plant to Coal in phases under an IPP structure. Subsequent to modification in KE's license, the project company K-Energy has been granted Generation License by NEPRA, following which power acquisition request has been submitted to NEPRA for the approval of tariff. With EPC contract already in place, the financial close for the project is expected by November 2015 and the project is expected to come online by mid-2018.

KE has also initiated development of a Greenfield 700 MW (2 x 350 MW) coal fired power plant in the strategic location of Port Qasim. A Joint Development Agreement (JDA) has been signed with China Datang Overseas

Investment Co. Ltd (CDTO) and China Machinery Engineering Corporation (CMEC) to co-develop this project. Feasibility studies are underway and expected to be completed in 2nd Quarter 2015.

In pursuit of adding more capacity to its generation base to bridge the demand-supply gap in the city, KE is also looking to purchase power from new IPP's and CPP's and has signed a term sheet for power purchase with Sind Nooriabad Power Company (Pvt.) Limited (SNPCL), which is in the process of developing a 100 MW (2 X 50 MW) gas fired power project at Nooriabad, Sindh. The project is expected to come online in 1st Quarter 2016. On the same note, KE has also signed a term sheet with Fauji Fertilizer Bin Qasim Limited (FFBL) for 52 MW power off-take and has submitted Power Acquisition Request to NEPRA based on power sale proposal of FFBL. The project is expected to come online by early 2017.

### **CORPORATE SOCIAL RESPONSIBILITY (CSR) and Sustainability Management**

**TCF SCHOOL PROGRAM** - KE conducted an interactive theatre based activity on safety and theft for children residing in theft prone underprivileged areas. The activity was conducted in collaboration with the TCF and other private schools of Orangi, Korangi and Lyari, reaching some 3000 students.

**EYE CAMP** – An eye camp was organized in collaboration with the LRBT in the Altaf town, a high loss area to facilitate ABC conversion and recoveries from the area. A consumer facilitation camp was also setup to help the residents get in touch with the local KE staff and speed up recoveries and new connection through low cost meters.

**PSSE DONATION TO NED:** KE donated a state-of-the-art, power simulations software to NED University which will be specifically used by the PHD students to replicate, study and research on real-time power systems information.

**KARACHI TIMBER MARKET FIRE ACCIDENT** – Affectees of the tragic accident which happened at Karachi Timber Market were facilitated by a waiver on their current and next six months bills as part of our emergency response initiative.

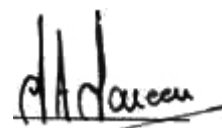
**AWARDS AND ACCOLADES** – K-Electric was awarded two awards during the period for efforts in 'Corporate-community partnership' and 'Social Impact'. The 4th International Corporate Social Responsibility Summit Award, organized by The Professionals Network in collaboration with CSR Association of Pakistan, United Nations Global Impact and Ethical Business Update and Corporate Social Responsibility Business Excellence Award organized by the National Forum for Environment and Health (NFEH) in collaboration with Islamabad Chamber of Commerce and Industry (ICCI) and Federation of Pakistan Chambers of Commerce and Industry (FPCCI).

### **BOARD OF DIRECTORS (BOD)**

During the nine month period under review, Mr. Muhammad Tayyab Tareen, effective from 27 November 2014, assumed the position of Chief Executive Officer (CEO) of the Company in place of Mr. Nayyer Hussain. Mr. Nayyer Hussain continues to be a non-executive director on KE BOD. Mr. Aziz Moolji, a KES Power (KESP) nominee, replaced and substituted Mr. Wahid Hamid on KE BOD and Mr. Khaqan Murtaza was nominated by GOP in place of Mr. Sohail Akber Shah to act as one of the three GOP nominated directors on KE BOD. The Board appreciates services of the outgoing CEO and Directors and welcomes the new CEO and incoming Directors of the Company.

### **ACKNOWLEDGEMENTS**

The Board wishes to extend its gratitude to the shareholders and customers of the Company for their cooperation and support and extends its appreciation to the employees of the Company.



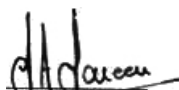
**Muhammad Tayyab Tareen**  
Chief Executive Officer

