



KOHINOOR
ENERGY LIMITED

2019

QUARTERLY
REPORT

July-March (Un-Audited)



CONTENTS

<u>CORPORATE INFORMATION</u>	02
<u>DIRECTORS' REVIEW</u>	03
<u>CONDENSED INTERIM BALANCE SHEET</u>	04
<u>CONDENSED INTERIM PROFIT AND LOSS ACCOUNT</u>	06
<u>CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME</u>	07
<u>CONDENSED INTERIM CASH FLOW STATEMENT</u>	08
<u>CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY</u>	09
<u>SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION</u>	10

CORPORATE INFORMATION

Board of Directors

Mr. M. Naseem Saigol
Chairman / Non-Executive

Mr. S M Shakeel
Chief Executive Officer

Mr. Ichiro Kawano
Non-Executive

Mr. Ryo Aoe
Independent

Ms. Mariko Ueda
Independent

Mr. Shingo Ito
Independent

Mr. Faisal Riaz
Non-Executive

Company Secretary

Mr. Muhammad Asif

Audit Committee

Mr. Shingo Ito
Chairman

Mr. Ryo Aoe

Ms. Mariko Ueda

HR & Remuneration Committee

Mr. Shingo Ito
Chairman

Mr. S M Shakeel

Mr. Ryo Aoe

Ms. Mariko Ueda

Management

Mr. S M Shakeel
Chief Executive Officer

Mr. Ghazanfar Ali Zaidi
General Manager Technical

Mr. Muhammad Ashraf
Chief Financial Officer

Auditors

A. F. Ferguson & Co.
Chartered Accountants

Legal Advisor

LMA | Ebrahim Hosain

Bankers

Standard Chartered Bank (Pakistan) Limited

Bank Alfalah Limited

Askari Bank Limited

MCB Bank Limited

United Bank Limited

Faysal Bank Limited

AL Baraka Bank (Pakistan) Limited - (Islamic)

Meezan Bank Limited - (Islamic)

Habib Bank Limited - (Islamic)

National Bank of Pakistan - (Islamic)

Bankislami Pakistan Limited - (Islamic)

Registered Office

301, 3rd Floor, Green Trust Tower,
Blue Area, Islamabad, Pakistan.
Tel : +92-51-2813021-2
Fax : +92-51-2813023

Project/Head Office

Post Office Raja Jang, Near Tablighi Ijtima,
Raiwind Bypass, Lahore, Pakistan.
Tel : +92-42-35392317
Fax : +92-42-35393415-7

Shares Registrar

M/S. Corplink (Pvt.) Ltd.
Wings Arcade, 1-K, Commercial, Model Town,
Lahore, Pakistan.
Tel : +92-42-35839182, 35887262, 35916719
Fax : +92-42-35869037

Lahore Office

17-Aziz Avenue, Unit # 4, Canal Bank,
Gulberg V, Lahore, Pakistan.
Tel : +92-42-35717861-2
Fax : +92-42-35715090

Company Registration No.

0032461 of 1993-94

Company NTN No

0656788-6

Website

www.kel.com.pk



DIRECTORS' REVIEW

The Board of Directors takes pleasure to present you the review report on financial and operational performance and interim accounts of Kohinoor Energy Limited (the Company) for the 3rd quarter ended March 31, 2019.

The Company is engaged in electricity generation from a furnace oil fired power plant having a net capacity of 124 MW. The Company has entered into an exclusive power purchase agreement with The Water and Power Development Authority a (WAPDA) for sale of electricity being generated at the plant. During the period of nine months the power plant operated at 38.73% capacity factor and delivered 315,776 MWh of electricity to WAPDA while during the corresponding period of nine months, the plant by running at 57.12% capacity delivered 465,770 MWh of electricity.

Because of lower demand from the power purchaser, the sales revenue of the Company remained at Rs. 1.358 billion as compared to Rs 1.778 billion for the corresponding quarter of the last year. In aggregate the sales of the Company for nine months of the current financial year stood at Rs. 5.897 billion as compared to Rs. 5.668 billion in nine months of the corresponding year. Resultantly during the quarter under review the Company posted net profit after tax of Rs. 176.6 million and earning per share (EPS) of Rs. 1.04 as compared to net profit after tax of Rs. 217.3 million with an EPS of Rs. 1.28 posted during the corresponding period last year. Overall the Company earned Rs. 597.2 million net profits after tax during the period of current nine months as compared to Rs. 527.1 million earned during the corresponding period of nine months. We report that the fuel efficiency and increase in capacity payments because of Rupee devaluation contributed to the increase in the profits of the Company.

