



REPORT FOR THE
QUARTER ENDED
30TH SEPTEMBER 2021

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COMPANY INFORMATION AS AT 28 OCTOBER 2021

Board of Directors (BOD)

Shan A. Ashary	Chairman
Syed Moonis Abdullah Alvi	Chief Executive Officer (CEO)
Adeeb Ahmad	
Asad Ali Shah	
Ch. Khaqan Saadullah Khan	
Jamil Akbar	
Khalid Rafi	
Mubasher H. Sheikh	
Naveed Ismail	
Ruhail Muhammad	
Sadia Khuram	
Sajid Mehmood Qazi	
Waseem Mukhtar	

Board Audit Committee (BAC)

Khalid Rafi	Chairman
Ch. Khaqan Saadullah Khan	Member
Asad Ali Shah	Member
Mubasher H. Sheikh	Member

Board Human Resource & Remuneration Committee (BHR&RC)

Khalid Rafi	Chairman
Ch. Khaqan Saadullah Khan	Member
Shan A. Ashary	Member
Syed Moonis Abdullah Alvi, CEO	Member

Board Finance Committee (BFC)

Ruhail Muhammad	Chairman
Ch. Khaqan Saadullah Khan	Member
Shan A. Ashary	Member

Board Strategy & Projects Committee (BS&PC)

Ch. Khaqan Saadullah Khan	Chairman
Adeeb Ahmad	Member
Jamil Akbar	Member
Shan A. Ashary	Member
Syed Moonis Abdullah Alvi, CEO	Member
Waseem Mukhtar	Member

Board Regulatory Affairs Committee (BRAC)

Shan A. Ashary	Chairman
Asad Ali Shah	Member
Ch. Khaqan Saadullah Khan	Member
Syed Moonis Abdullah Alvi, CEO	Member

Chief Financial Officer

Muhammad Aamir Ghaziani

Chief Risk Officer & Company Secretary

Rizwan Pesnani

Chief Internal Auditor

Asif Raza

Legal Adviser

Messrs. Abid S. Zuberi & Co.

External Auditors for FY 2022

Messrs. A.F. Ferguson & Co. Chartered Accountants

Share Registrar

Messrs. CDC Share Registrar Services Limited (CDCSRSL)
CDC House, 99-B, Block "B", SMCHS, Main Shahrah-e-Faisal, Karachi.
Telephone: 111-111-500

Bankers

Al Baraka Bank (Pakistan) Limited
Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Bank Al-Habib Limited
Bank Islami Pakistan Limited
Bank of Punjab
Bank of China Limited, Shanghai Branch
Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited
First Women Bank Limited
Habib Bank Limited
Industrial & Commercial Bank of China Limited
JS Bank Limited
MCB Bank Limited
MCB Islamic Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Pak Brunei Investment Company Limited
Samba Bank Limited
Soneri Bank Limited
Standard Chartered Bank (Pakistan) Limited
Standard Chartered Bank (UK)
Summit Bank Limited
United Bank Limited

Registered Office

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

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K-Electric Limited

Directors' Review

On behalf of the Board of Directors, we are pleased to present the Director's Report together with the unaudited Condensed Interim Financial Statements for the three months' period ended September 30, 2021.

Key operational and financial results are summarized below:

Operational	July – September 2021	July – September 2020
	(UNITS - GWh)	
Units generated (net of auxiliary)	2,537	3,278
Units purchased	3,155	2,452
Total units available for distribution (sent out)	5,692	5,730
Units billed	4,677	4,531
Transmission & Distribution Losses %	17.8%	20.9%

Financial	July – September 2021	July – September 2020
	PKR in millions	
Revenue	114,139	85,550
Gross profit	16,640	13,868
Profit before finance cost	6,989	5,166
Profit before taxation	4,001	2,146
Taxation – net	(1,099)	(1,035)
Net Profit for the period	2,902	1,111
Earnings per share-BASIC/DILUTED (Rupees)	0.11	0.04
EBITDA	11,838	10,192

Financial Review

During the period under review, key operational indicators showed positive growth over comparative period with decrease in T&D losses by 3.1% points and increase in units billed by 3.2%, though units sent out showed marginal decrease of 0.7%. As a result, Company's gross profit increased by 19.9% over the same period last year.

Below the gross profit line, major contributor remained Other Income with an increase of 93.6%, offset by exchange loss of PKR 1.4 billion owing to severe devaluation of Pak Rupee during the quarter; translating into net profit of PKR 2.9 billion, increase of 161% over net profit during the corresponding period.

Update on Significant matters

Generation:

Construction works on 900 MW RLNG fired project (BQPS-III) are progressing well despite the COVID19 pandemic with 450 MWs Unit-1 over 88% completed. Construction activities of Unit-2 is also progressing with major equipment including GT, ST and GTG placed on foundations. Further, testing and commissioning works on BQPS-III, associated grids are in progress, with LNDHI grids expected to be energised in Nov 2021.

For supply of RLNG for the 900 MW BQPS-III plant, RLNG Supply Agreement (GSA) with Pakistan LNG Limited (PLL) was signed on August 10, 2021. Further, following the grant of Transmission License by OGRA in January 2021, construction works on spur pipeline for the supply of gas from Custody Transfer Station to Bin Qasim Complex is now completed.

In addition to pursuing works on the 900 MW BQPS III plant, during the period under review, KE continued to invest in maintenance and rehabilitation of its existing generation fleet. Some of the major activities include design, engineering and procurement activities for dual fuel operations on liquid fuel at KCCPP and cold commissioning of RLNG mixing station at BQ-II. This has resulted in reliable operations of generating stations to meet generation demand in peak summer & monsoon season during the period under review.

Further, as part of CSR initiative to ensure sustainability, resource conservation and environmental excellence, KCCPP, SGTPS and KGTPS received WWF Green Office Certification during the first Quarter of FY-22.

Transmission:

To bridge the demand supply gap of Karachi, the Government of Pakistan approved the off take up to 1100 MW—from National grid in accordance with which 450-600 MW additional is currently being evacuated via existing interconnections after necessary rehabilitation and upgradation works. This capacity will further enhance to 2050 MW by FY-24 once new interconnection grids will be commissioned, the process for setting up of new grid 500kV level is in progress whereas the construction of new 220 kV Dhabeji Interconnection is in full swing. For 500kV KKI Grid and its associated Transmission line, evaluation of bids is in progress.

Further, to provide reliable and sustainable power to its consumers, in addition to works for setting up of new grids and enhancing capacity of interconnection points, during 1st Quarter of FY22, KE enhanced its transmission capacity through the addition of 3 new power transformers. Addition/ replacement of power transformers resulted in net addition of 110 MVAs and a total transformation capacity of 6,646 MVAs. Also, 132kV Queens Road-Old Town circuit-II has been energized increasing reliability of the system.

Further, the Company has undertaken significant investments in the rural segments of its service territory for upgrading its infrastructure to meet the increasing load profile which will also facilitate economic activities in these areas. In this respect, in parallel to rehabilitation, enhancement of grids in Vinder, Uthal

& Bela is also planned to include upgradation from 66 kV to 132 kV levels along with commissioning of new lines to increase transformation capacity and reliability alongside creating provision of n-1 contingency. Bids evaluation of this project is in progress.

Distribution:

With its goals of loss reduction, safety and improving network health, the Company has been involved in a number of Distribution projects.

In this regard, Aerial Bundled Cabling (ABC) is being rapidly rolled out with the aim of reducing loss and discouraging energy theft. So far, over 11,500 Pole Mounted Transformers (PMT) have been converted to ABC as of first quarter ended FY 2022. Furthermore, the company's flagship project - Sarbulandi, was launched in FY 2020 with the objective of curbing losses and uplifting communities, particularly in impoverished districts of the city. Through this project, over 2,500 PMTs in high loss areas have been converted to ABC so far. In Q1 FY 2022, around 38,000 Low Cost New Connections were issued (27,000 meters through Mobile New Connection Vans (MNCV) and 11,000 Asaan Meters) in these areas. Building on this success, the next phase of project Sarbulandi has been initiated, targeting ABC conversion of around 1,000 PMTs in underdeveloped colonies within urban areas of the city.

To boost timely bill payments and improve customer facilitation, Azaadi scheme was launched in FY 2020. The scheme has successfully engaged more than 48,000 chronic consumers with recovery of around PKR 2 Billion. For FY 2022, selected pockets have been identified in various localities of the city, faced with chronic law and order problems. Tailor made Area Specific Rebate Schemes have been introduced as recovery solutions for these areas. Enhancing customer experience through digitalization, KE also became the first utility to introduce Internet Payment Gateway (IPG) on its website and app to ease bill payment through credit/debit cards.

Furthermore, for company's network health and technological enhancement, KE launched Advanced Meter Infrastructure (AMI) with an investment of approximately PKR 500 million including Smart meters installation for industrial consumers and Net metering for residential & commercial consumers. Electrical intelligence for geographic network and asset mapping on the system has been added through ArcFM software for real-time tracking of faults, outages, and infrastructural development. To ensure its commitment towards safety, KE planned safety initiatives such as Public Accident Prevention Plan (PAPP) and Project Ensure as part of rain emergency plan to improve network resilience which stand at 98% completion rate till Q1 FY 2022.

Business Development

KE, as per its commitment to generate power through green and economical sources, has embarked upon setting up solar power projects of 50 MW each at Vinder, Uthal and Bela districts of Baluchistan through competitive bidding. These projects will be set up under IPP structure. Request for Proposal (RFP) of the projects is currently under NEPRA approval stage.

Power Purchase Agency Agreement, Interconnection Agreement and Tariff Differential Subsidy agreements have been agreed with relevant stakeholders and are expected to be submitted for GoP approval and decision on open points.

Corporate Social Responsibility

‘Pakistan’s First Women Electrician Program’, was endorsed and launched by K- Electric in collaboration with Hunar Foundation and endorsed by NEPRA. Forty Women from the community successfully attained the electrician certification by completing 200 hours of training. The graduation ceremony of the Women Electrician was attended by NEPRA’s delegation, led by Tauseef H. Farooqi, Chairman NEPRA.