Karachi, 23 April 2015

K-ELECTRIC LIMITED  
CONDENSED INTERIM BALANCE SHEET  
AS AT 31 MARCH 2015

	Note	March 2015 (Un-Audited)	June 2014 (Audited)
(Rupees in '000)			
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	4	172,755,792	170,286,970
Intangible assets		194,559	376,230
		<b>172,950,351</b>	<b>170,663,200</b>
Long-term investments	19.6	-	-
Long-term loans to employees		28,093	29,376
Long-term deposits		6,080	105,816
Deferred tax assets	5	7,140,158	2,345,773
		<b>180,124,681</b>	<b>173,144,165</b>
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools		6,311,324	5,968,300
Trade debts	6	83,051,510	75,704,095
Loans and advances		1,506,111	1,485,855
Trade deposits and short term prepayments		5,717,359	2,218,028
Other receivables	7	36,207,054	44,240,998
Derivative financial assets		-	1,862,728
Taxation-net		1,352,050	1,037,924
Cash and bank balances		568,129	653,473
		<b>134,713,537</b>	<b>133,171,401</b>
<b>TOTAL ASSETS</b>		<b>314,838,218</b>	<b>306,315,566</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized share capital		125,000,000	125,000,000
Issued, subscribed and paid up capital		96,261,551	96,261,551
<b>Reserves</b>			
Capital reserves		509,172	509,172
Share premium		1,500,000	1,500,000
Revenue reserves		5,372,356	5,372,356
Other reserve		-	(359,552)
		7,381,528	7,021,976
Accumulated losses		(42,284,252)	(59,742,221)
		<b>61,358,827</b>	<b>43,541,306</b>
<b>SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT</b>		<b>26,108,048</b>	<b>27,425,967</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Long term financing	8	7,384,214	18,231,391
Long term deposits		6,521,904	5,865,741
Employee retirement benefits	9	5,259,789	4,946,221
Deferred revenue		16,547,480	16,303,048
Deferred tax liability		14,058,282	14,767,933
		<b>49,771,669</b>	<b>60,114,334</b>
<b>CURRENT LIABILITIES</b>			
Current maturity of long term financing		2,582,047	9,928,007
Trade and other payables	10	101,859,172	108,739,560
Accrued mark-up		5,853,193	5,719,543
Short term borrowings	11	60,622,647	44,953,130
Short term deposits		6,672,637	5,883,741
Provisions		9,978	9,978
		<b>177,599,674</b>	<b>175,233,959</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	12		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>314,838,218</b>	<b>306,315,566</b>

The annexed notes 1 to 22 form an integral part of this condensed interim financial information.



Muhammad Tayyab Tareen  
Chief Executive Officer

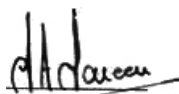


Khalid Rafi  
Director

**K-ELECTRIC LIMITED**  
**CONDENSED INTERIM PROFIT & LOSS ACCOUNT (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2015**

	Note	Nine Months Period Ended		Three Months Period Ended	
		31 March 2015	31 March 2014	31 March 2015	31 March 2014
----- <b>(Rupees in '000)</b> -----					
<b>REVENUE</b>					
Sale of energy – net		104,770,769	97,691,109	30,127,057	29,277,778
Tariff adjustment		34,579,570	40,492,280	8,528,552	13,413,537
		<b>139,350,339</b>	138,183,389	<b>38,655,609</b>	42,691,315
<b>EXPENDITURE</b>					
Purchase of electricity	13	(54,832,492)	(62,514,938)	(16,959,765)	(22,449,443)
Consumption of fuel and oil	14	(41,403,900)	(43,494,269)	(8,126,261)	(10,535,360)
		<b>(96,236,392)</b>	(106,009,207)	<b>(25,086,026)</b>	(32,984,803)
Expenses incurred in generation, transmission and distribution		(11,388,967)	(11,106,164)	(3,614,739)	(3,752,602)
<b>GROSS PROFIT</b>		<b>31,724,980</b>	21,068,018	<b>9,954,844</b>	5,953,910
Consumers services and administrative expenses		(15,461,326)	(11,270,646)	(5,163,422)	(3,981,371)
Other operating expenses	15	(2,344,177)	(687,874)	(1,192,881)	(112,518)
Other income		4,585,659	4,730,818	1,459,287	1,920,116
		<b>(13,219,844)</b>	(7,227,702)	<b>(4,897,016)</b>	(2,173,773)
<b>OPERATING PROFIT</b>		<b>18,505,136</b>	13,840,316	<b>5,057,828</b>	3,780,137
Finance cost	16	(7,727,730)	(8,304,629)	(2,288,268)	(2,478,096)
<b>PROFIT BEFORE TAXATION</b>		<b>10,777,406</b>	5,535,687	<b>2,769,560</b>	1,302,041
Deferred Taxation	17	5,504,034	734,543	236,550	250,189
<b>NET PROFIT FOR THE PERIOD</b>		<b>16,281,440</b>	6,270,230	<b>3,006,110</b>	1,552,230
----- (Rupees) -----					
<b>EARNING PER SHARE - BASIC / DILUTED</b>		<b>0.59</b>	0.23	<b>0.11</b>	0.06
(Rupees in '000)					
<b>Earning Before Interest, Tax, Depreciation and Amortization (EBITDA)</b>		<b>25,608,577</b>	20,707,506	<b>7,449,562</b>	6,082,682

The annexed notes 1 to 22 form an integral part of this condensed interim financial information.