The board of directors takes pleasure to declare 2nd interim dividend for the financial year 2018-19 at the rate of Rs. 1.50 per ordinary share of Rs. 10 each i.e. @ 15%, which will be paid to those shareholders whose names appear on members' register on May 08, 2019. The Share Transfer Books of the Company will remain closed from May 08, 2019 to May 14, 2019 (both days inclusive). Transfers received at our Share Registrar M/s CORPLINK (Private) Ltd, situated at Wings Arcade, 1-K Commercial, Model Town, Lahore upto the close of business hours on May 07, 2019 will be treated in time for the purpose of entitlement of cash dividend to the transferees.

With respect to the matters of disputes with WAPDA on 1) eligibility of indexation on non-escalable component of the capacity purchase price and 2) the imposition of liquidated damages; and the matter related to raise of sales tax demand by the Federal Board of Revenue, the status is the same as reported earlier.

We report that receivable amount from WAPDA has slightly been reduced. The management is consistently persuading the power purchaser, the PPIB and the Ministry of Water & Power, for recovery of the overdue invoices. You would be pleased that despite of the high amounts of overdue the Company is complying with all the dispatch requirements of the power purchaser and is providing the electricity according to its demand.

During the quarter under review three engines have been overhauled under 8k maintenance program while during the corresponding period there were five engines that were dealt under major maintenance program. We are pleased to report that all DG sets and their respective auxiliary equipment are in good condition for safe and reliable operations.

We write to inform you that consequent to other business engagements Mr. Hirotoishi Ugajin has relinquished the office of director of the Company and in his place the Board has appointed Mr. Ryo Aoe as directors of the Company effective from April 12, 2019. The Board extends special thanks and gratitude to Mr. Hirotoishi Ugajin for his valuable services during the tenure of directorship that he extended to the Company, and extends warm welcome to Mr. Aoe as new director of the Company.

The Board expresses its appreciation to the financial institutions, WAPDA, Pakistan State Oil, Wartsila and suppliers as well as the valued shareholders of the Company for their continued support that resulted in successful and smooth operations. The Board also appreciates the enthusiasm and determination of the management and employees of the Company resulting in the safe, efficient and smooth operations of the power complex.

For and on behalf of the Board

S M Shakeel
Chief Executive Officer

Mariko Ueda
Director

CONDENSED INTERIM BALANCE SHEET

	Note	March 2019	June 2018
(Rupees in thousand)			
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorized capital 170,000,000 (June 2018: 170,000,000) ordinary shares of Rs. 10 each		1,700,000	1,700,000
Issued, subscribed and paid up capital 169,458,614 (June 2018: 169,458,614) ordinary shares of Rs. 10 each		1,694,586	1,694,586
Unappropriated profit		4,484,471	4,310,877
		<u>6,179,057</u>	<u>6,005,463</u>
CURRENT LIABILITIES			
Employee benefits		28,304	29,950
Short term finances - secured	8	4,446,758	5,285,780
Trade and other payables	9	148,456	84,120
Accrued Finance Cost		112,575	48,878
Unclaimed dividend		30,499	10,305
Provision for taxation - net		59,593	61,439
		<u>4,826,186</u>	<u>5,520,472</u>
CONTINGENCIES AND COMMITMENTS	10	-	-
		<u>11,005,243</u>	<u>11,525,935</u>

The annexed notes 1 to 18 form an integral part of these financial statements.