The first phase of Roshni Baji Neighborhood Women Ambassador Programme ended in July 2021. Through this program some 108,294 community Women were reached and educated about Electrical Safety. The Roshni Baji in four Communities of Karachi facilitated in conversion of approximately 9000 households from Hook to legal connections. KE ROSHNI BAJI project is the finalist for S&P Global Platts, Global Energy Awards for the CSR – Diversity Category.

KE launched Covid19 mobile vaccination drive to provide vaccination access to people living in remote areas of Karachi, Bin Qasim and Baluchistan by providing them immunization against Covid19 at their doorstep. KE sponsored five mobile vans to reach far-flung areas of Karachi and Baluchistan within our licensed area. The operational partner of the initiative is HANDS.

KE has signed letter of intent with NEOC for collaboration on Polio eradication initiative in which KE will provide support for polio awareness by space on the bill and Polio awareness drive messages on various social media platforms.

As part of its continued efforts to engage with the communities, pre-monsoon safety messaging was done on ground through several platforms. Messages through religious centers including Mosques and churches reached to 486 communities. A Safety Roadshow which moved to around 200 areas of Karachi reached out to approximately 200,000 individuals. Moreover, collaborative partnerships with frontline emergency providers like Edhi, Saylani, Chippa and Sarim Burney Trust helped us to reach out to masses through them.

KE continues to plant trees under **#PlantForPakistan** by pledging plantation of 15,000 trees in collaboration with Sindh Rangers on the Independence Day in line with the PM’s vision. In the last years KE has planted approximately 400,000 trees.

The aim of KE WoW is to break stereotypes and to ensure increased mobility for female employees and associated female workers. Around 150 women from KE and the community are being trained on motorbikes to make them self-sufficient in collaboration with Salman Sufi Trust.

Other Significant Matters

Growing Receivables from Government Entities and Departments

As of September 30, 2021, KE’s net receivables from various Federal and Provincial entities, stood at around PKR 58 billion on principal basis. The backlog of receivables continues to have a consequential impact on the Company’s cashflow position, significantly hampering Company’s ability to enhance the pace of investment in power infrastructure. Therefore, for sustainability of KE as well as the sector at large, it is imperative that all parties including the GoP, come together for an amicable solution to resolve this long-standing issue.

In this regard, discussions around finalization of Terms of Reference (ToRs) to resolve historic disputes via arbitration involving relevant parties are ongoing and the Company remains in continuous engagement with relevant stakeholders for a fair and equitable resolution to the issue in accordance with the law.

Further, alongside PPAA and ICA for off-take of additional supply from National Grid, a separate TDS Agreement with GoP is under discussion to streamline the process of verification and timely release of KE's Tariff Differential Claims going forward.

Multi-Year Tariff (MYT)

The Mid Term Review petition filed under MYT on March 11, 2020 is currently under NEPRA determination. The Company, however, based on prudence has accounted for the base tariff impact of negative component relating to revision in investment plan net of USD indexation on allowed return on equity as more fully explained in Note 1.6 to the condensed interim Financial Statements.

The Company remains in continuous engagement with NEPRA and expects that necessary adjustments should be allowed in the tariff, which are critical to ensure Company's viability and sustainability, while also enabling the Company to make the required investments across the power value chain in the greater consumer interest.

On quarterly tariff variations, the Company continues to pursue the matter of pending quarterly tariff variations with NEPRA including costs in lieu of recovery loss for the period FY 2017 to FY 2021 (in relation to actual write-off of bad debts, allowed under KE's MYT) claimed as per the mechanism provided by NEPRA. Timely approval of these requests remains critical for Company's sustainability and execution of planned investment.

Competitive Trading Bilateral Contracts Market (CTBCM)

The regulatory landscape in Pakistan is set to change with implementation of CTBCM model which aims to introduce a competitive wholesale electricity market across the country. NEPRA through its determination dated November 12, 2020 approved the detailed design of CTBCM, however, NEPRA did not approve the proposed integration of KE and directed KE to evaluate and develop its plan for transition towards CTBCM in consultation with relevant stakeholders.

Accordingly, in compliance with NEPRA's directives, KE submitted its Evaluation and Integration Plan after detailed consultation with relevant stakeholders, wherein KE has recommended that for successful implementation of CTBCM, it is important to ensure a sustainable and orderly transition in line with the National Electricity Policy 2021 and the CCoE approved principles for establishing competitive wholesale electricity markets in Pakistan.

NEPRA's Decision on Electrocution during Monsoon in June & July 2020

NEPRA through its decision dated August 11, 2021 imposed a fine of PKR 36 Million on the alleged public fatalities during torrential rains in July and August 2020. KE has filed review motion, explaining that most of the unfortunate incidents occurred due to faulty internal domestic wiring, unsafe use of electrical appliances, unauthorised construction around KE's network and illegal hook connections on electricity poles.

Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019

- | | | |
|-----|-----------------------------|----|
| i) | Total number of Directors | 13 |
| | i. Female | 1 |
| | ii. Male | 12 |
| ii) | Composition | |
| | i. Independent Director | 01 |
| | ii. Non-Executive Directors | 12 |
| | iii. Executive Directors | 01 |
| | iv. Female Directors | 01 |
- iii) The names of members of the Board Committees are mentioned in “Company Information” section of this Report.
- iv) The Board has approved a remuneration policy for Non-Executive Directors in its 1216th meeting which is in line with the applicable corporate regulatory framework. Salient features of the approved remuneration policy of Non-Executive Directors are as under:
- A. Fee shall be reviewed after every three years;
- B. The review shall invariably comply with applicable corporate regulatory framework and shall be carried out in an objective manner;
- C. The level of remuneration shall be appropriate and commensurate with the level of responsibility and professional expertise needed to govern the company to successfully achieve its corporate and social objectives as well as encourage value addition.

BOARD OF DIRECTORS (BOD)

During the period under review, Mr Muhammad Abid Lakhani resigned from the position of Non-Executive Director and Mr Naveed Ismail was appointed in his place effective from 6 August 2021. Dr Ahmed Mujtaba Memon has resigned from KE Board and Mr Sajid Mehmood Qazi has been appointed in his place on 28 October 2021.

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.



Syed Moonis Abdullah Alvi
Chief Executive Officer



Khalid Rafi
Director

Karachi, October 28, 2021

کے۔ الیکٹرک لمیٹڈ

ڈائریکٹرز کی جانب سے جائزہ

بورڈ آف ڈائریکٹرز کی جانب سے، ہم 30 ستمبر 2021ء کو ختم شدہ سہ ماہی عرصے کیلئے ڈائریکٹرز رپورٹ مع غیر آڈٹ شدہ مختصر عبوری مالی گوشوارے پیش کرنے پر خوشی محسوس کر رہے ہیں۔

کلیدی عملی اور مالی نتائج کا خلاصہ درج ذیل ہے:

جولائی - ستمبر 2020ء	جولائی - ستمبر 2021ء
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(UNITS-GWh)

عملی (آپرییشنل)

3,278	2,537	پیداواری یونٹس (ضمنی یونٹس کے علاوہ)
2,452	3,155	خریدے گئے یونٹس کی تعداد
5,730	5,692	تقسیم کیلئے دستیاب کل یونٹس (بیچے گئے)
4,531	4,677	بل کردہ یونٹس
20.9%	17.8%	نقصانات ترسیل و تقسیم %

(ملین پاکستانی روپے)

مالی نتائج

85,550	114,139	آمدنی
13,868	16,640	مجموعی منافع
5,166	6,989	منافع قبل از مالی لاگت
2,146	4,001	منافع قبل از ٹیکس
(1,035)	(1,099)	ٹیکس - خالص
1,111	2,902	اس عرصے کیلئے خالص منافع

آمدنی فی حصص (بنیادی/تخفیف شدہ) (روپے)

0.04 0.11

10,192 11,838

انٹرسٹ، ٹیکس، ڈیپری سی ایشن اور امورٹائزیشن سے قبل آمدنی (EBITDA)

مالی جائزہ

زیر جائزہ عرصے کے دوران، کلیدی عملی اشاریے ظاہر کرتے ہیں کہ تقابلی عرصے میں 3.1% پوائنٹس تک T&D نقصانات میں کمی اور 3.2% تک بل کردہ یونٹس میں اضافے کے ساتھ ترقی و نمو مثبت رہی، اگرچہ بیچے گئے یونٹس میں 0.7% کی معمولی سی کمی دیکھی گئی۔ پچھلے سال کے اسی عرصے کے مقابلے میں کمپنی کا مجموعی منافع 19.9% تک بڑھ گیا۔

مجموعی منافع کی لکیر سے نیچے، بڑا حصہ دار 93.6% کے اضافے کے ساتھ دیگر آمدن رہا۔ جو کہ سہ ماہی کے دوران پاک روپے کی شدید قدر میں کمی کی وجہ سے 1.4 بلین روپے کے زرمبادلہ کے نقصان سے آف سیٹ ہوا۔ اس کے نتیجے میں 2.9 بلین روپے کا منافع گزشتہ سال کے اسی مدت کے دوران خالص منافع کے مقابلے میں 161% زیادہ رہا۔

اہم امور پر تازہ ترین صورتحال

جزیشن (تشکیل و پیداوار):

900 میگا واٹ RLNG فائرڈ پروجیکٹ (BQPS-III) کو ووڈ-19 وبا کے باوجود تیزی سے آگے بڑھ رہا ہے اور 450MW کا پہلا یونٹ تقریباً 88% سے بھی زائد مکمل کر لیا گیا ہے۔ یونٹ-2 کی تعمیراتی سرگرمیاں بھی تیزی سے جاری ہیں جس میں بڑے ساز و سامان GT، ST اور GTG کی بنیادوں پر تنصیب بھی شامل ہیں۔ مزید یہ کہ BQPS-III کی منسلک گرڈز پریسٹننگ اور کمیشننگ کے کام مع LNDHI گرڈز بھی جاری ہیں اور توقع کی جاتی ہے کہ نومبر 2021 تک انھیں توانائی فراہم کر دی جائے گی۔

