



LALPIR POWER LIMITED
**FIRST QUARTERLY
REPORT**
FOR THE PERIOD ENDED
MARCH 31, 2016

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COMPANY PROFILE

THE COMPANY

Lalpir Power Limited (“the Company”) was incorporated in Pakistan on 8 May 1994 under the Companies Ordinance, 1984. The registered office is situated at 53-A, Lawrence Road, Lahore. The principal activities of the Company are to own, operate and maintain an oil fired power station (“the Complex”) having gross capacity of 362 MW in Mehmood Kot, Muzaffargarh, Punjab, Pakistan.

BOARD OF DIRECTORS

Mian Hassan Mansha	Chairman
Mr. Aurangzeb Feroz	Chief Executive Officer
Mr. Kamran Rasool	
Mr. Khalid Qadeer Qureshi	
Mr. Mahmood Akhtar	
Mr. Jawaid Iqbal	
Mr. Muhammad Azam	

AUDIT COMMITTEE

Mr. Jawaid Iqbal	Chairman
Mr. Kamran Rasool	
Mr. Mahmood Akhtar	

CHIEF FINANCIAL OFFICER

Mr. Khalid Qadeer Qureshi

COMPANY SECRETARY

Mr. Khalid Mahmood Chohan

BANKERS OF THE COMPANY

Habib Bank Limited
The Bank of Punjab
United Bank Limited
Allied Bank Limited
National Bank of Pakistan
Bank Alfalah Limited
Faysal Bank Limited
Askari Bank Limited
Habib Metropolitan Bank Limited
NIB Bank Limited
MCB Bank Limited
Bank Islami Pakistan Limited
Standard Chartered Bank (Pakistan) Limited
Al Baraka Bank (Pakistan) Limited
Pakbrunei Investment company

AUDITOR OF THE COMPANY

Riaz Ahmad & Co.
Chartered Accountants

LEGAL ADVISOR OF THE COMPANY

Mr. M. Aurangzeb Khan
Advocate High Court

REGISTERED OFFICE	53-A, Lawrence Road, Lahore-Pakistan UAN: 042-111-11-33-33
HEAD OFFICE	1-B, Aziz Avenue, Gulberg-V, Lahore- Pakistan Tel: 042-35717090-96 Fax: 042-35717239
SHARE REGISTRAR	Central Depository Company of Pakistan Limited CDC House,99-B, Block-B, S.M.C.H.S Shahra-e-Faisal, Karachi – 74400 Tel: (92-21) 111-111-500 Fax: (92-21) 34326053
PLANT	Mehmood Kot, Muzaffargarh, Punjab – Pakistan.



DIRECTORS' REPORT

The Directors of **Lalpir Power Limited "the Company"** are pleased to present their report together with operational and financial results of your Company for the period ended 31 March 2016.

We report that during the period under review power plant by achieving all the operating standards dispatched 414,317 MWH of electricity as compared with 541,945 MWH dispatched during the corresponding three months of the previous financial year. Resultantly the capacity factor remained at 54.4% as against 72.1% demonstrated in the comparable three months of the previous financial year.

Operation Financial Results:

The financial results of the Company for period ended 31 March 2016 are as follows:

Financial Highlights	PERIOD ENDED	
	31 March 2016	31 March 2015
Revenue (Rs '000')	3,187,209	6,052,110
Gross profit (Rs '000')	475,804	660,825
Gross profit ratio to revenue (%)	14.92%	10.92%
After tax profit (Rs '000')	245,854	385,322
After tax profit ratio to revenue (%)	7.71%	6.37%
Earnings per share (Rs)	0.65	1.015

The Company has posted after tax profit of Rs.245.854 million as against Rs 385.322 million earned in the comparative period. The net profits of the Company demonstrated the Earning per Share of Rs. 0.65 as against Rs. 1.01 earned per share in the corresponding previous period.