Chief Executive


Director

AS ON MARCH 31, 2019 (Un-Audited)



KOHINOOR
ENERGY LIMITED

	Note	March 2019	June 2018
(Rupees in thousand)			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	11	3,637,375	3,491,232
Intangible assets		4,226	4,606
Long term loans, advances and deposits		3,579	7,703
		<u>3,645,180</u>	<u>3,503,541</u>
CURRENT ASSETS			
Stores, spares and loose tools		317,111	305,767
Stock-in-trade		247,151	381,717
Trade debts		6,547,958	6,645,211
Loans, advances, deposits, prepayments and other receivables		165,331	535,126
Cash & Bank balances		82,512	154,573
		<u>7,360,063</u>	<u>8,022,394</u>
		<u>11,005,243</u>	<u>11,525,935</u>

Chief Financial Officer

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT

FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2019 (Un-Audited)

	Note	January to March		July to March	
		2019	2018	2019	2018
(Rupees in thousand)					
Sales		1,357,854	1,778,003	5,896,645	5,668,301
Cost of sales	12	(984,151)	(1,436,289)	(4,736,375)	(4,762,141)
Gross profit		373,703	341,714	1,160,270	906,160
Administration and general expenses		(60,778)	(55,889)	(205,443)	(193,807)
Other operating income		87	293	641	1,824
Profit from operations		313,012	286,118	955,468	714,177
Finance costs		(136,426)	(68,756)	(358,140)	(186,837)
Profit before tax		176,586	217,362	597,328	527,340
Taxation		(25)	(89)	(88)	(227)
Profit for the period		176,561	217,273	597,240	527,113
Earnings per share - basic and diluted	Rupees	1.04	1.28	3.52	3.11

The annexed notes 1 to 18 form an integral part of these financial statements.


Chief Executive


Director


Chief Financial Officer



CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2019 (Un-Audited)

KOHINOOR
ENERGY LIMITED

Note	January to March		July to March	
	2019	2018	2019	2018
	(Rupees in thousand)			
Profit after taxation	176,561	217,273	597,240	527,113
Other Comprehensive Income				
Items that will not be 'reclassified to profit or loss	-	-	-	-
Items that may be subsequently reclassified to profit and loss	-	-	-	-
	-	-	-	-
Total comprehensive income for the period	176,561	217,273	597,240	527,113

The annexed notes 1 to 18 form an integral part of these financial statements.


Chief Executive


Director


Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE NINE MONTHS ENDED MARCH 31, 2019 (Un-Audited)

	Share capital	Un-appropriated profit (Rupees in thousand)	Total
Balance as on July 1, 2017	1,694,586	4,362,323	6,056,909
Final dividend for the year ended June 30, 2017 at the rate of Rs 2.00 per share	–	(338,917)	(338,917)
Interim dividend for the year ended June 30, 2018 at the rate of Rs 1.50 per share	–	(254,187)	(254,187)
Total comprehensive income for the period	–	527,113	527,113
Balance as on March 31, 2018	1,694,586	4,296,332	5,990,918
Interim dividend for the year ended June 30, 2018 at the rate of Rs 1.00 per share	–	(169,459)	(169,459)
Total comprehensive income for the period	–	184,004	184,004
Balance as on June 30, 2018	1,694,586	4,310,877	6,005,463
Final dividend for the year ended June 30, 2018 at the rate of Rs 1.00 per share	–	(169,459)	(169,459)
Interim dividend for the year ending June 30, 2019 at the rate of Rs 1.50 per share	–	(254,187)	(254,187)
Total comprehensive income for the period	–	597,240	597,240
Balance as on March 31, 2019	1,694,586	4,484,471	6,179,057

The annexed notes 1 to 18 form an integral part of these financial statements.


Chief Executive


Director


Chief Financial Officer



CONDENSED INTERIM CASH FLOW STATEMENT

FOR THE NINE MONTHS ENDED MARCH 31, 2019 (Un-Audited)

	Note	July to March	
		2019 (Rupees in thousand)	2018
Cash flows from operating activities			
Cash generated from operations	14	1,928,184	(71,149)
Staff retirement benefits paid		(25,389)	(24,150)
Finance costs paid		(293,281)	(183,591)
Taxes paid		(1,934)	(3,523)
Net cash from operating activities		1,607,580	(282,412)
Cash flows from investing activities			
Purchase of property, plant and equipment		(446,849)	(156,977)
Interest/mark-up income received		301	755
Net (increase)/decrease in long term loans, advances and deposits		4,124	172
Sale proceeds of property, plant and equipment		5,256	6,095
Net cash (used in)/from investing activities		(437,168)	(149,955)
Cash flows from financing activities			
Dividend paid		(403,452)	(596,406)
Net cash used in financing activities		(403,452)	(596,406)
Net (decrease) in cash and cash equivalents		766,960	(1,028,773)
Cash and cash equivalents at beginning of the period		(5,131,207)	(3,433,752)
Cash and cash equivalents at the end of the period	15	(4,364,247)	(4,462,525)

The annexed notes 1 to 18 form an integral part of these financial statements.