900 میگا واٹ BQPS-III پلانٹ کو RLNG کی فراہمی کیلئے، پاکستان ایل ایل این جی لمیٹڈ (RLNG(PLL کے ساتھ سپلائی ایگریمنٹ (GSA) پر 10 اگست 2021ء کو دستخط ہو گئے ہیں۔ مزید یہ کہ جنوری 2021ء میں OGRA کی جانب سے ٹرانسمیشن لائسنس عطا کیے جانے کے بعد، اسپر پائپ لائن کیلئے گیس کی فراہمی پر تعمیراتی کام کھڑی ٹرانسفر اسٹیشن سے بن قاسم تک اب مکمل ہو گیا ہے۔

زیر جائزہ عرصے کے دوران 900 میگا واٹ BQPS-III پلانٹ پر کام کی پیروی کے علاوہ، KE اس کے موجودہ پیداواری بیڑے کی دیکھ بھال اور بحالی پر بھی مسلسل سرمایہ کاری کرتا رہا ہے۔ کچھ بڑی سرگرمیوں میں ڈیزائن، انجینئرنگ، اور KCCPP پر مانع ایندھن پر دوہرے فیول آپریشنز کیلئے سرگرمیوں کا حصول اور BQ-II پر RLNG منسلک اسٹیشن کا کولڈ کمیشننگ شامل ہیں۔ یہ زیر جائزہ عرصے کے دوران گرمی اور برسات کے عروج کے موسموں میں پیداواری طلب کی تکمیل کی غرض سے پیداواری اسٹیشنز کے قابل بھروسہ آپریشنز پر منتج ہوا۔

مزید یہ کہ پائیداری، وسائل کی بقا اور ماحولیاتی کمال کو یقینی بنانے کی غرض سے CSR اقدام کے جزو کے طور پر، KCCPP، SGTPS اور KGTPS نے مالی سال 22ء کی پہلی سہ ماہی کے دوران WWF گرین آفس سرٹیفکیٹ حاصل کر لی ہے۔

ترسیل (ٹرانسمیشن)

کراچی کے طلب و رسد کے فرق کو پُر کرنے کیلئے، حکومت پاکستان نے قومی گرڈ سے 1100 میگا واٹ تک کے آف ٹیک کی منظوری دے دی ہے جس کے مطابق 450 تا 600 میگا واٹ کا جو اضافی انخلاء ضروری، بحالی اور اپ گریڈیشن ورکس بذریعہ موجودہ انٹر کنکشنز کیا جا رہا ہے۔ اس گنجائش کو مالی سال 24ء تک 2050 میگا واٹ تک مزید بڑھا دیا جائے گا جب نئے انٹر کنکشنز گرڈز کا آغاز ہوگا، ایک نئے 500kV لیول کے گرڈ کے قیام کیلئے کام جاری ہے جبکہ نئے 220kV دھابجی انٹر کنکشن کی تعمیر زور و شور سے جاری ہے۔ 500kV KKI گرڈ اور اس کی منسلک ٹرانسمیشن لائن کیلئے بڈجیٹ کی ایویلیویشن پر کام ہو رہا ہے۔

مالی سال 22ء کی پہلی سہ ماہی کے دوران، صارفین کو قابل اعتماد اور پائیدار پاور فراہم کرنے کی غرض سے نئے گرڈز کے قیام کیلئے ورکس اور انٹر کنکشن مقامات کی گنجائش بڑھانے کے علاوہ، KE نے 3 نئے پاور ٹرانسفا مرز کے اضافے کے ذریعے اس کی ٹرانسمیشن گنجائش بھی بڑھائی ہے۔ پاور ٹرانسفا مرز کے اضافے یا تبدیلی کا نتیجہ یہ ہے کہ 110MVAs کا خالص اضافہ ہو گیا اور کل ٹرانسفا مرز گنجائش 6646MVAs ہو گئی۔ کونزروڈ-اولڈ ٹاؤن سرکٹ-II کو بھی انرجائزڈ کر دیا گیا ہے جس سے سسٹم کی پائیداری بڑھ گئی ہے۔

مزید یہ کہ کمپنی نے اس کے انفراسٹرکچر کو اپ گریڈ کرنے کیلئے اس کی خدمات کے دیہی شعبے کے علاقوں میں اچھی خاصی سرمایہ کاری کی ہے تاکہ بڑھتے ہوئے لوڈ پروفائل کی تکمیل کی جائے جس سے ان علاقوں میں معاشی سرگرمیوں کو بھی سہولیات بہم پہنچائی جائیں گی۔ اس سلسلے میں بحالی کے متوازی، ویندر، اُتھل اور بیلہ میں گرڈز کی بہتری کی بھی منصوبہ بندی ہے جس میں نئی لائنز کے آغاز کے ساتھ ساتھ 66kV سے 132kV لیولز کی اپ گریڈیشن بھی شامل ہے تاکہ ٹرانسفا مرز گنجائش اور پائیداری میں اضافہ ہو اور ساتھ ہی n-1 کنفیگنسی کی فراہمی کی بھی تشکیل ہو جائے۔ اس پروجیکٹ کی بڈجیٹ کی ایویلیویشن بھی جاری ہے۔

تقسیم کاری (ڈسٹری بیوشن)

اپنے نقصان میں کمی، حفاظت اور نیٹ ورک ہیلتھ کی بہتری کے اہداف کے ساتھ، کمپنی کئی ڈسٹری بیوشن پروجیکٹس میں شامل رہی ہے۔

اس سلسلے میں، انیریل بنڈل کبیلنگ (ABC) نقصان میں کمی کرنے اور بجلی کی چوری کی حوصلہ شکنی کرنے کے مقاصد کے ساتھ شروع کیا تھا۔ اب تک 11,500 پول ماؤنٹڈ ٹرانسفا مرز (PMT) کو

مالی سال 22ء کی پہلی سہ ماہی کے اختتام پر ABC میں تبدیل کر دیا گیا ہے۔ اس کے علاوہ، کمپنی کے پرچم بردار پروجیکٹ - سر بلندی، کا آغاز بھی مالی سال 2020ء میں کیا گیا تھا جس کا مقصد نقصانات کو روکنا اور سماج کو ترقی دینا تھا خاص طور پر شہر کے پسماندہ اضلاع میں۔ اس پروجیکٹ کے ذریعے، زیادہ نقصان والے علاقوں میں 2,500 پی ایم ٹیز سے زائد کو اب تک ABC میں منتقل کر دیا گیا ہے۔ مالی سال 22ء کی پہلی سہ ماہی میں، تقریباً 38,000 کم لاگت والے نئے کنکشنز ان علاقوں میں (27,000 میٹرز بذریعہ موبائل نیوکشن ویز (MNCV) اور 11,000 آسان میٹرز) جاری کیے گئے۔ اس کامیابی کی بنیاد پر، پروجیکٹ سر بلندی کا گلامر حلہ بھی شروع کیا جا رہا ہے جس میں اندرون شہر ترقی پذیر کاروباروں میں لگ بھگ 1,000 پی ایم ٹیز کو ABC میں تبدیل کرنے کا ہدف ہے۔

بل کی بروقت ادائیگیوں اور صارفین کیلئے سہولیات کو بہتر بنانے کی حوصلہ افزائی کی غرض سے، آزادی اسکیم کا آغاز مالی سال 2020ء میں کیا گیا تھا۔ اس اسکیم نے 48,000 پرانے صارفین کو کامیابی کے ساتھ شامل کیا اور تقریباً 2 ارب روپے وصول کیے۔ مالی سال 22ء کیلئے، شہر کی مختلف آبادیوں کے منتخب علاقوں کی نشاندہی کی گئی ہے جہاں امن وامان کے پرانے مسائل کا سامنا ہے۔ ان علاقوں کیلئے وصولی کے حل کے طور پر ٹیلر میڈ ایریا اسپیسفک ریپیٹ اسکیم متعارف کروائی جا رہی ہے۔ ڈیجیٹلائزیشن کے ذریعے صارف کے تجربے کو بہتر بناتے ہوئے، KE پہلی یوٹیلیٹی ہے جس نے اپنی ویب سائٹ اور ایپ پر انٹرنیٹ ہیمنٹ گیٹ وے (IPG) متعارف کروایا ہے تاکہ کریڈٹ / ڈیبٹ کارڈز کے ذریعے بل کی ادائیگی کی سہولت و آسانی دی جائے۔

مزید یہ کہ کمپنی کی نیٹ ورک ہلپتھ اور ٹیکنالوجیکل بہتری و اضافے کیلئے، KE نے تقریباً 500 ملین روپے کی سرمایہ کاری کے ساتھ ایڈوانسڈ میٹرا فرائیڈ اسٹرکچر (AMI) کا آغاز کر دیا ہے جس میں صنعتی صارفین کیلئے اسمارٹ میٹرز کی تنصیب اور رہائشی و تجارتی صارفین کیلئے نیٹ میٹرنگ بھی شامل ہیں۔ سسٹم پر جیوگرافک نیٹ ورک اور ایڈمیٹ میپنگ کیلئے الیکٹریکل انٹیلیجنس ArcFM سافٹ ویئر کے ذریعے نقصان، بندشوں اور انفرا سٹرکچرل پیش رفت کی بروقت ٹریکنگ کو بھی شامل کر لیا گیا ہے۔ حفاظت کی جانب اپنے عزم کو یقینی بنانے کیلئے، KE نے حفاظتی اقدامات جیسے پبلک ایکسیڈنٹ پریوینشن پلان (PAPP) اور پروجیکٹ انشور کی منصوبہ بندی کی جو کہ رین ایمرجنسی پلان کے جزو کے طور پر تھی تاکہ نیٹ ورک کی طاقت و مزاحمت کو بہتر بنایا جائے جو مالی سال 22ء کی پہلی سہ ماہی تک 98% کی شرح تکمیل پر موجود ہے۔

کاروباری پیش رفت

KE، سرسبز و سستے وسائل کے ذریعے توانائی کی پیداوار کے اپنے عزم کے مطابق، مسابقتی نیلامی بولیوں کے ذریعے بلوچستان کے اضلاع ویندر، اتھل اور بیلہ کے ہر ایک مقام پر 50 میگا واٹ کے سولر پاور پروجیکٹس کے قیام کا آغاز کر چکی ہے۔ یہ پروجیکٹس IPP اسٹرکچر کے تحت لگائے جائیں گے۔ پروجیکٹس کے ریگولیٹور پروپوزل (RFP) فی الوقت پھر کی منظوری کے مرحلے میں ہے۔