Main reason for variation in net profit for period ended 31st Mar 2016 in Comparison with period ended 31st Mar 2015 is decreased in delta loss due to lower fuel cost.

Secondly net profit decreased for period ended 31st Mar-16 in Comparison with period ended 31st Mar-15 is Decrease in delayed payment interest by Rupees 60.284 M (i.e. as WAPDA is making timely payment in current period as compared to last period and rate of interest is also decreased.

Our sole customer WAPDA remains unable to meet its obligations in accordance with the Power Purchase Agreement (PPA) which are secured under a sovereign guarantee of Government of Pakistan. As on 31 March 2016 an amount of Rupees 6.99 billion was outstanding against WAPDA of these Rupees 2.33 billion was classified overdue. Despite frequent follow-up with the concerned Ministry of Government of Pakistan it is regretted there has been no improvement in the situation and this has resulted in irregular supply of fuel which has affected Plant Operations.

OPERATIONS AND SIGNIFICANT EVENTS:

Lalpir plant remained in operation most of the time in the quarter. Plant outage was taken from March 13 to consume the remaining maintenance allowance. Plant clock reset on March 26th. Using this outage opportunity Boiler cleaning and few outage related jobs were conducted. Generator bearing vibration analysis by Siemens UK also done during this opportunity.

Corporate objectives:

Being a responsible and reliable energy company, we aim to facilitate the nation in reducing its cost of energy. To accomplish this objective MOU (Memorandum of Understanding) has been signed between Government of Pakistan and the company to convert its oil fired plant into coal or petcoke on 28 June 2013. Conversion is expected to take place within three years.

Lalpir Solar Power (Pvt) Limited:

During the year Board of Directors of the Company has approved investment in the Lalpir Solar Power (Pvt) Limited (LPSL). The principal activity of LPSL will be to build, own, operate and maintain or invest in a solar power project having gross capacity upto 20 MWp with net estimated generation capacity of approx 19 MWp at project site located at Mehmood Kot, Dist. Muzaffar Garh.

Nishat Group Companies & Associates (Nishat) has submitted Expression of Interest (EOI) to Punjab Power Development Board (PPDB)/ Alternate Energy Development Board (AEDB) to conduct feasibility study. Subsequent to approval from PPDB and/or AEDB Nishat will submit a performance guarantee in favour of PPDB/AEDB to show the commitment and agree to complete the feasibility study within stipulated time frame.

Consortium members (Lalpir Power Limited, Pakgen Power Limited and Nishat power Limited and any other appropriate investor) can share the equity stake subsequently. The consortium members shall collectively hold at least 51% (fifty-one percent) of the total issued and paid up share capital of Lalpir Solar, until the sixth (6th) anniversary of successful commissioning of the Project.

The management has decided to continue with solar project despite a downward revision of upfront tariff by NEPRA.

The Company continued to remain proactive in maintaining and expanding its corporate Social Responsibility program. Our focus had been to support health and education program particularly in the areas where our plants are located in the province of Punjab.

Acknowledgement:

The board appreciates the management for establishing a modern and motivating working climate and promoting high levels of performance in all areas of the power plant. We also appreciate the efforts of the company's workforce for delivering remarkable results and we wish for their long life relationship with the Company.

For and on behalf of the Board of Directors



(Mr. Aurangzeb Feroz)
Chief Executive Officer
Lahore: 23 April 2016



ڈائریکٹرز رپورٹ لال پیر پاور لمیٹڈ

لال پیر پاور لمیٹڈ "دی کمپنی" کے ڈائریکٹرز 31 مارچ 2016 مختتمہ عرصہ کے لئے آپ کی کمپنی کے آپریشنل اور مالیاتی نتائج پر مشتمل اپنی رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