Chief Executive


Director


Chief Financial Officer

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE NINE MONTHS ENDED MARCH 31, 2019 (Un-Audited)

1. Legal status and nature of business

Kohinoor Energy Limited (the 'Company') was incorporated in Pakistan on April 26, 1994 as a public limited company under the repealed Companies Ordinance, 1984 (the Ordinance) repealed with the enactment of the Companies Act, 2017 on May 30, 2017. The Company is listed on the Pakistan Stock Exchange. The principal activities of the Company are to own, operate and maintain a power plant of 124 MW capacity in Lahore and to sell the electricity produced therefrom to a sole customer, the Pakistan Water and Power Development Authority (WAPDA) under a Power Purchase Agreement (PPA), for a term of 30 years which commenced from June 19, 1997. The address of the registered office of the Company is 301, 3rd Floor, Green Trust Tower, Blue Area, Islamabad, Lahore Office is situated at 17-Aziz Avenue, Unit # 4, Canal Bank, Gulberg V, Lahore and the Company's power plant has been set up at Post Office Raja Jang, Near Tablighi Jitima, Raiwind Bypass, Lahore.

2. Statement of Compliance

2.1 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 interim 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; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3. Basis of preparation

3.1 The comparative condensed interim statement of financial position presented in these condensed interim financial statements has been extracted from the annual audited financial statements of the Company for the year ended June 30, 2018, whereas comparative condensed interim statement of profit or loss and comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows have been extracted from the condensed interim financial statements for the nine months ended March 31, 2018.

3.2 These condensed interim financial information do not include all information and disclosures required in the annual audited financial statements and therefore should be read in conjunction with the annual audited financial statements for the year ended June 30, 2018.

3.3 Standards, interpretations and amendments to published approved accounting standards that became effective during the year but are not relevant

There were certain new standards, amendments to the approved accounting standards and new interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC). The amendments and Interpretations which became effective during the current period are considered not to be relevant to the Company's operations and therefore are not detailed in these condensed interim financial statements.

3.4 Standards, amendments and interpretation to existing standards that are not yet effective but are applicable / relevant to the Company's operations

**Effective Date
(annual periods
beginning on or after)**

IFRIC 22, 'Foreign currency transactions and advance consideration'

January 1, 2019

IAS 19, 'Employee benefits'

January 1, 2019

IFRIC 23, 'Uncertainty over income tax'

January 1, 2019

The management is in the process of assessing the impact of changes laid down by these standards on its condensed interim financial statements.



3.5 Deferment from applicability of IFRS 9, 'Financial Instruments'

The Securities and Exchange Commission of Pakistan ('SECP') through SRO 1007(I)/2017 dated October 4, 2017 had notified that IFRS 9, 'Financial Instruments' would be applicable for annual periods beginning on or after July 1, 2018, however, subsequent to reporting date, SECP through SRO 229(I)/2019 dated February 14, 2019 has notified the deferment of this standard to reporting period/year ending on or after June 30, 2019 (earlier application is permitted). Consequently, the company has not adopted this standard in the preparation of this condensed interim financial information for the nine months ended March 31, 2019.

4. Basis of measurement

These condensed interim financial statements have been prepared under the historical cost convention, modified by capitalization of exchange differences in previous years, except for revaluation of certain financial instruments at fair value and recognition of certain employee retirement benefits at present value.

5. Functional and presentation currency

The condensed interim financial statements are presented in Pak Rupees which is the Company's functional and presentation currency.

6. Summary of significant accounting policies

The accounting policies and methods of computation adopted for the preparation of these condensed interim financial statements are same as those applied in the preparation of the preceding annual audited financial statements of the Company for the year ended June 30, 2018.

6.1 Revenue recognition

IFRS 15 'Revenue from contracts with customers' has become effective from accounting periods beginning on or after July 1, 2018. Accordingly, the Company has adopted this standard with effect from July 1, 2018.