Muhammad Tayyab Tareen  
Chief Executive Officer



Khalid Rafi  
Director

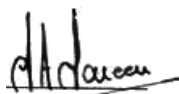


# K-ELECTRIC LIMITED

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2015

	Nine Months Period Ended		Three Months Period Ended	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
	----- (Rupees in '000)-----			
Net profit for the period	<b>16,281,440</b>	6,270,230	<b>3,006,110</b>	1,552,230
<i>Items that are or may be reclassified to profit and loss account</i>				
Net changes in fair value of cash flow hedges reclassified to profit and loss account	<b>359,552</b>	98,181	<b>294,098</b>	32,727
<i>Items that will never be reclassified to profit and loss account</i>				
Remeasurement of defined benefit liabilities (actuarial gains and losses)	<b>(141,390)</b>	-	-	-
Total comprehensive income for the period	<b>16,499,602</b>	6,368,411	<b>3,300,208</b>	1,584,957

The annexed notes 1 to 22 form an integral part of this condensed interim financial information.



Muhammad Tayyab Tareen  
Chief Executive Officer



Khalid Rafi  
Director

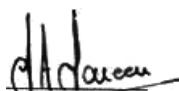
# K-ELECTRIC LIMITED

## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

### FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2015

	Issued, Subscribed and Paid-up Capital			Reserves					Total
	Ordinary shares	Transaction costs	Total share capital	Capital reserves		Revenue reserves			
				Capital reserves	Share premium	Revenue reserves	Other reserves	Accumulated losses	
----- (Rupees in '000) -----									
<b>Balance as at 30 June 2013</b>	96,653,179	(391,628)	96,261,551	509,172	1,500,000	5,372,356	(490,460)	(74,674,804)	28,477,815
<i>Total comprehensive income for the nine month period ended 31 March 2014</i>									
Net Profit for the period	-	-	-	-	-	-	-	6,270,230	6,270,230
<i>Other comprehensive income</i>									
Changes in fair value of cash flow hedges - net	-	-	-	-	-	-	98,181	-	98,181
Total comprehensive income for the period	-	-	-	-	-	-	98,181	6,270,230	6,368,411
Incremental depreciation relating to surplus on revaluation of property, plant and equipment - net of deferred tax	-	-	-	-	-	-	-	1,364,151	1,364,151
<b>Balance as at 31 March 2014</b>	96,653,179	(391,628)	96,261,551	509,172	1,500,000	5,372,356	(392,279)	(67,040,423)	36,210,377
<i>Total comprehensive income for the three month period ended 30 June 2014</i>									
Net profit for the period	-	-	-	-	-	-	-	6,617,005	6,617,005
<i>Other comprehensive income</i>									
Changes in fair value of cash flow hedges - net	-	-	-	-	-	-	32,727	-	32,727
Remeasurements of defined benefit liabilities	-	-	-	-	-	-	-	250,455	250,455
Total comprehensive income for the period	-	-	-	-	-	-	32,727	6,867,460	6,900,187
Incremental depreciation relating to surplus on revaluation of property, plant and equipment - net of deferred tax	-	-	-	-	-	-	-	430,741	430,741
<b>Balance as at 30 June 2014</b>	96,653,179	(391,628)	96,261,551	509,172	1,500,000	5,372,356	(359,552)	(59,742,221)	43,541,306
<i>Total comprehensive income for the nine month period ended 31 March 2015</i>									
Net profit for the period	-	-	-	-	-	-	-	16,281,440	16,281,440
<i>Other comprehensive income</i>									
Changes in fair value of cash flow hedges - net	-	-	-	-	-	-	359,552	-	359,552
Remeasurements of defined benefit liabilities	-	-	-	-	-	-	-	(141,390)	(141,390)
Total comprehensive income for the period	-	-	-	-	-	-	359,552	16,140,050	16,499,602
Incremental depreciation relating to surplus on revaluation of property, plant and equipment - net of deferred tax	-	-	-	-	-	-	-	1,317,920	1,317,920
<b>Balance as at 31 March 2015</b>	96,653,179	(391,628)	96,261,551	509,172	1,500,000	5,372,356	-	(42,284,252)	61,358,827

The annexed notes 1 to 22 form an integral part of this condensed interim financial information.



Muhammad Tayyab Tareen  
Chief Executive Officer

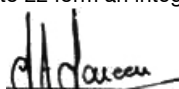


Khalid Rafi  
Director

K-ELECTRIC LIMITED  
 CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)  
 FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2015