زیر جائزہ مدت کے دوران ہم رپورٹ کرتے ہیں کہ پاور پلانٹ گزشتہ مالی سال کے اسی تین ماہ کے دوران 414,317 MWH ترسیل کے مقابلے میں بجلی کی 541,945 MWH ترسیل کے تمام آپریشنل معیارات حاصل کئے ہیں۔ نتیجے میں صلاحیتی عنصر گزشتہ مالی سال کے مقابلے کے تین ماہ میں ظاہر کردہ 72.1 فیصد کے خلاف 54.4 فیصد رہا ہے۔

آپریشن مالیاتی نتائج:

31 مارچ 2016 کو ختم ہونے والی مدت کے لئے کمپنی کے مالیاتی نتائج مندرجہ ذیل ہیں:

مالی جھلکیاں	31 مارچ 2016	31 مارچ 2015
محصولات (000 روپے)	3,187,209	6,052,110
خام منافع (000 روپے)	475,804	660,825
خام منافع تناسب محصولات (فیصد)	14.92%	10.92%
بعد از ٹیکس منافع (000 روپے)	245,854	385,322
بعد از ٹیکس منافع تناسب محصولات (فیصد)	7.71%	6.37%
آمدن فی حصص (روپے)	0.65	1.01

کمپنی نے تقابلی مدت میں بعد از ٹیکس منافع 385.322 ملین روپے آمدن کے برعکس 245.854 ملین روپے درج کیا ہے۔ کمپنی کا خالص منافع بالترتیب گذشتہ مدت میں آمدن 1.01 روپے فی حصص کے برعکس 0.65 روپے فی حصص رہا۔

31 مارچ 2016 مختتمہ عرصہ کے مقابلہ میں کمی کے فرق کی بڑی وجہ 31 مارچ 2016 مختتمہ عرصہ کے مقابلہ میں ایندھن کی کم لاگت کے باعث ڈیلٹا نقصان میں کمی واقع ہونا ہے۔
دوم، 31 مارچ 2016 مختتمہ عرصہ کے خالص منافع میں کمی 31 مارچ 2015 مختتمہ عرصہ کے مقابلہ میں 60.284 بلین روپے کے تاخیری انٹریسٹ کی ادائیگی میں کمی واقع ہوئی ہے۔ (یعنی جیسا کہ گذشتہ مدت کے مقابلہ میں حالیہ مدت میں واپڈا بروقت ادائیگی کر رہا ہے اور منافع کی شرح میں بھی کمی واقع ہوئی)۔

ہمارا واحد کسٹمر واپڈا بجلی کی خریداری کے معاہدے (PPA) جو حکومت پاکستان کی ایک خود مختار ضمانت کے تحت حاصل کر رہے ہیں کے مطابق میں اپنی ذمہ داریوں کو پورا کرنے کے قابل نہیں رہتا۔ 31 مارچ 2016 کو 6.99 بلین روپے کی رقم واپڈا کے ذمہ بقایا تھی اور جس میں سے 2.33 بلین روپے زائد المعیاد واجب الادا تھے۔ حکومت پاکستان کی متعلقہ وزارت کو بار بار کمی یاد دہانی کے باوجود صورت حال میں کوئی بہتری نہیں ہوئی ہے اور جس کے نتیجہ میں ایندھن کی بے قاعدہ فراہمی نے پلانٹ کے آپریشنز کو متاثر کیا ہے۔

آپریشن اور اہم واقعات:

لال پیر پلانٹ سہ ماہی میں زیادہ تر وقت چلتا رہا۔ بحالی کے لئے پلانٹ کی بندش 13 مارچ سے کی گئی تھی۔ پلانٹ 26 مارچ کو دوبارہ چلایا گیا۔ اس بندش کے موقع کو استعمال کرتے ہوئے بوائمر کی صفائی اور چند بندش سے متعلق کاموں کا انعقاد کیا گیا۔ اس موقع کے دوران سیمینز برطانیہ کی طرف سے جنریٹر کے بیئرنگ کی وائیبریشن کا تجزیہ بھی کیا گیا۔

کارپوریٹ مقاصد:

ایک ذمہ دار اور قابل اعتماد توانائی کمپنی ہونے کے ناطے، ہمارا مقصد ہے کہ توانائی کی لاگت کو کم