پاور پراجیز ایجنسی ایگریمنٹ، انٹر کنکشن ایگریمنٹ اور ٹیرف ڈیفینشل سبسیڈی ایگریمنٹس متعلقہ اسٹیک ہولڈرز کے ساتھ متفق ہو گئے ہیں اور توقع ہے کہ حکومت پاکستان کی منظوری اور اوپن پوائنٹس پر فیصلے کیلئے جمع بھی کروا دیا جائے گا۔

ادارہ جاتی سماجی ذمے داری (سی ایس آر)

کے - الیکٹرک نے ہنر فائونڈیشن کے اشتراک سے ”پاکستان کی پہلی خواتین الیکٹریشن پروگرام“، توثیق کی اور اس کا آغاز کیا جس کی تصدیق پھر کی جانب سے بھی کر دی گئی ہے۔ اسی کیونٹی سے 40 خواتین نے کامیابی سے 200 گھنٹوں کی تربیت کی تکمیل سے الیکٹریشن سرٹیفیکیشن (سند) حاصل کی۔ خواتین الیکٹریشن کی گریجویٹیشن تقریب میں چیئرمین پھر، تو صیف ایچ۔ فاروقی، کی قیادت میں پھر کے ایک وفد نے بھی شرکت کی۔

روشنی باجی نہر ہوڈ ویمن ایمپیسڈ پروگرام کے پہلے مرحلے کا اختتام جولائی 2021ء میں ہو گیا۔ اس پروگرام کے ذریعے کوئی 108,294 کیونٹی خواتین تک رسائی حاصل کی گئی اور انھیں الیکٹرک سے متعلق حفاظت کے بارے میں تعلیم دی گئی۔ کراچی کی چار کمیونٹیز (برادریوں) میں روشنی باجی کو سہولیات بہم پہنچائی گئیں جن کے ذریعے تقریباً 9,000 گھرانوں کو کنڈے سے قانونی کنکشنز کی طرف منتقل کیا گیا۔ KE روشنی باجی پروجیکٹ S&P گلوبل پلیٹس، گلوبل انرجی ایوارڈز فری ایس آر - ڈائیورسٹی کیلگری کیلئے فائنلسٹ ہے۔

KE نے کووڈ-19 ویکسینیشن مہم کا آغاز بھی کیا تاکہ کراچی کے دور افتادہ مقامات، بن قاسم اور بلوچستان میں رہائش پذیر افراد کو ویکسینیشن تک رسائی مہیا کی جائے جس سے ان کو گھروں کی دہلیز پر کووڈ-19 کے خلاف قوت مدافعت فراہم کر دی جائے۔ KE نے اپنے لائسنس یافتہ علاقوں کے اندر کراچی اور بلوچستان کے دور دراز علاقوں تک رسائی کیلئے پانچ عدد موبائل وین کی فراہمی میں معاونت کی۔ اس اقدام کے عملی شریک کار HANDS ہیں۔

KE نے پولیو کے خاتمے کے اقدام پر اشتراک عمل کیلئے NEOC کے ساتھ ایک مراسلہء ارادہ پر بھی دستخط کر دیے ہیں جس میں KE بل کے اوپر جگہ دے کر پولیو آگہی کیلئے مدد کرے گا اور پولیو آگہی مہم کے

پیغامات مختلف سوشل میڈیا پلیٹ فارمز پر فراہم کرے گا۔

کیونٹیز کے ساتھ شمولیت و سرگرمیوں کی اپنی جاری و ساری کوششوں کے جزو کے طور پر، مختلف پلیٹ فارمز کے ذریعے بارشوں کے موسم سے قبل حفاظتی پیغامات کیلئے میدان عمل پر کام کیا گیا۔ مذہبی مراکز کے ذریعے جس میں مساجد اور گرجا گھر شامل ہیں 486 کیونٹیز کو پیغامات پہنچائے گئے۔ ایک سیفٹی روڈ شو جو کراچی کے تقریباً 200 علاقوں میں حرکت پذیر ہالگ بھگ 200,000 افراد تک رسائی حاصل کی۔ اس کے علاوہ فرنٹ لائن ایمرجنسی فراہم کرنے والے ادارے مثلاً ایڈھی، سیلانی اور صارم برنی ٹرسٹ کے ساتھ اشتراک عمل نے ہمیں ان کے ذریعے لوگوں تک پہنچنے میں بڑی مدد فراہم کی ہے۔

وزیراعظم کے وژن سے ہم آہنگی میں یوم آزادی پر سندھ ریجنرز کے ساتھ مل کر 15,000 درختوں کی شجرکاری کے عہد کے ذریعے #PlantForPakistan کے تحت KE کی شجرکاری جاری ہے۔ پچھلے سال KE نے تقریباً 400,000 درخت لگائے۔

KE WoW کا مقصد قدیم و قدیم تصورات کو توڑنا ہے اور خواتین ملازمین اور منسلک خواتین کارکنان کیلئے نقل و حرکت میں اضافے کو یقینی بنانا ہے۔ KE سے لگ بھگ 150 خواتین اور کیونٹی کی خواتین کو موٹر بائیکس پر تربیت فراہم کی جارہی ہے تاکہ مسلمان صوفی ٹرسٹ کے ساتھ اشتراک سے انہیں خود مختار و انحصار بنایا جائے۔

دیگر اہم امور

سرکاری اداروں اور شعبوں کی طرف بڑھتے واجبات

30 ستمبر 2021ء پر مختلف وفاقی اور صوبائی ادارے سے خالص وصولی اصل کی بنیاد پر تقریباً 58 ارب روپے تک جا پہنچے ہیں۔ وصولیوں کا مجموعہ کمپنی کے نقد بہاؤ کی صورت حال، کو بری طرح متاثر کر رہا ہے، جس سے کمپنی کی پاور انفراسٹرکچر میں سرمایہ کاری کی رفتار بڑھانے کی صلاحیت اچھی خاصی قفل کا شکار ہے۔ لہذا، KE کی پائیداری اور اس شعبے کی عمومی استحکام کیلئے، یہ ضروری ہو گیا ہے کہ تمام فریقین بشمول حکومت پاکستان اس دیرینہ مسئلے کو حل کرنے کیلئے اکٹھا ہوں اور کوئی آسان حل تلاش کریں۔

اس سلسلے میں، ٹرمز آف ریفیننس (ToRs) کو حتمی شکل دینے کیلئے گفت و شنید جاری ہے تاکہ تاریخی تنازعے کو ثالثی کے ذریعے جس میں متعلقہ فریقین بھی شامل ہیں حل کر لیا جائے اور کمپنی بھی قانون کے مطابق تنازعے کے منصفانہ اور جائز ازالے کیلئے متعلقہ اسٹیک ہولڈرز کے ساتھ مسلسل رابطے میں ہے۔

مزید یہ کہ قومی گرڈ سے اضافی فراہمی کے آف-ٹیک کیلئے PPAA اور ICA کے ساتھ ساتھ، حکومت پاکستان کے ساتھ علیحدہ TDS معاہدے پر بات چیت جاری ہے تاکہ تصدیق کے عمل کو منظم کیا جائے اور KE کے ٹریف ڈفرنشل کلیمز کے بروقت ریلیز کو آگے بڑھایا جائے۔

ملٹی-ایئر ٹیرف (MYT)

MYT کے تحت 11 مارچ 2020ء کو دائر کی گئی وسط مدتی نظر ثانی کی درخواست فی الحال پھر کے تعین کے تحت ہے۔ کمپنی نے تاہم، احتیاط کی بنیاد پر، ایکویٹی پر اجازت شدہ واپسی پر USD انڈیکسیشن کے سرمایہ کاری کی منصوبہ بندی کے نیٹ میں نظر ثانی سے متعلق منفی جزو کے بنیادی ٹیرف کے اثرات کی ایڈجسٹمنٹ کر لی ہے جو کہ تخلیص کردہ عبوری مالی گوشواروں کے نوٹ 1.6 میں زیادہ مکمل طور پر واضح کر دیے گئے ہیں۔

کمپنی پھر کے ساتھ مسلسل رابطے میں ہے اور کمپنی توقع رکھتی ہے کہ اس ٹیرف میں ضروری ترمیمات کی اجازت دی جانی چاہیے جو کہ کمپنی کی بقا اور پائیداری کو یقینی بنانے کیلئے اہم ہیں، جبکہ اس سے کمپنی صارفین کے وسیع تر مفاد میں تمام تر پاور ویلیو چین میں درکار سرمایہ کاری کرنے کے قابل بھی ہو جائے گی۔

سہ ماہی ٹیرف ردوبدل پر، کمپنی پھر کے ساتھ زیر التواء سہ ماہی ٹیرف ردوبدل کے امور کی مسلسل پیروی کر رہی ہے جس میں مالی سال 2017ء تا مالی سال 2021ء کے عرصے کیلئے ریکوری نقصان کی جگہ لاگتیں شامل ہیں (KE کے MYT کے تحت اجازت کردہ پھنسے ہوئے قرضوں کے اصل کی منسوخی سے متعلق) جو کہ پھر کی جانب سے مہیا کردہ میکیزم کے مطابق دعویٰ کیے گئے تھے۔ ان درخواستوں کی بروقت منظوری کمپنی کی پائیداری اور منصوبہ بندی شدہ سرمایہ کاری کی تعمیل کیلئے بہت اہم ہے۔

مسابقتہ دو طرفہ تجارتی معاہدات مارکیٹ (CTBCM)

پاکستان میں ریگولیٹری منظر نامہ CTBCM ماڈل کے نفاذ کے تبدیلی کیلئے تیار ہے جس کا مقصد ملک بھر میں ایک مسابقتہ ہول سیل الیکٹریٹی مارکیٹ متعارف کروانا ہے۔ نیپرا نے مورخہ 12 نومبر 2020ء کو اپنے فیصلے کے ذریعے CTBCM کے تفصیلی ڈیزائن کی منظوری دے دی ہے، تاہم، نیپرا نے KE کے مجوزہ انضمام کی منظوری نہیں دی ہے اور KE کو ہدایت کر دی ہے کہ وہ متعلقہ اسٹیک ہولڈرز کے ساتھ مشاورت میں CTBCM کی طرف منتقلی کیلئے اپنے منصوبے کی ترمیم اور تشکیل کر لے۔