	31 March 2015	31 March 2014
	(Rupees in '000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	10,777,406	5,535,687
<b>Adjustments for non-cash charges and other items:</b>		
Depreciation and amortization	7,103,442	6,867,190
Provision for retirement benefits	689,827	638,111
Provision for slow moving stores	60,979	141,466
Provision for debts considered doubtful	7,032,231	4,418,424
Gain on sale of fixed assets	(71,539)	(108,193)
Finance costs	7,727,730	8,304,629
Unwinding cost on realization of derivative financial assets	490,851	-
Amortization of deferred revenue	(967,243)	(896,909)
Return on bank deposits	(263,105)	(250,234)
<b>Operating profit before working capital changes</b>	<b>32,580,579</b>	<b>24,650,171</b>
<b>Working capital changes</b>		
<b>(Increase) / decrease in current assets</b>		
Stores, spares parts and loose tools	(404,003)	(1,039,555)
Trade debts	(14,379,646)	(10,797,151)
Loans and advances	(20,256)	(809,454)
Trade deposits and short term prepayments	(3,499,331)	105,917
Other receivables	8,033,944	(3,724,577)
	(10,269,292)	(16,264,820)
<b>Increase / (decrease) in current liabilities</b>		
Trade and other payables	(6,880,392)	13,528,566
Short-term deposits	788,896	(269,227)
	(6,091,496)	13,259,339
<b>Cash generated from operations</b>	<b>16,219,791</b>	<b>21,644,690</b>
Retirement benefits paid	(517,647)	(591,861)
Income tax paid	(314,126)	(136,689)
Receipts in deferred revenue	1,211,675	812,867
Finance cost paid	(7,556,584)	(8,298,781)
Interest received on bank deposits	263,105	250,234
	(6,913,577)	(7,964,230)
<b>Net cash generated from operating activities</b>	<b>9,306,214</b>	<b>13,680,460</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditure incurred	(9,444,834)	(4,922,670)
Proceed from disposal of fixed assets	125,780	212,529
Long term loans to employees	1,283	9,379
Long-term deposits	99,736	(936)
<b>Net cash used in investing activities</b>	<b>(9,218,035)</b>	<b>(4,701,698)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Realization of derivative financial assets	1,259,554	-
Syndicated Loan for PKR 7,700 million term facility	5,428,826	-
Payment of long term financing - net	(23,187,582)	(10,594,594)
KE Azm Sukuk Certificates receipts net off transaction cost	-	5,640,618
Short term borrowing acquired	7,386,220	901,608
Security deposit from consumers	656,163	487,071
<b>Net cash used in financing activities</b>	<b>(8,456,819)</b>	<b>(3,565,297)</b>
<b>Net (decrease) / increase in cash and cash equivalent</b>	<b>(8,368,640)</b>	<b>5,413,465</b>
Cash and cash equivalent at beginning of the period	(3,177,811)	(6,927,479)
<b>Cash and cash equivalent at end of the period</b>	<b>(11,546,451)</b>	<b>(1,514,014)</b>

The annexed notes 1 to 22 form an integral part of this condensed interim financial information.



Muhammad Tayyab Tareen  
 Chief Executive Officer



Khalid Rafi  
 Director

# K-ELECTRIC LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2015

### 1. THE COMPANY AND ITS OPERATIONS

- 1.1 K-Electric Limited “the Company” was incorporated as a limited liability company on 13 September 1913 under the repealed Indian Companies Act, 1882 (now Companies Ordinance, 1984). The Company is listed on Karachi, Lahore and Islamabad Stock Exchanges.

The Company is principally engaged in the generation, transmission and distribution of electric energy to industrial and other consumers under the Electricity Act, 1910 and Nepra Act, 1997, as amended, to its licensed areas.

The registered office of the Company is situated at KE House, 39-B, Sunset Boulevard, Phase II, DHA, Karachi. KES Power Limited (the holding company) holds 66.40 percent (30 June 2014: 69.20 percent) shares in the Company. KES Power Limited divested 774.639 million ordinary shares during the period whereby the holding percentage has reduced to 66.40 percent.

### 2. STATEMENT OF COMPLIANCE

This condensed interim financial information has been prepared in condensed form in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting and is being submitted to shareholders in accordance with the requirements of section 245 of the Companies Ordinance, 1984. This condensed interim financial information does not include all of the information required for annual financial statements and should be read in conjunction with the annual financial statements as at and for the year ended 30 June 2014.

### 3. ACCOUNTING POLICIES

The accounting policies and methods of computation which have been used in the preparation of this condensed interim financial information are the same as those applied in preparation of the annual financial statements for the year ended 30 June 2014.

#### 3.1 Employee retirement and other service benefits

##### 3.1.1 Defined benefit gratuity scheme

During the current period, the defined benefit gratuity scheme became funded and now the company operates a funded gratuity scheme covering all its eligible employees. The gratuity scheme is now managed by trustees, all the other gratuity scheme benefits remain the same as disclosed in note 3.14.1 to the financial statement for the year ended 30 June 2014.

Contributions are made in accordance with the actuarial recommendations. Actuarial valuations are conducted by an independent actuary using projected unit credit method. The obligation at the balance sheet date is measured at the present value of the estimated future cash flows, the amount of the expected rate of return on the plan assets is calculated using the expected rate of return for the year and the market related values at the beginning of the year. Calculations are sensitive to changes in the underlying assumptions.