کرنے میں قوم کو سہولت دی جائے۔ اس مقصد کو پورا کرنے کے لئے اپنے آئیکل فائرڈ پلانٹ کو کونلمہ یا Petcoک میں تبدیل کرنے کا حکومت پاکستان اور کمپنی کے درمیان 28 جون 2013 کو ایک MOU (مفاہمت کی یادداشت) پر دستخط کئے گئے۔ یہ تبدیلی تین سالوں میں مکمل ہونے کی توقع ہے۔

لال پیر سولر پاور (پرائیویٹ) لمیٹڈ:

سال کے دوران کمپنی کے بورڈ آف ڈائریکٹرز نے لال پیر سولر پاور (پرائیویٹ) لمیٹڈ (LPSL) میں سرمایہ کاری کی منظوری دی ہے۔ LSPL کی اصل سرگرمی محمود کوٹ، ضلع مظفر گڑھ کے مقام پر واقع پراجیکٹ پر تقریباً 19 MW اندازے کے مطابق پیداواری صلاحیت کے ساتھ 20 MW تک مجموعی صلاحیت رکھنے والے ایک شمسی توانائی کے منصوبہ ذاتی تعمیر کرنا، چلانا اور انتظامات کرنا یا سرمایہ کاری کرنا ہوگا۔

نشاط گروپ کمپنیز اینڈ ایسوسی ایٹس (نشاط) نے امکانات کا مطالعہ منظم کرنے کے لئے پنجاب پاور ڈویلپمنٹ بورڈ (PPDB) / متبادل توانائی ترقیاتی بورڈ (AEDB) کو اظہارِ دلچسپی (EOI) پیش کی ہے۔ PPDB اور / یا متبادل توانائی ترقیاتی بورڈ سے منظوری کے بعد نشاط مقررہ وقت کی حد کے اندر اندر امکانات کا مطالعہ مکمل کرنے کا عزم اور وابستگی ظاہر کرنے کے PPDB / متبادل توانائی ترقیاتی بورڈ کے حق میں کارکردگی کی ضمانت جمع کرائے گا۔

اس کے بعد کنسورشیم ارکان (Lalpir) پاور لمیٹڈ، Pakgen پاور لمیٹڈ اور نشاط پاور لمیٹڈ اور کوئی دیگر مناسب سرمایہ کار) ایکویٹی اسٹیک شیئر کر سکتے ہیں۔ کنسورشیم ارکان کل جاری شدہ کے مجموعی کم از کم 51% (اکیاون فیصد) کا مالک ہوگا اور منصوبے کی کامیاب کمیشن کے چھ (6) برس تک Lalpir سولر کے سرمایہ کا حصہ ادا کریں گے۔

انتظامیہ نے نیپرا کی طرف سے براہ راست ٹیرف کی کمی کے باوجود سولر پراجیکٹ جاری رکھنے کا فیصلہ کیا ہے۔

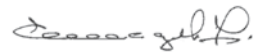
کمپنی نے اپنی کارپوریٹ سماجی ذمہ داری کے پروگرام کو وسعت دینے میں فعال رکھا ہوا ہے۔ ہماری توجہ صحت اور تعلیم کی حمایت پر مرکوز ہے خاص طور پر صوبہ پنجاب کے علاقوں میں جہاں ہمارے پلانٹس واقع ہیں۔

اعتراف:

بورڈ، ایک جدید اور حوصلہ افزاء کام کے ماحول کے قیام اور پاور پلانٹ کے تمام شعبوں میں اعلیٰ سطح کی کارکردگی کو فروغ دینے کے لئے انتظامیہ کی تعریف کرتا ہے۔ ہم قابل ذکر نتائج کی فراہمی کے لئے کمپنی کی افرادی قوت کی کوششوں کو بھی سراہتے ہیں اور ہم کمپنی کے ساتھ ان کے طویل تعلقات چاہتے ہیں۔