IFRS 15 - 'Revenue from contracts with customers', replaces the previous revenue standards: IAS 18 Revenue, IAS 11 Construction Contracts, and the related interpretations on revenue recognition. Key changes in the new standard include a single five-step model for revenue recognition and establishes a comprehensive framework for recognition of revenue from contracts with customers based on a core principle that an entity should recognise revenue representing the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The aforementioned changes are considered to be changes in accounting policy in accordance with IAS 8 'Accounting policies, Changes in Accounting Estimates and Errors'. The impact of the same however, is not considered to be material to the condensed interim financial statements of the Company and accordingly comparatives have not been restated in this regards.

7. Accounting estimates and judgments

The preparation of these condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amount of assets and liabilities, incomes and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation are the same as those that applied to the annual audited financial statements for the year ended June 30, 2018.

8. Short term finances - secured

- Under mark up arrangements
- Under arrangements permissible under Shariah

- note 8.1
- note 8.1

Un-audited March 31, 2019	Audited June 30, 2018
(Rupees in thousand)	
1,642,226	3,590,533
2,804,532	1,695,247
<u>4,446,758</u>	<u>5,285,780</u>

- 8.1** Short term finances available from commercial banks under mark up arrangements amount to Rs. 7,410 million (June 30, 2018: Rs. 6,760 million), out of which finances available from Islamic banks under Islamic arrangements amount to Rs. 3,410 million (June 30, 2018: Rs. 2,780 million). The rates of mark up for finances under mark up arrangement ranged from 7.05 % to 11.43 % per annum (June 30, 2018: 6.46% to 7.67% per annum) and for finances under arrangement permissible under Shariah ranged from 7.07 % to 11.05 % per annum (June 30, 2018: 6.55% to 7.08% per annum) on the balances outstanding. The security and other agreements, negotiable instruments and documents to be executed by the Company in favor of the bank shall be in the form and substance satisfactory to the bank. The Company shall execute or cause to be executed all such instruments, deeds or documents, which the bank may in its sole discretion require.
- 8.2** Out of the aggregate running finances availed by the Company, Rs. 6,760 million (June 30, 2018: Rs. 6,260 million) are secured by joint pari passu charge and Rs. 650 million (June 30, 2018: Rs. 500 million) are secured by ranking charge on the current assets of the Company.
- 8.3** Of the aggregate facility of Rs. 875 million (June 30, 2018: Rs. 476.85 million) for opening letters of credit and Rs. 410 million (June 30, 2018: Rs. 207.05 million) for guarantees, the amount utilized as at March 31, 2019 were Rs. 22 million (June 30, 2018: Rs. 151.4 million) and Rs. 207.431 million (June 30, 2018: Rs. 207.05 million) respectively.
- 9.** This includes Rs. 92.59 million advance received from the insurer on account of claim filed due to damage to a generator as disclosed in the preceding annual audited financial statements of the Company for the year ended June 30, 2018. The insurance claim has not yet been acknowledged by the insurer and the same is expected to be fully settled subsequent to the period.

10. Contingencies and commitments

There is no change in contingencies & commitments from the preceding published financial statements of the company for the year ended June 30, 2018 except the following.

- (i)** WAPDA has imposed Liquidated Damages (LD) on the Company amounting to Rs. 571.86 million (June 30, 2018: Rs. 510.97 million) during the period from 2011 to 2018. The reasons of LDs are as follows:

i) Rs 353.85 million is because of failure to dispatch electricity due to WAPDA's non-payment of dues on timely basis and consequential inability of the Company to make advance payments to its fuel supplier - Pakistan State Oil Company Limited (PSO), that resulted in inadequate level of electricity production owing to shortage of fuel, and;

ii) Rs 218.01 million is due to incorrect calculation of LDs by WAPDA as while calculating the LDs, certain factors were ignored by WAPDA that were to be considered under the terms of Power Purchase Agreement (PPA). The Company disputes and rejects the claim on account of LDs because under the terms of PPA, no LDs can be charged to the Company due to the reasons caused solely by the Power Purchaser i.e. WAPDA.

According to legal advisors of the company, there are adequate grounds to defend the claim for such LDs, therefore no provision has been made in these financial statements. It is also pertinent to mention here that in a similar case pertaining to 'capacity payments' of other Independent Power Producers (falling under the 1994 and 2002 power policy), the experts gave the decision in favor of Independent Power Producers.