	<b>31 March</b>	30 June
	<b>2015</b>	2014
<i>Note</i>	<b>(Un-Audited)</b>	<b>(Audited)</b>
	<b>(Rupees in '000)</b>	

#### 4. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	4.1	<b>155,566,298</b>	158,984,712
Capital work-in-progress		<b>17,189,494</b>	11,302,258
		<b><u>172,755,792</u></b>	<u>170,286,970</u>

#### 4.1 Operating fixed assets

Following are the additions and disposals of fixed assets during the current period:

	<b>Additions</b>	<b>Disposals / adjustments</b>	
		<b>Cost</b>	<b>Accumulated depreciation</b>
	----- (Rupees in '000) -----		
Building on freehold land	98,899	-	-
Plant and machinery	333,417	18,277	10,043
Transmission and distribution network	3,018,655	159,053	114,102
Others	106,624	7,518	6,463
	<b><u>3,557,595</u></b>	<b><u>184,848</u></b>	<b><u>130,608</u></b>

	<b>31 March</b>	30 June
	<b>2015</b>	2014
<i>Note</i>	<b>(Un-Audited)</b>	<b>(Audited)</b>
	<b>(Rupees in '000)</b>	

#### 5. DEFERRED TAX ASSETS

Opening as at 01 July 2014	<b>2,345,773</b>	-
Due to deductible temporary differences (mainly on account of carry forward of tax losses)	<b>4,794,385</b>	2,345,773
	<b><u>7,140,158</u></b>	<u>2,345,773</u>

#### 6. TRADE DEBTS

##### Considered good

Secured – against deposits from consumers	<b>851,913</b>	1,066,956
Unsecured	<b>82,199,596</b>	74,637,139
	<b>6.1 83,051,510</b>	75,704,095

##### Considered doubtful

	<b>34,460,264</b>	28,754,041
	<b>117,511,774</b>	104,458,136

Provision for impairment (against debts considered doubtful)	<b>(34,460,264)</b>	(28,754,041)
	<b><u>83,051,510</u></b>	<u>75,704,095</u>

- 6.1** This includes gross receivable of Rs. 48,766 million (30 June 2014: Rs. 42,289 million) due from Government and autonomous bodies, including Karachi Water and Sewerage Board and City District Government Karachi amounting to Rs. 36,341 million (30 June 2014: Rs. 30,244 million) and Rs. 8,281 million (30 June 2014: Rs. 7,797 million) less unrecorded late payment surcharge from them of Rs. 2,932 million (30 June 2014: Rs. 2,488 million) and Rs. 1,239 million (30 June 2014: Rs. 1,070 million) respectively. It is Management's contention that the calculation of late payment surcharge on Public Sector Consumers should be made on the same basis as the accrued interest on delayed payments on account of circular debt situation. If the similar basis is adopted, then the above receivable amount would substantially increase.

	31 March 2015 <i>Note</i> (Un-Audited)	30 June 2014 (Audited)
(Rupees in '000)		
<b>6.2 Provision for impairment (against debts considered doubtful)</b>		
Opening balance	28,754,041	23,150,546
Provision made during the period / year	7,032,231	6,689,225
	<b>35,786,272</b>	29,839,771
Provision on debts written off during the period / year	(1,326,009)	(1,085,730)
	<b>34,460,264</b>	28,754,041
<b>7. OTHER RECEIVABLES</b>		
<b>Considered good</b>		
Sales tax - net	3,522,988	6,351,122
Due from the Government of Pakistan (GoP) in respect of:		
- Tariff adjustment and Others	7.1 32,372,685	37,558,427
- Interest receivable from GoP on demand finance liabilities	237,173	237,173
	<b>32,609,858</b>	37,795,600
Others	74,209	94,276
	<b>36,207,054</b>	44,240,998
<b>Considered doubtful</b>		
Sales tax	236,922	236,922
Provision for impairment	(236,922)	(236,922)
	-	-
Due from a Consortium of Suppliers of Power Plant	363,080	363,080
Provision for impairment	(363,080)	(363,080)
	-	-
	<b>36,207,054</b>	44,240,998

- 7.1** Tariff adjustments receivable includes certain adjustments to account for items including where the final determinations have not been notified / finalized by NEPRA as part of its tariff determination process. The quarterly determination of Schedule of Tariffs have been finalized up to the quarter July-September 2014 except for the matters discussed in note 13.1.2 of the condensed interim financial information for the period ended 31 December 2014 and in note 12.1.1 of this condensed interim financial information. Management has recognized tariff differential for subsequent quarters based on the petitions submitted to NEPRA.