منجانب

بورڈ آف ڈائریکٹرز



اورنگ زیب فیروز

چیف ایگزیکٹو آفیسر

لاہور: 23 اپریل 2016



CONDENSED INTERIM BALANCE SHEET

As at 31 March 2016

	Note	Un-audited 31 March 2016 (Rupees in thousand)	Audited 31 December 2015
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital 500,000,000 (31 December 2015: 500,000,000) ordinary shares of Rupees 10 each		5,000,000	5,000,000
Issued, subscribed and paid-up share capital		3,798,387	3,798,387
Capital reserve		107,004	107,004
Revenue reserves un-appropriated profit		8,726,526	8,480,672
Total equity		12,631,917	12,386,063
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term Loans	5	1,198,199	1,336,453
Provision for gratuity		27,084	21,991
		1,225,283	1,358,444
CURRENT LIABILITIES			
Trade and other payables		356,959	442,653
Accrued interest / profit		90,473	136,883
Short-term borrowings - secured		6,883,324	6,609,569
Current portion of long term Financing		553,015	553,015
		7,883,771	7,742,120
Total liabilities		9,109,054	9,100,564
CONTINGENCIES AND COMMITMENTS			
	6		
TOTAL EQUITY AND LIABILITIES		21,740,971	21,486,627

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


 CHIEF EXECUTIVE

	Note	Un-audited 31 March 2016 (Rupees in thousand)	Audited 31 December 2015
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	10,083,180	10,246,139
Investment Property		10,263	10,284
Long Term Investment		969	969
long Term Security Deposit		300	300
Long-term loans to employees		87,983	55,955
		<u>10,182,695</u>	<u>10,313,647</u>
CURRENT ASSETS			
Stores, spare parts and other consumables		915,838	933,412
Fuel stock		340,796	406,970
Trade debts		7,077,874	6,677,326
Loans, advances and short-term prepayments		636,929	740,001
Other receivables		43,637	187,822
Sales tax recoverable		1,662,134	1,546,347
Cash and bank balances		881,068	681,102
		<u>11,558,276</u>	<u>11,172,980</u>
TOTAL ASSETS		<u><u>21,740,971</u></u>	<u><u>21,486,627</u></u>



DIRECTOR



CONDENSED INTERIM PROFIT AND LOSS ACCOUNT FOR THE QUARTER ENDED 31 MARCH 2016 (UN-AUDITED)

	Note	Quarter Ended	
		31 March 2016 (Rupees in thousand)	31 March 2015
REVENUE		3,187,209	6,052,110
COST OF SALES	8	(2,711,405)	(5,391,285)
GROSS PROFIT		475,804	660,825
ADMINISTRATIVE EXPENSES		(49,740)	(35,402)
OTHER OPERATING EXPENSES		(520)	(518)
OTHER OPERATING INCOME		425,544 1,174	624,905 (2,389)
PROFIT FROM OPERATIONS		426,718	622,516
FINANCE COST		(180,864)	(237,194)
PROFIT BEFORE TAXATION		245,854	385,322
TAXATION		-	-
PROFIT AFTER TAXATION		245,854	385,322
OTHER COMPREHENSIVE INCOME FOR THE PERIOD		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		245,854	385,322
EARNINGS PER SHARE - BASIC AND DILUTED (RUPEES)		0.65	1.01

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


 CHIEF EXECUTIVE


 DIRECTOR

CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE QUARTER ENDED 31 MARCH 2016 (UN-AUDITED)