- (ii)** Commitment regarding letter of credit / bank contract other than capital expenditure Rs. 22 million (June 30, 2018: Rs. 68.13 million)
- (iii)** Commitment regarding capital expenditures is Rs. Nil (June 30, 2018: Rs. 19.13 million)

11. Property, plant and equipment

		March 2019	June 2018
(Rupees in thousand)			
Operating fixed assets	11.1	3,469,626	3,432,549
Stores held for capitalisation		88,509	58,683
Advances to suppliers		79,240	-
		3,637,375	3,491,232



March **June**
2019 **2018**
(Rupees in thousand)

11.1 Operating fixed assets

Opening book value	3,432,549	3,600,913
Add: Additions during the period	341,908	218,989
	<u>3,774,458</u>	<u>3,819,902</u>
Less: Disposals during the period (at book value)	4,916	5,026
Capitalised maintenance expense write off (at book value)	-	10,892
Transfers from operating fixed assets to Stores held for capitalization	4,125	-
Depreciation charged during the period	295,791	371,435
	<u>304,832</u>	<u>387,353</u>
	<u>3,469,626</u>	<u>3,432,549</u>

12. Cost of sales

	January to March 2019	July to March 2018	July to March 2019	2018
	(Rupees in thousand)			
Raw material consumed	757,157	1,243,277	4,053,229	4,080,646
Salaries, wages and benefits	44,029	43,680	161,654	165,009
Stores and spares consumed	49,405	37,653	137,874	170,833
Electricity consumed	6,893	2,087	13,490	5,968
Depreciation	100,211	92,062	290,235	271,244
Assets write off	-	-	-	10,891
Insurance	14,057	6,560	37,633	20,079
Travelling, conveyance & entertainment	3,245	3,246	11,381	9,678
Repairs and maintenance	3,339	2,722	13,587	10,297
Miscellaneous expenses	5,815	5,001	17,292	17,496
	<u>984,151</u>	<u>1,436,289</u>	<u>4,736,375</u>	<u>4,762,141</u>

July to March
2019 **2018**
(Rupees in thousand)

13. Transactions with related parties

Relationship with the company	Nature of transactions	March 2019	June 2018
(Rupees in thousand)			
i. Associated undertakings and other related parties	Purchase of goods / services	2,518	299
	Sharing of expenditure	-	124
	Dividend paid	153,484	214,878
ii. Key management personnel	Salaries and other employee benefits	78,325	80,603
	Dividend paid	110,254	154,355
iii. Post employment benefits	Expense charged	15,663	11,908
Period end balances			
		March 2019	June 2018
		(Rupees in thousand)	
Payable to related parties		-	17

July to March

2019 **2018**

(Rupees in thousand)

14. Cash generated from operations

Profit before tax	597,328	527,340
Adjustments for:		
Depreciation/amortization	296,170	277,207
Written off capitalised maintenance expenses	-	10,891
Gain on disposal of property, plant and equipment	(340)	(1,069)
Interest income	(301)	(755)
Staff retirement benefits	23,743	16,434
Finance cost	356,978	185,744

Profit before working capital changes

1,273,578 1,015,792

Effect on cash flow due to working capital changes

Stores and spares	(11,344)	1,447
Stock in trade	134,566	(10,807)
Trade debts	97,253	(985,477)
Advances deposits prepayments & other receivables	369,795	(66,025)
Creditors, accrued and other liabilities	64,336	(26,078)
	654,606	(1,086,940)
	<u>1,928,184</u>	<u>(71,149)</u>

15. Cash and cash equivalents

Cash and bank balances	82,512	328,760
Finances under mark-up arrangements - Secured	(4,446,758)	(4,791,284)
	<u>(4,364,246)</u>	<u>(4,462,524)</u>

16. Date of authorization for issue

These financial statements were authorized for issue on April 23, 2019 by the Board of Directors of the company.

17. Events after the balance sheet date

The Board of Directors have declared 2nd interim dividend of Rs 1.50 per share (June 30, 2018: Rs 1.00 per share), amounting to Rs. 338,917 thousand (June 30, 2018: Rs. 169,459 thousand) at their meeting held on April 23, 2019. These condensed interim financial statements does not include the effect of the above interim dividend which will be accounted for in the period in which it is declared.

18. Corresponding figures

Corresponding figures have been re-arranged, where necessary, for the purpose of comparison. However no significant re-arrangements were made during the period.


Chief Executive


Director


Chief Financial Officer

“SAY NO TO CORRUPTION”

Contribution to Social Welfare

www.kel.com.pk