	<b>31 March 2015</b>	30 June 2014
<i>Note</i>	<b>(Un-Audited)</b>	<i>(Audited)</i>
	<b>(Rupees in '000)</b>	

## 8. LONG-TERM FINANCING

### From banking companies and financial institutions - Secured

International Finance Corporation (IFC)	8.1	-	5,641,821
Syndicate term loan	8.1	-	2,560,000
Asian Development Bank (ADB)	8.1	-	7,190,366
Foreign currency term loan		-	256,505
Syndicated commercial facility		-	236,111
Syndicated structured term finance facility	8.1	-	5,100,000
Structured Islamic Term Financing - Musharakah		<b>750,000</b>	1,200,000
Faysal Bank Limited - medium term loan		<b>1,012,500</b>	1,350,000
Syndicated Loan for PKR 7.7 bn term facility		<b>7,700,000</b>	2,271,175
		<b>9,462,500</b>	25,805,978

Current maturity shown under current liabilities		<b>(2,104,286)</b>	(7,947,606)
		<b>7,358,214</b>	17,858,372

### Others - Secured

Due to oil and gas companies		<b>610</b>	125,610
Current maturity shown under current liabilities		<b>(610)</b>	(125,610)
		-	-

### Unsecured

GoP loan for the electrification of Hub Area		<b>26,000</b>	26,000
Karachi Nuclear Power Plant		-	389,263
Gul Ahmed Energy		<b>477,151</b>	867,547
		<b>477,151</b>	1,256,810

Current maturity thereof shown under current liabilities			
Due to Karachi Nuclear Power Plant		-	(389,263)
Due to Gul Ahmed Energy		<b>(477,151)</b>	(520,528)
		<b>(477,151)</b>	(909,791)

Due to the Government and autonomous bodies		-	945,000
Current maturity thereof shown under current liabilities		-	(945,000)
		-	-
		<b>7,384,214</b>	18,231,391

- 8.1** Except for the matter discussed herein, all the other matters remain same as disclosed in note 21 of the annual financial statements for the year ended 30 June 2014. The Company during the current period has voluntarily prepaid the outstanding loan balances of International Finance Corporation (IFC), Asian Development Bank (ADB) and certain Local Commercial Banks on 13 February 2015 in accordance with respective loan agreements. The prepayment was made through a combination of Pre-Initial Public Offer (IPO) placement amounting to Rs. 15 billion out of proposed 7 year SUKUK Issue of Rs. 22 billion (including green shoe option of Rs. 2 billion) and bridge financing of Rs. 2.9 billion. The balance portion of proposed SUKUK Issue amounting to Rs. 7 billion will be raised through IPO to general public, after completion of all legal and statutory formalities, which are in process and will be finalized in due course of time.

31 March  
2015  
*Note* (Un-Audited)  
(Rupees in '000)

30 June  
2014  
(Audited)

**9. EMPLOYEE RETIREMENT BENEFITS**

Gratuity	4,211,200	3,973,534
Post retirement medical benefits	682,379	635,102
Post retirement electricity benefits	366,209	337,585
	<u>5,259,789</u>	<u>4,946,221</u>

**9.1 Actuarial valuation of retirement benefits**

Assumptions used for the valuation are the same as the assumption used in the calculation of retirement benefit valuation as of 30 June 2014.

**10. TRADE AND OTHER PAYABLES**

**Trade creditors**

Power purchases	46,150,955	46,133,765
Fuel and gas	29,379,005	37,438,980
Others	4,033,377	3,858,641
	<u>79,563,337</u>	<u>87,431,386</u>

Murabaha finance facilities	1,925,000	1,970,000
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Accrued expenses	2,139,591	2,124,263
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**Advances / credit balances of consumers**

Energy	1,067,787	662,029
Others	1,299,934	633,646
	<u>2,367,722</u>	<u>1,295,675</u>
Other liabilities	15,863,522	15,918,236
	<u>101,859,172</u>	<u>108,739,560</u>

**11. SHORT-TERM BORROWINGS – Secured**

**From banking companies**

Bridge term finance facility	482,307	1,435,543
Bills payable	20,133,829	29,254,672
Short term running finances	12,114,581	3,831,284
Short term loan	2,900,000	1,666,680
Structured invoice financing	2,500,000	1,375,000

**From others**

KES Power Limited - holding company	45,088	45,088
KE Azm Certificates	1,675,742	1,662,730
KE Azm SUKUK Certificates	5,771,099	5,682,133
SUKUK Pre-IPO Private Placement Subscription	11.1 & 8.1 15,000,000	-
	<u>60,622,647</u>	<u>44,953,130</u>



**11.1** This represent Pre-IPO private placements subscribed by different banking companies (the investors). Subject to fulfillment of certain conditions, at the issuance date of the proposed SUKUK this pre IPO investment will be replaced by SUKUK certificates. The Company utilized the pre IPO subscription for prepayment of senior loans of IFC, ADB and Local commercial banks. This is secured against hypothecation charge over the specified hypothecated assets and carries profit at the rate of 3 month KIBOR plus 1%.