	Note	Quarter Ended	
		31 March 2016 (Rupees in thousand)	31 March 2015
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	9	362,612	69,623
Finance cost paid		(227,275)	(320,540)
Interest income received		95	57
Net increase in long-term loans to employees		(32,028)	(19,233)
Income tax paid		(2,490)	(589)
Gratuity		2,157	1,949
Net cash generated/(used in) from operating activities		103,071	(268,733)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(38,227)	(672)
Proceeds from sale of property, plant and equipment		-	9,100
Net cash generated/(used in) investing activities		(38,227)	8,428
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds for long term loans		(138,254)	-
Dividend paid		(379)	(28)
Net cash generated / (used) in financing activities		(379)	242,234
Net (decrease) / increase in cash and cash equivalents		64,465	(260,333)
Cash and cash equivalents at beginning of the period		(5,928,467)	(7,286,253)
Cash and cash equivalents at end of the period		(6,002,256)	(7,546,586)
CASH AND CASH EQUIVALENTS			
Cash in hand		103	391
Cash at banks		880,965	95,580
Short-term borrowings		(6,883,324)	(7,642,557)
		(6,002,256)	(7,546,586)

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


CHIEF EXECUTIVE


DIRECTOR



CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED 31 MARCH 2016 (UN-AUDITED)

SHARE CAPITAL	RESERVES			TOTAL EQUITY
	Capital	Revenue		
	Retained payments reserve	Reserve for issuance of bonus shares	Un-appropriated profit	

(-----Rupees in thousand-----)

Balance as at 01 January 2015 - audited	3,798,387	107,004	-	8,392,946	12,298,337
Transactions with owners - Final dividend for the year ended 31 December 2014 @ Rupees 1 per share	-	-	-	(379,839)	(379,839)
Profit for the quarter ended 31 March 2015	-	-	-	385,322	385,322
Other comprehensive income for the quarter ended 31 March 2015	-	-	-	-	-
Total comprehensive income for the quarter ended 31 March 2015	-	-	-	385,322	385,322
Balance as at 31 March 2015 - un-audited	3,798,387	107,004	-	8,398,429	12,303,820
Balance as at 01 January 2016 - audited	3,798,387	107,004	-	8,480,672	12,386,063
Profit for the quarter ended 31 March 2016	-	-	-	245,854	245,854
Other comprehensive income for the quarter ended 31 March 2016	-	-	-	-	-
Total comprehensive income for the quarter ended 31 March 2016	-	-	-	245,854	245,854
Balance as at 31 March 2016 - un-audited	3,798,387	107,004	-	8,726,526	12,631,917

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


 CHIEF EXECUTIVE


 DIRECTOR

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE QUARTER ENDED 31 MARCH 2016 (UN-AUDITED)

1. THE COMPANY AND ITS OPERATIONS

Lalpir Power Limited (“the Company”) was incorporated in Pakistan on 08 May 1994 under the Companies Ordinance, 1984. The registered office of the Company is situated at 53-A, Lawrence Road, Lahore. The ordinary shares of the Company are listed on Pakistan Stock Exchange. The principal activities of the Company are to own, operate and maintain an oil fired power station (“the Complex”) having gross capacity of 362 MW in Mehmood Kot, Muzaffargarh, Punjab, Pakistan.

2. BASIS OF PREPARATION

This condensed interim financial information is unaudited and is being submitted to shareholders as required by the Section 245 of the Companies Ordinance, 1984. This condensed interim financial information of the Company for the quarter ended 31 March 2014 has been prepared in accordance with requirements of International Accounting Standard (IAS) 34 “Interim Financial Reporting” and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. This condensed interim financial information should be read in conjunction with the preceding audited annual financial statements of the Company for the year ended 31 December 2015.

3. ACCOUNTING POLICIES

The accounting policies and methods of computation adopted for the preparation of this condensed interim financial information are same as applied in the preparation of the preceding audited annual financial statements of the Company for the year ended 31 December 2015.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of this condensed interim financial information in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company’s accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

During preparation of this condensed interim financial information, the significant judgments made by the management in applying the Company’s accounting policies and key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual financial statements of the Company for the year ended 31 December 2015.