نیپرا کے احکامات کے ساتھ مطابقت میں، KE نے متعلقہ اسٹیک ہولڈرز کے ساتھ تفصیلی مشاورت کے بعد اپنا ایوبلیویشن اور انٹیکریشن پلان جمع کر دیا ہے، جس میں KE نے سفارش کی ہے کہ CTBCM کے کامیاب نفاذ کیلئے یہ اہم ہوگا کہ نیشنل الیکٹریٹی پالیسی 2021ء سے ہم آہنگ ہوتے ہوئے ایک پائیدار اور منظم منتقلی کو یقینی بنایا جائے اور مشترکہ مفادات کی کونسل (CCoE) پاکستان کے اندر مسابقتہ ہول سیل الیکٹریٹی مارکیٹس (منڈیوں) کے قیام کیلئے منظور کردہ اصولوں کو یقینی بنائے۔

جون اور جولائی 2020ء میں مومن سون کے دوران بجلی سے ہلاکتوں پر نیپرا کا فیصلہ

نیپرا نے مورخہ 11 اگست 2021ء کو اپنے فیصلے کے ذریعے جولائی اور اگست 2020ء میں طوفانی بارشوں کے دوران مبینہ عوامی ہلاکتوں پر 36 ملین روپے کا جرمانہ عائد کر دیا۔ KE نے نظر ثانی کی درخواست جمع کروادی ہے جس میں وضاحت کی گئی تھی کہ ان بدقسمت واقعات کے واقع ہونے کی اکثر وجوہات ناقص گھریلو وائرنگ، بجلی کے آلات کے غیر محفوظ استعمال، KE کے نیٹ ورک کے ارد گرد غیر مجاز تعمیرات اور بجلی کے کھیموں پر غیر قانونی کنڈے تھے۔

لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019ء کی تعمیل

13	i- ڈائریکٹرز کی کل تعداد
01	i- خاتون
12	ii- مرد
	ب- کمپوزیشن
01	i- آزاد ڈائریکٹر
12	ii- نان ایگزیکٹو ڈائریکٹر
01	iii- ایگزیکٹو ڈائریکٹر
01	iv- خاتون ڈائریکٹر

ج- اس رپورٹ میں بورڈ کمیٹی کے ارکان کے نام ”کمپنی انفارمیشن“ میں درج ہیں۔

د- بورڈ نے اپنے 1216 ویں اجلاس میں نان-ایگزیکٹو ڈائریکٹرز کیلئے ایک ریویو نیشن پالیسی کی منظوری دے دی ہے جو کہ قابل اطلاق کارپوریٹ ریگولیٹری فریم ورک سے ہم آہنگ ہے۔ نان-ایگزیکٹو ڈائریکٹرز کی منظور کردہ ریویو نیشن پالیسی کی نمایاں خصوصیات درج ذیل ہیں:

i- فیس کا جائزہ ہر تین سال کے بعد لیا جائے گا،

ii- یہ جائزہ ہر بار قابل اطلاق کارپوریٹ ریگولیٹری فریم ورک سے ہم آہنگ ہوگا اور با مقصد طور پر تعمیل کیا جائے گا،

iii- ریویو نیشن کا لیول موزوں ہوگا اور کمپنی کو محیطہ درکار ذمے داری اور پیشہ وارانہ مہارت کے لیول سے ہم آہنگ ہوگا تاکہ اس کے کاروبار و سماجی مقاصد کا مبادی سے حاصل کر لے اور ساتھ ہی قدر افزائی کی بھی حوصلہ افزائی کرے۔

بورڈ آف ڈائریکٹرز (BOD)

زیر جائزہ عرصے کے دوران، جناب محمد عبدالکھانی نے نان-ایگزیکٹو ڈائریکٹر کے عہدے سے استعفیٰ دے دیا اور 6 اگست 2021ء سے مؤثر ان کی جگہ جناب نوید اسماعیل کی تقرری کر دی گئی ہے۔
ڈاکٹر احمد مجتبیٰ مین نے KE بورڈ سے استعفیٰ دے دیا ہے اور ان کی جگہ مورخہ 28 اکتوبر 2021ء کو جناب ساجد محمود قاضی کی تقرری کر دی گئی ہے۔

اعترافات

بورڈ کمپنی کے شیئر ہولڈرز اور صارفین کا دل کی گہرائیوں سے ان کے تعاون اور تعامل کیلئے شکریہ ادا کرنا چاہتا ہے اور ساتھ ہی کمپنی کے تمام ملازمین کی کوششوں کو بھی تہ دل سے سراہتا ہے۔

بورڈ کیلئے اور منجانب

خالد فوج
ڈائریکٹر

سیڈ منوس عبداللہ علوی
چیف ایگزیکٹو آفیسر

کراچی، 28 اکتوبر 2021ء

(اُزراہ کرم اس بات کا خیال رکھیں کہ اس ڈائریکٹرز رپورٹ کا اردو متبادل صرف معلومات فراہم کرنے کی غرض سے شامل کیا گیا ہے۔ لہذا انگریزی میں دی گئی اصل عبارت ہی مستند ہے۔ کسی بھی نوعیت کی تشریح کیلئے انگریزی میں دی گئی ڈائریکٹر
زیر پورٹ ہی سے رجوع کریں اور اُسی پر انحصار کیا جائے۔)

K-ELECTRIC LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2021

Assets

Non-current assets

Property, plant and equipment
Intangible assets
Investment in subsidiary - at cost
Investment property
Long-term loans
Long-term deposits

Current assets

Inventories
Trade debts
Loans and advances
Deposits and short term prepayments
Other receivables
Taxation - net
Derivative financial assets
Cash and bank balances

TOTAL ASSETS

EQUITY AND LIABILITIES

Share capital and reserves

Issued, subscribed and paid-up capital

Reserves

Capital reserves

Share premium and other reserves
Revaluation surplus on property, plant and equipment

Revenue reserves

General reserves
Unappropriated profit

TOTAL EQUITY

LIABILITIES

Non-current liabilities

Long-term diminishing musharaka
Long-term financing
Lease liabilities
Long-term deposits
Employee retirement benefits
Deferred revenue

Current liabilities

Current maturity of long-term diminishing musharaka
Current maturity of long-term financing
Current maturity of lease liabilities
Trade and other payables
Unclaimed dividend
Accrued mark-up
Taxation - net
Short-term borrowings
Short-term deposits
Provision

TOTAL LIABILITIES

Contingencies and Commitments

TOTAL EQUITY AND LIABILITIES

The annexed notes 1 to 19 form an integral part of these financial statements.


Chief Executive Officer


Director


Chief Financial Officer

Note	(Un-Audited) September 30, 2021	(Audited) June 30, 2021
	(Rupees in '000)	
4	429,787,932	424,069,228
	338,053	389,270
	182,100	182,100
	2,971,660	2,986,899
	13,411	13,865
	11,744	11,744
	433,304,900	427,653,106
5	20,327,611	16,082,872
6	108,598,971	104,714,380
	2,053,383	2,587,658
	4,366,720	4,005,201
7	295,524,320	274,986,963
8	1,152,484	-
	4,952,804	3,276,351
	2,665,900	2,370,891
	439,642,193	408,024,316
	872,947,093	835,677,422
	96,261,551	96,261,551
	2,009,172	2,009,172
	54,859,582	55,932,669
	56,868,754	57,941,841
	5,372,356	5,372,356
	68,350,966	64,375,768
	73,723,322	69,748,124
	130,592,076	127,689,965
	226,853,627	223,951,516
	24,782,095	24,763,655
	34,178,811	35,650,703
	95,987	100,342
	13,188,727	12,866,349
	4,898,676	4,717,134
	27,490,149	27,697,647
	104,634,445	105,795,830
	3,300,000	4,400,000
	12,025,910	12,330,261
	30,664	31,723
9	381,968,839	353,854,773
	645	645
	8,961,965	8,858,167
	-	51,692
10	113,026,838	107,023,197
	22,138,360	19,372,118
	5,800	7,500
	541,459,021	505,930,076
	646,093,466	611,725,906
11	872,947,093	835,677,422

K-ELECTRIC LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

		Three Months Period Ended	
		September 30,	September 30,
		2021	2020
		------(Rupees in '000)-----	
REVENUE	Note		
Sale of energy - net		86,921,322	68,401,199
Tariff adjustment	12	27,218,168	17,148,508
		<u>114,139,490</u>	<u>85,549,707</u>
COST OF SALES			
Purchase of electricity	13	(43,581,488)	(27,582,204)
Consumption of fuel and oil	14	(47,610,951)	(37,456,175)
Expenses incurred in generation, transmission and distribution		(6,306,942)	(6,643,191)
		<u>(97,499,381)</u>	<u>(71,681,570)</u>
GROSS PROFIT		<u>16,640,109</u>	<u>13,868,137</u>
Consumers services and administrative expenses		(6,872,485)	(5,931,219)
Impairment loss against trade debts		(3,855,459)	(3,922,093)
Other operating expenses		(1,809,505)	(338,434)
Other income		2,886,520	1,490,107
		<u>(9,650,929)</u>	<u>(8,701,639)</u>
PROFIT BEFORE FINANCE COST		<u>6,989,180</u>	<u>5,166,498</u>
Finance cost		(2,987,682)	(3,020,580)
PROFIT BEFORE TAXATION		<u>4,001,498</u>	<u>2,145,918</u>
Taxation		(1,099,387)	(1,034,878)
PROFIT FOR THE PERIOD		<u><u>2,902,111</u></u>	<u><u>1,111,040</u></u>
EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION (EBITDA)		<u><u>11,837,869</u></u>	<u><u>10,191,529</u></u>
		------(Rupees)-----	
EARNING PER SHARE - BASIC AND DILUTED		<u><u>0.11</u></u>	<u><u>0.04</u></u>

The annexed notes 1 to 19 form an integral part of these financial statements.