## **12. CONTINGENCIES AND COMMITMENTS**

### **12.1 Contingencies**

Contingencies as disclosed in notes 32.1 and 43 to the annual financial statements for the year ended 30 June 2014 and note 13.1 to the interim condensed financial information for the period ended 31 December 2014 remain unchanged. Except explained as follows:-

**12.1.1** The Multi Year Tariff (MYT) applicable to the Company outlines a mechanism whereby the Company is required to share a portion of its profits with consumers when such profits exceed the stipulated thresholds. NEPRA vide its determination order No. NEPRA/TRF-133/KESC-2009/12889-12892 dated 17 October 2014 has adjusted the rates to effect the sharing of profits of Rs. 5,413 million in respect of earnings for the financial year ended 30 June 2012 and 30 June 2013 to be returned / clawed back as per their own calculation significantly higher than the management's own calculation which amounted to Rs. 887 million up to 30 June 2013. As at 31 March 2015, the net exposure due to the differences in calculation method amounts to Rs. 10,224 million. The Company not agreeing with the calculation of claw back formula carried out by NEPRA, filed a suit 2138/ 2014 in Honorable Sindh High Court. In the suit, the Company petitioned that in making determination by NEPRA in respect of claw back for the years 2011-12 and 2012-13, NEPRA has misapplied the claw back formula as prescribed under Annexure -D of the MYT determination dated 23 December 2009, amongst others it has unlawfully calculated "accumulated losses" as part of reserve and failed to take into account "surplus on revaluation of fixed asset". On the hearings up to 01 December 2014, the Honorable Sindh High Court extended the previously issued ad -interim order thereby restraining Government of Pakistan from issuing / notifying the above mentioned NEPRA's determination and reserved its judgment.

On 25 February 2015, NEPRA vide its orders issued quarterly determinations for the period April - June 2014 and July - September 2014 maintained its stance and again assessed the claw back as per their own calculation and added back the impact of claw back amount which was previously reduced in the SOT for the period October - December 2013. The Company again filed an application in the Sindh High court, the learned bench clarified that as the matter has been reserved for judgment, the ad -interim order remains continued till the announcement of the judgment. Considering the above proceedings and the legal opinion received, management considers that the Company has a good case and expects favorable outcome of the case.

**12.1.2** On 13 March 2015 NEPRA issued a decision regarding bank collection charges charged by the Company in its monthly electricity bill to consumers. Through this order, NEPRA directed the Company to stop charging bank collection charges and intimate them the amount collected from consumers since 2006 for adjustments and refund on the basis that it is included in Multi Year Tariff (MYT) as cost of O&M.

The Company has refuted the above NEPRA's claim and filed review petition in response to above NEPRA's decision. The Company stated that MYT was determined by the Authority in 2002 and when the said tariff was again re-determined in 2009, no such issues were raised at that time. Bank charges are being collected as per the directives of State Bank of Pakistan and as per NEPRA's previous decision allowing Company to charge bank collection charges. NEPRA's previous judgment is in agreement with the decision of Honorable Supreme Court on the matter. Based on the above grounds, the Company expects that NEPRA will review its order and set aside its impugned decision.

## 12.2 Claims not acknowledged as debts

Claims not acknowledged as debts as disclosed in notes 32.2 and 32.3 to the annual financial statements of the Company for the year ended 30 June 2014 remain unchanged.

Note	<b>31 March 2015 (Un-Audited)</b>	30 June 2014 (Audited)
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## 12.3 Commitments

<b>12.3.1</b> Guarantees from banks	<b>248,464</b>	223,674
<b>12.3.2</b> Transmission Projects	<b>1,029,234</b>	1,635,640
<b>12.3.3</b> Outstanding Letters of Credit	<b>2,160,000</b>	2,686,000
<b>12.3.4</b> Extension of Generation Projects Combined Cycle Power Plant-II	<b>539,000</b>	1,130,942
<b>12.3.5</b> Service agreement for Combined Cycle Power Plant-I	-	15,000
<b>12.3.6</b> Generation Projects KGTP-II & SGTPS-II Steam Turbines	<b>3,786,958</b>	4,416,734
<b>12.3.7</b> Dividend on Preference Shares	<b>1,119,453</b>	1,119,453

**12.3.8** The Company has not recorded any dividend on redeemable preference shares in view of accumulated losses and restriction on dividend placed by certain local commercial banks which are part of loan covenants.

<b>31 March 2015 (Un-Audited)</b>	31 March 2014
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## 13. PURCHASE OF ELECTRICITY

National Transmission and Dispatch Company	<b>35,206,873</b>	40,975,838
Independent Power Producers (IPPs)	<b>17,709,287</b>	19,028,405
Karachi Nuclear Power Plant	<b>1,916,332</b>	2,510,695
	<b>54,832,492</b>	62,514,938

## 14. CONSUMPTION OF FUEL AND OIL

Natural gas	<b>21,963,718</b>	21,909,049
Furnace and other oils	<b>19,440,182</b>	21,585,220
	<b>41,403,900</b>	43,494,269

## 15. OTHER OPERATING EXPENSES

Default surcharge	<b>567,535</b>	238,771
Unwinding cost on realization of derivative financial assets	<b>490,851</b>	-
Exchange loss	<b>101,695</b>	-
Net changes in fair value of cash flow hedges	<b>294,098</b>	-
Workers' Profits Participation Fund	<b>578,884</b>	279,260
Workers' Welfare Fund	<b>231,554</b>	149,496
Donations	<b>28,824</b>	18,658
Others	<b>50,736</b>	1,689
	<b>2,344,177</b>	687,874