4.1 Standrad and amendments to published approved standreads that are effective in current year and are relevant to the company

The following standards and amendments to published approved standards are mandatory for the Company’s accounting periods beginning on or after 01 January 2015:

IFRS 12 ‘Disclosures of Interests in Other Entities’ (effective for annual periods beginning on or after 01 January 2015). This standard includes the disclosure



requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off-balance sheet vehicles. This standard does not have significant impact on these financial statements, except for certain additional disclosures.

IFRS 13 'Fair value Measurement' (effective for annual periods beginning on or after 01 January 2015). This standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs or US GAAP. This standard does not have significant impact on these financial statements, except for certain additional disclosures.

IAS 19 (Amendments), 'Employee benefits' (effective for annual periods beginning on or after 01 July 2014). The amendment applies to contributions from employees or third parties to defined benefit plans and clarifies the treatment of such contributions. The amendment distinguishes between contributions that are linked to service only in the period in which they arise and those linked to service in more than one period. The objective of the amendment is to simplify the accounting for contributions that are independent of the number of years of employee service, for example employee contributions that are calculated according to a fixed percentage of salary. Entities with plans that require contributions that vary with service will be required to recognise the benefit of those contributions over employee's working lives. The amendments do not have significant any impact on these financial statements.

On 12 December 2013, IASB issued Annual Improvements to IFRSs: 2010 – 2012 Cycle, incorporating amendments to six IFRSs more specifically in IFRS 13 'Fair Value Measurement' and IAS 24 'Related Party Disclosures', which are considered relevant to the Company's financial statements. These amendments are effective for annual periods beginning on or after 01 July 2014. These amendments do not have a significant impact on the Company's financial statements.

On 12 December 2013, IASB issued Annual Improvements to IFRSs: 2011 – 2013 Cycle, incorporating amendments to four IFRSs more specifically in IFRS 13 'Fair Value Measurement', which is considered relevant to the Company's financial statements. These amendments are effective for annual periods beginning on or after 01 July 2014. These amendments do not have a significant impact on the Company's financial statements.

4.2 Standard and amendments to published approved accounting standards that are effective in current year but not relevant to the company

These are standards and amendments to published standards that are mandatory for accounting periods beginning on or after 01 January 2015 but are considered not to be relevant or do not have any significant impact on the companies' condensed interim financial information

	Un-audited 31 March 2016 (Rupees in thousand)	Audited 31 December 2015
5. LONG TERM FINANCING		
From banking company - secured		
Long term loan	1,751,214	1,889,468
Less: Current portion shown under current liabilities	553,015	553,015
	<u>1,198,199</u>	<u>1,336,453</u>

6. CONTINGENCIES AND COMMITMENTS

6.1 Contingencies

There is no change in the contingencies disclosed in the preceding audited annual financial statements of the Company for the year ended 31 December 2015.

6.2 Commitments

6.2.1 The Company has entered into a contract for a period of thirty years for purchase of fuel from Pakistan State Oil Company Limited (PSO). Under the terms of Fuel Supply Agreement (FSA), the Company is not required to buy any minimum quantity of fuel from PSO.

6.2.2 There is no change in the commitments disclosed in the preceding audited annual financial statements of the Company for the year ended 31 December 2015, except for the commitments for capital expenditure as at reporting date are amounting to Rupees 289.62 million (31 December 2015: Rupees 278.40 million).

	Un-audited 31 March 2016 (Rupees in thousand)	Audited 31 December 2015
7. PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets (Note 7.1)	9,668,732	9,649,568
Capital work-in-progress	414,448	596,571
	<u>10,083,180</u>	<u>10,246,139</u>
7.1 Operating fixed assets		
Opening book value	9,649,568	10,231,231
Add: Cost of additions during the period / year (Note 7.1.1)	220,350	450,343
Less: Book value of deletions during the period / year (Note 7.1.2)	-	255,852
Less: Depreciation charged during the period / year	201,186	765,787
Less: Transfer to investment property	-	10,367
Closing book value	<u>9,668,732</u>	<u>9,649,568</u>