Chief Executive Officer


Director


Chief Financial Officer

K-ELECTRIC LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

	Three Months Period Ended	
	September 30, 2021	September 30, 2020
	------(Rupees in '000)-----	
Net profit for the period	2,902,111	1,111,040
Other comprehensive income:		
Items that may be reclassified to profit or loss		
Changes in fair value of cash flow hedges	1,868,206	108,599
Adjustment for amounts transferred to profit or loss	(1,868,206)	(108,599)
	-	-
Total comprehensive income for the period	2,902,111	1,111,040

The annexed notes 1 to 19 form an integral part of these financial statements.


Chief Executive Officer

Director


Chief Financial Officer

K-ELECTRIC LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

	Issued, subscribed and paid-up capital			Reserves						Total	
	Ordinary shares	Transaction costs	Total share capital	Capital			Total	General reserves	Revenue		
				Share premium	Others	Surplus on revaluation of Property, plant and equipment			Unappropriated profit		Total
	(Rupees in '000)										
Balance as at July 1, 2020	96,653,179	(391,628)	96,261,551	1,500,000	509,172	59,232,336	61,241,508	5,372,356	47,782,956	53,155,312	210,658,371
Total comprehensive income for the three months period ended September 30, 2020											
Profit for the period	-	-	-	-	-	-	-	-	1,111,040	1,111,040	1,111,040
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-
Incremental depreciation relating to surplus on revaluation of property, plant and equipment - net of deferred tax	-	-	-	-	-	-	-	-	1,111,040	1,111,040	1,111,040
	-	-	-	-	-	(1,350,465)	(1,350,465)	-	1,350,465	1,350,465	-
Balance as at September 30, 2020	96,653,179	(391,628)	96,261,551	1,500,000	509,172	57,881,871	59,891,043	5,372,356	50,244,461	55,616,817	211,769,411
Balance as at July 1, 2021	96,653,179	(391,628)	96,261,551	1,500,000	509,172	55,932,669	57,941,841	5,372,356	64,375,768	69,748,124	223,951,516
Total comprehensive income for the three months period ended September 30, 2021											
Profit for the period	-	-	-	-	-	-	-	-	2,902,111	2,902,111	2,902,111
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-
Incremental depreciation relating to surplus on revaluation of property, plant and equipment - net of deferred tax	-	-	-	-	-	-	-	-	2,902,111	2,902,111	2,902,111
	-	-	-	-	-	(1,073,087)	(1,073,087)	-	1,073,087	1,073,087	-
Balance as at September 30, 2021	96,653,179	(391,628)	96,261,551	1,500,000	509,172	54,859,582	56,868,754	5,372,356	68,350,966	73,723,322	226,853,627

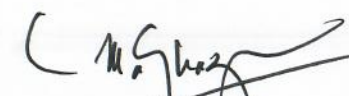
The annexed notes 1 to 19 form an integral part of these financial statements.



Chief Executive Officer



Director



Chief Financial Officer

K-ELECTRIC LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

		Three Months Period Ended	
		September 30, 2021	September 30, 2020
		----- (Rupees in '000) -----	
Cash Flows From Operating Activities			
Profit before taxation		4,001,498	2,145,918
Adjustments for non-cash charges and other items :			
Depreciation and amortisation		4,848,689	5,025,031
Provision for employee retirement benefits		251,716	255,564
Provision for slow moving and obsolete inventories - net		32,423	55,766
Provision for impairment against trade debts		3,855,459	4,205,320
Provision against fatal accident cases		(1,700)	-
(Gain) / Loss on sale of property, plant and equipment		(874,527)	4,183
Workers' profits participation fund		210,605	112,943
Gain on derivative financial assets		(1,868,206)	(108,599)
Finance cost		2,987,682	3,020,580
Amortisation of deferred revenue		(584,206)	(524,785)
Return on bank deposits		(72,309)	(44,793)
Operating profit before working capital changes		12,787,124	14,147,128
Working capital changes:			
Decrease in current assets			
Inventories		(4,277,162)	(2,214,302)
Trade debts		(7,740,050)	(9,695,078)
Loans and advances		534,275	177,278
Deposits and short term prepayments		(361,519)	896,384
Other receivables		(20,537,357)	(16,526,912)
		(32,381,813)	(27,362,630)
Increase in current liabilities			
Trade and other payables		27,903,460	17,309,118
Short-term deposits		2,766,242	838,944
		30,669,702	18,148,062
Cash generated from operations		11,075,013	4,932,560
Employee retirement benefits paid		(70,174)	(453,048)
Income tax paid		(2,303,563)	(54,860)
Receipts in deferred revenue		376,708	233,379
Finance cost paid		(2,688,029)	(3,139,466)
Interest received on bank deposits		72,309	44,793
Long-term loans		454	583
		(4,612,295)	(3,368,619)
Net cash generated from operating activities		6,462,718	1,563,941
Cash Flows From Investing Activities			
Capital expenditure incurred		(10,629,676)	(7,973,357)
Proceeds from disposal of property, plant and equipment		1,003,268	4,665
Net cash used in investing activities		(9,626,408)	(7,968,692)
Cash Flows From Financing Activities			
(Repayment of) / Proceeds from long-term diminishing musharaka - net		(1,081,560)	74,059
(Repayment of) / Proceeds from long-term financing - net		(1,776,244)	978,689
Lease payments		(9,516)	(6,282)
Proceeds from short-term borrowings - net		7,171,675	2,216,302
Security deposit from consumers		322,378	187,283
Net cash generated from financing activities		4,626,733	3,450,051
Net increase / (decrease) in cash and cash equivalents		1,463,043	(2,954,700)
Cash and cash equivalents at beginning of the period		(35,979,547)	(25,835,525)
Cash and cash equivalents at end of the period		(34,516,504)	(28,790,225)


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The annexed notes 1 to 19 form an integral part of these financial statements.


Chief Executive Officer


Director


Chief Financial Officer

K-ELECTRIC LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

1. THE COMPANY AND ITS OPERATIONS

1.1 K-Electric Limited "the Company" was incorporated as a limited liability company on September 13, 1913 under the repealed Indian Companies Act, 1882 (now the Companies Act, 2017) and its shares are quoted on the Pakistan Stock Exchange. The registered office of the Company is situated at KE House, 39-B, Sunset Boulevard, Phase II, DHA, Karachi.

1.2 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 the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 to its licensed areas. KES Power Limited (the Holding Company) incorporated in Cayman Island, holds 66.40 percent (June 2021: 66.40 percent) shares in the Company.

1.3 As notified on the Pakistan Stock Exchange on October 28 2016, Shanghai Electric Power Company Limited (SEP) has entered into a Sale and Purchase Agreement (SPA) with KES Power Limited (the Holding Company) to acquire up to 66.40 percent of the shares in the Company. The completion of the transaction contemplated by SPA is subject to receipt of applicable regulatory approvals and satisfaction of other conditions precedent specified therein.

SEP notified its initial Public Announcement of Intention (PAI) for the above equity acquisition on October 3, 2016. Subsequently, in order to comply with the statutory requirements under the Securities Act, 2015 and the Listed Companies (Substantial Acquisition of Voting Shares and Takeovers) Regulations, 2017, SEP notified PAIs on different dates with latest PAI being notified on September 23, 2021 incorporating amended / additional requirements pursuant to the Securities Act, 2015 and the aforementioned regulations.

1.4 The company has following subsidiaries:

KE Venture Company (Private) Limited (KEVCL), has been incorporated to invest in diverse initiatives within the energy sector of Pakistan.

K-Solar (Private) Limited (K-Solar) was incorporated under KEVCL. The principal activity of K-Solar is to provide customers with opportunities to diversify their energy sources through high quality economic solutions.

The principal location of business for KEVCL and K-Solar is Karachi, Pakistan.

1.5 The Company, being a regulated entity, is governed through Multi Year Tariff (MYT) regime. Accordingly, National Electric Power Regulatory Authority (NEPRA) determines tariff for the Company for the tariff control period from time to time. The MYT which was determined in 2009 was for a seven-year period expired on June 30, 2016. On March 31, 2016, the Company filed a tariff petition with NEPRA for continuation of the MYT for a further 10 year period starting from July 1, 2016 along with certain modifications in the tariff. NEPRA vide its determination dated March 20, 2017, determined the MYT for the period commencing from July 1, 2016 till June 30, 2023 (MYT 2017-23). Considering that some of the assumptions in the MYT 2017-23 determined by NEPRA were not reflective of ground realities and would be detrimental to the long term investment plan and operations, the Company, in order to protect long term interest of the business filed a review motion with NEPRA on April 20, 2017.

NEPRA issued its decision on the Company's review motion and largely maintained its earlier decision. The Ministry of Energy (Power Division), Government of Pakistan (the GoP) on request of the Company filed a 'Reconsideration request' with NEPRA dated October 26, 2017 under Section 31 (4) of the NEPRA Act 1997 to consider afresh its earlier determination to ensure that consumer interest in terms of continuous and efficient service delivery is maintained. NEPRA, vide its decision dated July 5, 2018 (MYT decision) in the matter of 'Reconsideration request' filed by the GoP, determined the revised MYT. The Company after considering that the MYT decision does not consider actual equity invested into the Company, applies notional capital structure based on the assumption of 70:30 debt to equity ratio and is a drastic departure from the previous structure without providing the Company an appropriate transition period, approached the Appellate Tribunal for relief under Section 12G of the NEPRA Act 1997. The formation of Appellate Tribunal has been notified by the Government of Pakistan (GoP) and in this regard the Honourable Supreme Court in HRC No. 20883/2018 vide order dated October 13, 2020 has directed the Federation of Pakistan to notify the Chairman and members of the Appellate Tribunal within two (02) weeks and submit a report. Chairman of the Appellate Tribunal has been appointed by GoP however, members are yet to be appointed. On the appointment of the members Appellant tribunal would be functional. The Company also approached the High Court of Sindh (HCS) against the aforementioned MYT decision and filed a suit in which a stay order was granted on July 26, 2018. The Company, on April 3, 2019, withdrew the suit filed with HCS against MYT decision, as the Company decided to pursue its legitimate concerns / issues with Appellate Tribunal, however, reserves its right to again approach the HCS if required. The Ministry of Energy (Power Division) has notified the MYT decision through SRO 576 (I) /2019 dated May 22, 2019.

The Company's revenue for the three months period ended September 30, 2021 has been based on the aforementioned revised MYT decision.