31 March  
2015  
*(Un-Audited)*  
(Rupees in '000)

31 March  
2014

**16. FINANCE COST**

**Mark-up / interest on:**

Mark-up / interest on short / long term borrowings	3,829,318	4,315,630
Late payment surcharge on delayed payments to creditors	573,182	1,244,458
Bank service, discounting charges and others	3,325,230	2,744,541
	<b>7,727,730</b>	<b>8,304,629</b>

**17. TAXATION**

For the period:

- Deferred

Due to reversal of taxable temporary differences

	709,649	734,543
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Due to deductible temporary differences (mainly on account of carry forward of tax losses)

	4,794,385	-
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	<b>5,504,034</b>	<b>734,543</b>
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**18. TRANSMISSION AND DISTRIBUTION LOSSES**

The transmission and distribution losses for the current period were 23.36% (30 June 2014: 25.30%).

**19. TRANSACTIONS / BALANCES WITH RELATED PARTIES**

Related parties of the Company comprise of state controlled entities, joint venture, staff retirement benefit plans, and the company's directors and key management personnel. Details of transactions / balances with related parties not disclosed elsewhere in this condensed interim financial information are as follows:

**19.1 BYCO Petroleum Pakistan Limited**

Purchases	4,716,436	7,150,668
Financial charges / Late payment surcharge	169,275	358,981

**19.2 State Controlled Entities**

**19.2.1 National Transmission and Dispatch Company**

Purchases	35,206,873	40,975,838
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**19.2.2 Pakistan State Oil Company Limited**

Purchases	14,271,696	14,457,120
Late payment surcharge	325,162	643,489

**19.2.3 Sui Southern Gas Company Limited**

Purchases	<b>21,963,718</b>	<b>21,909,049</b>
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31 March  
2015  
*(Un-Audited)*  
(Rupees in '000)

31 March  
2014

**19.3 Key management personnel**

- Managerial Remuneration	<b>109,778</b>	106,867
- Housing and Other allowances	<b>60,378</b>	58,777
- Other allowances	<b>81,168</b>	68,703
- Retirement Benefits	<b>23,371</b>	48,962
- Leave Encashment	<b>-</b>	1,190

**19.4 Provident Fund**

- Contribution to Provident Fund	<b>387,589</b>	367,838
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31 March  
2015  
*(Un-Audited)*  
(Rupees in '000)

30 June  
2014  
*(Audited)*

**19.5 BYCO Petroleum Pakistan Limited  
Amount payable included in**

- Trade and other payables	<b>1,826,149</b>	2,744,418
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**19.6 Joint Venture**

19.6.1 Long term investments	<b>10,108</b>	10,108
Impairment in long term investments	<b>(10,108)</b>	(10,108)
Nil carrying value	<b>-</b>	-

The Company and the Aman Foundation have started the project of Karachi Organic Energy (Pvt.) Ltd. (KOEL) incorporated for set up and operation of a biogas project. The Company owned 50% of the total share capital of KOEL by virtue of investment in 1,010,790 ordinary shares having a face value of Rs. 10 each which amounts to total investment of Rs. 10.108 million. KOEL is yet to commence operations and due to initial preliminary expenses currently has a negative equity. Accordingly, it has been impaired.

19.6.2 Other receivable	<b>33,537</b>	33,537
Impairment in other receivable	<b>(33,537)</b>	(33,537)
Nil carrying value	<b>-</b>	-

**19.7 State Controlled Entities**

**19.7.1 National Transmission and Dispatch Company**

**Amount payable included in**

- Trade and other payables	<b>39,701,575</b>	37,904,027
- Long term financing	<b>-</b>	945,000

**19.7.2 Pakistan State Oil Company Limited**

- Trade and other payables	<b>2,805,777</b>	5,323,836
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<b>31 March 2015 (Un-Audited)</b>	<b>30 June 2014 (Audited)</b>
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(Rupees in '000)

**19.7.3 Sui Southern Gas Company Limited**

- Trade and other payables

**24,747,079**

**29,370,726**

**19.8 Provident Fund**

- Payable to Provident Fund

**19,111**

**29,164**

**19.9 KES Power Limited, Parent Company**

- Short term loan

**45,088**

**45,088**

**20. RECLASSIFICATION**

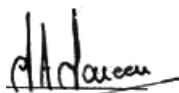
Figures have been reclassified to reflect more appropriate presentation of events and transactions for the purpose of comparisons. However, there are no material reclassification to report.

**21. DATE OF AUTHORIZATION FOR ISSUE**

This condensed interim financial information were authorized for issue on 23 April 2015 by the Board of Directors of the Company.

**22. GENERAL**

All figures have been rounded off to the nearest thousand rupees.



Muhammad Tayyab Tareen  
Chief Executive Officer



Khalid Rafi  
Director

## SINCE 1913

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