	Un-audited 31 March 2016 (Rupees in thousand)	Audited 31 December 2015
7.1.1 Cost of additions		
Vehicles	-	17,601
Plant and machinery	219,710	430,054
Furniture and fittings	133	5
Office equipment	191	2,588
Electric equipment and appliances	316	95
	220,350	450,343
7.1.2 Book value of deletions		
Furniture and fittings	-	49
Plant and machinery	-	243,375
Vehicles	-	12,428
	-	255,852

	Quarter Ended	
	31 March 2016 (Rupees in thousand)	31 March 2015
8. COST OF SALES		
Fuel cost	2,339,860	5,038,733
Operation and maintenance costs	78,599	83,816
Insurance	108,332	79,040
Liquidated Damages	11	455
Depreciation	183,315	187,534
Others	1,288	1,707
	2,711,405	5,391,285

	Quarter Ended	
	31 March 2016 (Rupees in thousand)	31 March 2015
9. CASH GENERATED FROM OPERATIONS		
Profit before taxation	245,854	385,322
Adjustments for non-cash charges and other items:		
Depreciation on operating fixed assets.	201,186	195,383
Depreciation on investment property	21	
Provision for gratuity	2,936	2,741
Loss / (Gain) on disposal of property, plant and equipment	-	3,267
Interest income	(95)	(57)
Finance cost	180,864	237,194
Cash flows from operating activities before working capital changes	630,766	823,850
(Increase) / decrease in current assets:		
Stores, spare parts and other consumables	17,574	(1,342)
Fuel stock	66,174	(258,131)
Trade debts	(400,548)	156,505
Advances and short-term prepayments	105,562	(20,676)
Other receivables	144,185	144,185
Sales tax recoverable	(115,787)	(68,632)
	(182,840)	(48,091)
(Decrease) / increase trade and other payables	(85,314)	(706,136)
	362,612	69,623

10. TRANSACTIONS WITH RELATED PARTIES

Related parties of the Company comprise of associated undertakings, key management personnel and staff retirement benefit plans. Transactions with related parties include expenses charged between these companies. The Company in the normal course of business carries out transactions with these related parties. Detail of transactions with related parties are as follows:



		Quarter Ended	
		31 March 2016	31 March 2015
		(Rupees in thousand)	
Associated company	Nature of transaction		
Adamjee Insurance Company Limited	Insurance premium	11,375	11,083
Security General Insurance Company Limited	Insurance premium	113,752	91,548
Pakgen Power Limited	Share of expenses	77,066	72,586
	Share of rental income	419	398
Nisaht (Aziz Avenue) hotels and properties Limited	Rent	1,570	1,570
Provident fund	Contribution made	3,709	3,293
Gratuity fund	Contribution made	2,936	2,741
KEY MANAGEMENT PERSONNEL	Remuneration	1,376	1,274

10.1 The Company shares premises, employees and other common costs with its associated company, Pakgen Power Limited on fifty-fifty basis in accordance with "Shared Facilities Agreement".

11. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual financial statements of the Company for the year ended 31 December 2015.

Risk management is carried out by the Company's finance department under policies approved by the Board of Directors (the Board). The Company's finance department evaluates and hedges financial risks. The Board provides principles for overall risk management, as well as policies covering specific areas such as currency risk, other price risk, interest rate risk, credit risk, liquidity risk and investment of excess liquidity. All treasury related transactions are carried out within the parameters of these policies.

12. CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard 34 "Interim Financial Reporting", the condensed interim balance sheet and condensed interim statement of changes in equity have been compared with balances of audited annual financial statements of preceding financial year, whereas, the condensed interim profit and loss account, condensed interim cash flow statement have been compared with the balances of comparable period of immediately preceding financial year.

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison however, no significant re-arrangements have been made.

13. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorized for issue on 23 April 2016 by the Board of Directors of the Company.

14. GENERAL

Figures have been rounded off to the nearest thousand Rupees.


 CHIEF EXECUTIVE


 DIRECTOR



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