- 1.6 The Company filed Mid Term Review petition with NEPRA on March 11, 2020, as per the mechanism included in the MYT decision dated July 5, 2018, for reassessment of impact of USD indexation on allowed Return on Equity, changes due to necessary revision in the investment plan and working capital requirements of the Company along with other adjustments. During the year ended June 30, 2021, NEPRA held a public hearing on this matter on September 16 & 17, 2020. Consequently, considering the significant changes to macro-economic factors due to COVID-19, revision in investment plan and other changes in underlying factors, the Company has updated its earlier request of increase in base tariff of Rs. 1.64/kWh through its letter dated October 1, 2020 and has now requested for an increase of Rs. 1.21/kWh in the base tariff effective July 1, 2016. The Mid Term Review petition is currently under determination, however, the Company based on prudence has accounted for the base tariff impact of negative component relating to revision in investment plan net of USD indexation on allowed Return on Equity in these condensed interim financial statements. Further, keeping in view the significant regulatory delays and related uncertainty, other adjustments including legitimate cost of working capital would be recognised based on determination of NEPRA. The Company remains engaged with NEPRA for determination of its legitimate requests and is confident that necessary adjustment would be made in base tariff.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

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

- International Accounting Standard (IAS) 34, 'Interim Financial Reporting', issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act); and
- Provisions of and directives issued under the Act.

Where provisions of and directives issued under the Act differ with the requirements of IAS 34, the provisions of and directives issued under the Act have been followed.

- 2.2 In order to comply with the requirements of the International Accounting Standard 34 - 'Interim Financial Reporting', the condensed interim statement of financial position has been compared with the balances of annual financial statements of the immediately preceding financial year, whereas, the condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cashflows have been compared with the balances of comparable period of the immediately preceding financial year.

- 2.3 These condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended June 30, 2021. These condensed interim financial statements are un-audited and are being submitted to the shareholders as required by the listing regulations of Pakistan Stock Exchange Limited and Section 237 of the Companies Act, 2017.

- 2.4 These condensed interim financial statements are presented in Pakistan Rupee which is also the Company's functional currency.

2.5 New standards, amendments to accounting and reporting standards and new interpretations

a) Amendments and interpretation to published accounting and reporting standards which became effective during the period

There were certain amendments and interpretations to accounting and reporting standards which became effective for the Company during the period. However, these do not have any significant impact on the Company's financial reporting and, therefore, have not been disclosed in these condensed interim financial statements.

b) New standard and amendments to published accounting and reporting standards that are not yet effective

The following amendments with respect to the accounting and reporting standards would be effective from the dates mentioned below against the respective amendments:

		Effective date (annual reporting periods beginning on or after)
IAS 1	Presentation of financial statements (Amendments)	January 1, 2023
IAS 8	Accounting policies, changes in estimates and errors (Amendments)	January 1, 2023
IAS 12	Income taxes (Amendments)	January 1, 2023
IAS 16	Property, Plant and Equipment (Amendments)	January 1, 2022
IAS 37	Provisions, Contingent Liabilities and Contingent Assets (Amendments)	January 1, 2022
IFRS 3	Business Combinations (Amendments)	January 1, 2022
IFRS 9	Financial Instruments (Amendments)	January 1, 2022

The management anticipates that application of above amendments in future periods, will have no material impact other than in presentation / disclosures.

- d) SECP through S.R.O. 11177 (I)/2021 dated September 13, 2021 has notified that in respect of companies holding financial assets due from the Government of Pakistan (GoP), the requirements contained in IFRS 9 'Financial Instruments', with respect to application of Expected Credit Loss (ECL) method shall not be applicable till June 30, 2022, provided that such companies shall follow relevant requirements of IAS 39 'Financial Instruments: Recognition and Measurement' in respect of above referred financial assets during the exemption period.

2.6 Accounting estimates, judgement and financial risk management

The preparation of these condensed interim financial statements, in conformity with the approved accounting and reporting standards for interim financial reporting requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from the estimates.

During the preparation of these condensed interim financial statements, there have been no changes in the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation and uncertainty from those that were applied to the annual audited financial statements of the Company for the year ended June 30, 2021.

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements for the year ended June 30, 2021.

3. ACCOUNTING POLICIES

- 3.1 The accounting policies and method of computation adopted for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the Company's annual audited financial statements for the year ended June 30, 2021.
- 3.2 The Company follows the practice to conduct actuarial valuation annually at the year end. Hence, the impact of remeasurement of post-employment benefit plans has not been incorporated in these condensed interim financial statements.
- 3.3 Taxes on income, in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

4. PROPERTY, PLANT AND EQUIPMENT

	Note	(Un-Audited) September 30, 2021	(Audited) June 30, 2021
		----- (Rupees in '000) -----	
Operating fixed assets	4.1	293,864,402	298,062,507
Capital work-in-progress		135,805,486	125,880,005
Right of use assets		118,044	126,716
		<u>429,787,932</u>	<u>424,069,228</u>

- 4.1 Additions and disposals of operating fixed assets during the period are as follows:

	(Un-Audited) Additions (at cost)		(Un-Audited) Disposals (at net book value)	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
	----- (Rupees in '000) -----			
Plant and machinery	373,116	55,083	2,176	6,418
Transmission and distribution network	327,836	1,070,880	123,444	1,912
Others	3,247	7,799	3,121	518
	<u>704,199</u>	<u>1,133,762</u>	<u>128,741</u>	<u>8,848</u>

- 4.2 The above disposals represent assets costing Rs. 720.166 million (September 30, 200: Rs. 54.247 million) which were disposed off for Rs. 1,003.267 million (September 30, 2020: Rs. 4.665 million)

	Note	(Un-Audited) September 30, 2021	(Audited) June 30, 2021
		----- (Rupees in '000) -----	
5. INVENTORIES			
High speed diesel (HSD)		559,784	669,224
Furnace oil		4,750,484	2,354,424
		5,310,268	3,023,648
Stores, spare parts and loose tools		16,163,133	14,172,592
		21,473,401	17,196,240
Provision against slow moving and obsolete stores, spare parts and loose tools	5.1	(1,145,790)	(1,113,368)
		20,327,611	16,082,872

5.1 Provision against slow moving and obsolete stores, spare parts and loose tools

Opening balance	1,113,368	899,111
Provision recognised during the year - net	32,423	214,257
	1,145,791	1,113,368

6. TRADE DEBTS

Considered good

Secured – against deposits from consumers	4,683,708	5,502,226
Unsecured	103,915,263	99,212,154
	108,598,971	104,714,380

Considered doubtful

Provision for impairment against debts considered doubtful	6.2	(100,330,997)	(97,746,537)
		108,598,971	104,714,380

6.1 These balances do not include any Late Payment Surcharge (LPS) on receivables from public sector consumers as fully explained in note 31.1.1 of financial statement for the year ended June 30, 2021, on the principal that due to the circular debt situation, the LPS should only be received by the Company from its public sector consumers, if any surcharge is levied on the Company on account of delayed payments of its public sector liabilities.

As at September 30, 2021, receivable from government and autonomous bodies amounting to Rs. 51,583 million (June 2021: Rs. 51,396 million) includes unrecognized LPS of Rs.9,140 million (June 2021: Rs.9,079 million); which includes receivable from Karachi Water and Sewerage Board (KW&SB) amounting to Rs.32,447 million including LPS of Rs 4,811 million (June 2021: Rs. 32,240 million including LPS of Rs. 4,686 million) and receivable from City District Government Karachi (CDGK) amounting to Rs. 10,614 million including LPS of Rs. 1,875 million (June 2021: Rs. 11,609 million including LPS of Rs. 1,873 million).

Upto September 30, 2021, adjustment orders have been received from the Government of Sindh (GoS) whereby the Company's liability amounting to Rs. 12,434 (June 30, 2021: Rs. 12,434 million) on account of electricity duty has been adjusted against the KW&SB dues.

	Note	(Un-Audited) September 30, 2021	(Audited) June 30, 2021
		----- (Rupees in '000) -----	
6.2 Provision for impairment against debts considered doubtful			
Opening balance		97,746,537	101,500,529
Provision recognized during the period / year		3,855,459	15,743,291
		101,601,996	117,243,820
Write-off against provision during the period / year	6.3	(1,270,999)	(19,497,283)
		100,330,997	97,746,537

6.3 This includes write-off of Rs.571 million (June 30, 2021: Rs. 16,040 million) to be claimed as tariff adjustment in accordance with the criteria prescribed by NEPRA.

7. **OTHER RECEIVABLES**

Considered good

Sales tax - net

Due from the Government of Pakistan (GoP) and Government of Balochistan (GoB) - net:

- Tariff adjustment

- Interest receivable from GoP on demand finance liabilities

Others

(Un-Audited) September 30, 2021	(Audited) June 30, 2021
(Rupees in '000)	

10,678,458

7,365,116

284,093,214	266,875,046
237,173	237,173
284,330,387	267,112,219
515,475	509,628
295,524,320	274,986,963

8. **TAXATION - NET**

There is no significant change in the status of the tax related contingencies as disclosed in notes 41.1 and 41.2 of the annual financial statements of Company for the year ended June 30, 2021.

(Un-Audited) September 30, 2021	(Audited) June 30, 2021
(Rupees in '000)	

9. **Trade and other payables**

Power purchases

Fuel and gas

Others

Accrued expenses

Advances / Credit balances of consumers

Other liabilities including claw-back

250,434,828	234,486,600
26,348,671	21,166,153
48,149,299	41,960,100
324,932,798	297,612,853
5,982,837	6,131,052
5,453,064	5,282,682
45,600,140	44,828,186
381,968,839	353,854,773

10. **SHORT-TERM BORROWINGS**

From banking companies

Bills payable

Short term running finances

Bridge term finance facility

From others

Conventional Commercial Paper

Islamic Commercial Papers

10.1

10.2

10.3

24,525,661	20,202,092
37,182,404	38,350,438
28,310,000	28,310,000
90,018,065	86,862,530
4,363,199	-
18,645,574	20,160,667
113,026,838	107,023,197

10.1 These represent drawdowns under bridge term finance facilities of Rs. 28,310 million entered into on July 26, 2021 with syndicate of local commercial banks. These facilities have been utilized to repay the similar facilities utilized earlier for partially funding BQPS-III combined cycle power plant and associated transmission projects of the Company. The facilities carry mark-up at 3-month KIBOR + 2% per annum, payable in quarterly installments. The settlement of these facilities is planned through the proceeds of long-term financing. The facilities are secured by way of first pari-passu hypothecation charge over specific fixed assets, specific collections and lien over certain accounts.

10.2 This represent one distinct privately placed and unsecured Commercial Paper (CP) of 6 months' tenor amounting to Rs. 4.5 billion (face value) in aggregate. The proceeds therefrom were utilised to partially finance the Company's additional working capital requirements. This carry profit at 6 month KIBOR + 0.45% per annum.

10.3 These represent five distinct privately placed and unsecured Islamic Commercial Paper (ICP) of 6 months' tenor amounting to Rs. 19.0 billion (issue size) in aggregate. The proceeds therefrom were utilised for repayments upon maturity of previously issued ICPs and partially to finance the Company's additional working capital requirements. These carry profit at 6 month KIBOR + 0.30% to 0.55% per annum.

11. CONTINGENCIES AND COMMITMENTS

11.1 Contingencies

There has been no significant change in the status of contingencies as disclosed in notes 31.1.1 to 31.1.6 of the annual financial statement of the Company for the year ended June 30, 2021.

11.2 Claims not acknowledged as debts

11.2.1 Claims not acknowledged as debts as disclosed in notes 31.2 to the annual financial statements of the Company for the year ended June 30, 2021 remained unchanged.

	(Un-Audited) September 30, 2021 ----- (Rupees in '000) -----	(Audited) June 30, 2021 ----- (Rupees in '000) -----
11.3 Commitments		
11.3.1 Guarantees from banks	6,030,197	6,028,766
11.3.2 Transmission projects	7,925,449	8,504,858
11.3.3 Transmission Project (TP-1000)	1,995,563	2,473,375
11.3.4 BQPS III 900 MW combined cycle power plant & associated transmission project	10,866,590	12,152,645
11.3.5 Outstanding letters of credit	13,541,828	11,509,351
11.3.6 Dividend on preference shares	1,119,453	1,119,453

The Company has not recorded any dividend on redeemable preference shares in view of certain restrictions on dividend placed under loan covenants by certain local and foreign lenders.

11.3.7 Commitments for rentals under Ijarah facilities obtained from Islamic banks in respects of vehicles are as follows:

	Note	(Un-Audited) September 30, 2021 ----- (Rupees in '000) -----	(Audited) June 30, 2021 ----- (Rupees in '000) -----
- not later than one year		392,367	379,574
- later than one year and not later than five years		641,742	645,629

	(Un-Audited) September 30, 2021 ----- (Rupees in '000) -----	(Un-Audited) September 30, 2020 ----- (Rupees in '000) -----
12. TARIFF ADJUSTMENT	27,218,168	17,148,508

12.1 This represents tariff differential subsidy claim for variation in fuel prices, cost of power purchases, operation and maintenance cost, being adjustments required as per NEPRA's MYT decision and those resulting in adjustment of tariff due from Government.

12.2 Includes Rs. 571 million comprising dues of 2,366 customers (2021: Rs 642 million comprising dues of 2,035 customers) recognized during the three months period ended September 30, 2021 against actual write-off of bad debts under the MYT decision dated July 5, 2018 for the period from July 1, 2016 to June 30, 2023.

	(Un-Audited) September 30, 2021 ----- (Rupees in '000) -----	(Un-Audited) September 30, 2020 ----- (Rupees in '000) -----
13. PURCHASE OF ELECTRICITY		
Central Power Purchasing Agency (Guarantee) Limited (CPPA) / NTDC	29,080,502	16,085,616
Independent Power Producers (IPPs)	13,648,851	10,696,254
Karachi Nuclear Power Plant (KANUPP)	852,135	800,334
	43,581,488	27,582,204

		(Un-Audited)	
		September 30, 2021	September 30, 2020
		----- (Rupees in '000) -----	
14.	CONSUMPTION OF FUEL AND OIL		
	Natural gas / RLNG	30,957,833	20,516,111
	Furnace and other fuel / oil	15,602,823	16,940,064
	High speed diesel (HSD)	1,050,295	-
		<u>47,610,951</u>	<u>37,456,175</u>
15.	CASH AND CASH EQUIVALENTS		
	Cash and bank balances	2,665,900	2,107,047
	Short-term running finances	(37,182,404)	(30,897,272)
		<u>(34,516,504)</u>	<u>(28,790,225)</u>
16.	TRANSACTIONS WITH RELATED PARTIES		

Related parties of the Company comprise of subsidiary companies, associated companies, state-controlled entities, staff retirement benefit plans and the Company's directors and key management personnel. Details of significant transactions with related parties other than those disclosed elsewhere in these condensed interim financial statements are as follows:

16.1 Government related entities

The Company has availed the exemption available to it under its reporting framework, and therefore has not provided detailed disclosures of its transactions with government related / state-owned entities except for transactions included below, which the Company considers to be significant:

		(Un-Audited)	
		September 30, 2021	September 30, 2020
		----- (Rupees in '000) -----	
	CPPA / NTDC		
	Power purchases	<u>29,080,502</u>	<u>16,085,616</u>
	Pakistan State Oil Company Limited		
	Purchase of furnace oil / HSD & other lubricants	<u>15,969,245</u>	<u>18,179,636</u>
	Sui Southern Gas Company Limited		
	Purchase of gas	<u>30,957,833</u>	<u>20,516,111</u>
16.2	Hascol Petroleum Limited	<u>1,942,418</u>	<u>-</u>
16.3	Subsidiary - K-Solar		
	Shared Service Fee	<u>1,870</u>	<u>-</u>
	Salary of deputed staff	<u>3,977</u>	<u>-</u>
16.4	Key management personnel		
	Managerial remuneration	<u>154,475</u>	<u>115,349</u>
	Other allowances and benefits	<u>37,382</u>	<u>31,400</u>
	Retirement benefits	<u>22,353</u>	<u>-</u>
	Leave encashment	<u>555</u>	<u>-</u>
	Contribution to provident fund	<u>287,196</u>	<u>275,784</u>

17. OPERATING SEGMENT

The Company operates as a vertically integrated power utility under a single integrated tariff structure, as determined by NEPRA; with no separate revenue streams as the Company as a whole earns revenues by providing electricity to its end consumers. The management has determined Generation, Transmission and Distribution as its operating segments, which are being presented to the Board of Directors of the company for allocation of resources and assessment of performance. These operating segments carry risks and rewards which differ from other segments and also reflects the management structure of the Company.

The unallocated items of profit or loss and assets and liabilities include items which cannot be allocated to a specific segment on a reasonable basis.

Septemehr 30, 2021					
	Generation	Transmission	Distribution	Eliminations	Total
	(Rupees in million)				
Segment revenue	-	-	114,139	-	114,139
Inter-segment revenue	57,746	7,354	-	(65,100)	-
Total revenue	57,746	7,354	114,139	(65,100)	114,139
Purchase of electricity / Consumption of fuel and oil	(47,610)	-	(108,682)	65,100	(91,192)
Contribution Margin	10,136	7,354	5,457	-	22,947
O&M expenses	(1,638)	(1,288)	(5,404)	-	(8,330)
Other operating expenses	(1,298)	(332)	(179)	-	(1,809)
Other income	35	269	2,581	-	2,885
Impairment loss against trade debts	-	-	(3,855)	-	(3,855)
EBITDA	7,235	6,003	(1,400)	-	11,838
Depreciation and amortisation	(2,748)	(914)	(1,187)	-	(4,849)
EBIT	4,487	5,089	(2,587)	-	6,989
Finance cost	(1,114)	(699)	(1,175)	-	(2,988)
Profit / (Loss) before taxation	3,373	4,390	(3,762)	-	4,001
Taxation - Current	(478)	(621)	-	-	(1,099)
Taxation - Deferred	-	-	-	-	-
Profit / (loss) for the year	2,895	3,769	(3,762)	-	2,902
Septemehr 30, 2020					
	Generation	Transmission	Distribution	Eliminations	Total
	(Rupees in million)				
Segment revenue	-	-	85,550	-	85,550
Inter-segment revenue	47,827	7,204	-	(55,031)	-
Total revenue	47,827	7,204	85,550	(55,031)	85,550
Purchase of electricity / Consumption of fuel and oil	(37,456)	-	(82,613)	55,031	(65,038)
Contribution Margin	10,371	7,204	2,937	-	20,512
O&M expenses	(1,657)	(1,146)	(4,746)	-	(7,549)
Other operating expenses	(116)	(67)	(156)	-	(339)
Other income	11	167	1,312	-	1,490
Impairment loss against trade debts	-	-	(3,922)	-	(3,922)
EBITDA	8,609	6,158	(4,575)	-	10,192
Depreciation and amortisation	(3,075)	(877)	(1,074)	-	(5,026)
EBIT	5,534	5,281	(5,649)	-	5,166
Finance cost	(733)	(628)	(1,659)	-	(3,020)
Profit / (Loss) before taxation	4,801	4,653	(7,308)	-	2,146
Taxation - Current	(526)	(509)	-	-	(1,035)
Taxation - Deferred	-	-	-	-	-
Profit / (loss) for the year	4,275	4,144	(7,308)	-	1,111

	(Un-Audited) September 30, 2021	(Audited) June 30, 2021
	---- (Rupees in million) ----	
Assets		
Generation	208,435	205,099
Transmission	121,785	119,324
Distribution	511,228	483,980
Un-allocated	31,499	27,274
	<u>872,947</u>	<u>835,677</u>
Liabilities		
Generation	119,839	123,513
Transmission	85,998	76,403
Distribution	399,485	370,532
Un-allocated	40,771	41,278
	<u>646,093</u>	<u>611,726</u>

18. **DATE OF AUTHORIZATION FOR ISSUE**


These condensed interim financial statements were authorized for issue on October 28, 2021 by the Board of Directors of the Company.

19. **GENERAL**

19.1 All figures have been rounded off to the nearest thousand of Pakistan Rupees, unless otherwise stated


Chief Executive Officer


Director


Chief Financial Officer



www.ke.com.pk



KE Live



KE WhatsApp



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