



PAKGEN POWER LIMITED

FIRST QUARTERLY
REPORT
FOR THE PERIOD ENDED MARCH 31,
2016



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COMPANY PROFILE

THE COMPANY

Pakgen Power Limited (“the Company”) was incorporated in Pakistan on 22 June 1995 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 365 MW in Mehmood Kot, Muzaffargarh, Punjab, Pakistan.

BOARD OF DIRECTORS

Mian Hassan Mansha	Chairman
Mr. Ghazanfar Hussain Mirza	Chief Executive Officer
Mr. Shahid Malik	
Dr. Arif Bashir	
Mr. Aurangzeb Feroz	
Mr. Kamran Rasool	
Mr. Muhammad Younas	
Mr. Mahmood Akhtar	

AUDIT COMMITTEE

Mr. Aurangzeb Feroz	Chairman
Mr. Shahid Malik	
Mr. Khawaja Muhammad Younus	

CHIEF FINANCIAL OFFICER

Mr. Khalid Qadeer Qureshi

COMPANY SECRETARY

Mr. Khalid Mahmood Chohan

BANKERS OF THE COMPANY

Habib Bank Limited
The Bank of Punjab
Silk Bank Limited
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
KASB Bank Limited
Al Baraka Bank (Pakistan) Limited

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 **Pakgen 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 329,853 MWH of electricity as compared with 245,200 MWH dispatched during the corresponding three months of the previous financial year. Resultantly the capacity factor remained at 43.15% as against 16.13% demonstrated in the comparable three months of the previous financial year.

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')	2,941,520	3,319,444
Gross (Loss)/ profit (Rs '000')	(66,751)	579,424
Gross (Loss)/profit ratio to revenue (%)	(2.27)	17.45%
After tax (Loss)/ profit (Rs '000')	(248,250)	450,372
After tax (Loss)/ profit ratio to revenue (%)	(8.44)	13.57%
(Loss)Earnings per share (Rs)	(0.67)	1.21

The Company has posted after tax loss of Rupees (248.250) million as against Rs 450.372 million earned in the comparative period. The net profits of the Company demonstrated the loss per Share of Rs. (.67)as against Rs. 1.21 earned per share in the corresponding previous period.

Reason for variation in net profit/ (Loss) for period ended 31st Mar 2016 in comparison with period ended 31st Mar 2015 is decreased in delta loss by Rupees 25.942 Million. Main reason of the decrease in delta loss is decrease in fuel price.

Operational Results:

Our customer WAPDA remains unable to meet its obligations to the Company in accordance with the Power Purchase Agreement (PPA) which are secured under a sovereign guarantee of GOP. As on 31 March 2016 an amount of Rupees 11.65 billion is outstanding against WAPDA of this Rupees 1.822 billion is 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:

Plant operation restored on January 29,2016 after a long intruption as a result of Generator Stepup(GSU)Transformer failure on February 7, 2015. Plant remained in operation most of the time in this quarter from 29 January onward. Load factor remained low during the quarter as compared to previous years in the same quarter. Low load factor consumed part of the fuel savings which comes as a result of turbine retrofit in December 2015.

The Company's loss of gross profit and costs for replacement of transformer due to this forced outage are adequately covered under the insurance policy except for deductible period and amount as per insurance policy. The estimated loss of gross profit, property damage and restoration costs of the Complex amounting to Rupees 3,087.730 million out of which partial payment of claim amounting to Rupees 1,230 million has been received from the insurance company upto this period.

The assessment of total loss due to this forced outage ,settlement of claim from the insurance company is still under negotiation. We hopefully finalised the claim from insurance company in next quarter of currnet year.

Corporate Objective:

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 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 LSPL 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.

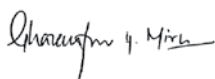
The management has decided to continue with solar project despite a downward revision of upfront tariff by NEPRA.

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



(Ghazanfar Hussain Mirza)

Chief Executive Officer

Lahore: 23 April 2016

ڈائریکٹرز رپورٹ پاک جن پاور لمیٹڈ

پاک جن 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 329,853 MWH ترسیل کے مقابلے میں بجلی کی 245,200 MWH ترسیل کے تمام آپرینٹنگ معیارات حاصل کئے ہیں۔ نتیجے میں صلاحیتی عنصر گزشتہ مالی سال کے مقابلے کے تین ماہ میں ظاہر کردہ 16.13 فیصد کے خلاف 43.15 فیصد رہا ہے۔

آپریشن مالیاتی نتائج:

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

31 مارچ 2015	31 مارچ 2016	مالی جھلکیاں
3,319,444	2,941,520	محصولات (000 روپے)
579,424	(66,751)	خام (نقصان) / منافع (000 روپے)
17.45%	(2.27)	خام (نقصان) / منافع تناسب محصولات (فیصد)
450,372	(248,250)	بعد از ٹیکس (نقصان) / منافع (000 روپے)
13.57%	(8.44)	بعد از ٹیکس (نقصان) / منافع تناسب محصولات (فیصد)
1.21	(0.67)	(نقصان) آمدن فی حصص (روپے)

کمپنی نے تقابلی مدت میں بعد از ٹیکس نقصان 450.372 ملین روپے آمدن کے خلاف (248.250) ملین روپے درج کیا ہے۔ کمپنی کا خالص منافع بالترتیب گزشتہ مدت میں آمدن 1.21 روپے فی حصص کے برعکس (0.67) روپے نقصان فی حصص رہا۔

31 مارچ 2016 مختتمہ عرصہ کے منافع/ (نقصان) میں فرق کی وجہ 31 مارچ 2015 مختتمہ عرصہ کے مقابلہ 25.942 ملین روپے کے ڈیلٹا نقصان میں کمی ہے۔ ڈیلٹا نقصان میں کمی کی بڑی وجہ ایندھن کی قیمتوں میں کمی واقع ہونا ہے۔

آپریشنل نتائج:

ہمارا واحد کسٹمر واپڈ ایجلی کی خریداری کے معاہدے (PPA) جو حکومت پاکستان کی ایک خود مختار ضمانت کے تحت حاصل کر رہا ہے کے مطابق میں اپنی ذمہ داریوں کو پورا کرنے کے قابل نہیں رہتا۔ 31 مارچ 2016 کو 11.65 ملین روپے کی رقم واپڈا کے ذمہ بقایا ہے جس میں سے 1.822 بلین روپے کی رقم زائد المعیاد واجب الادا ہے۔ حکومت پاکستان کی متعلقہ وزارت کو بار بار کی یاد دہانی کے باوجود صورت حال میں کوئی بہتری نہیں ہوئی ہے اور جس کے نتیجے میں ایندھن کی بے قاعدہ فراہمی نے پلانٹ کے آپریشنز کو متاثر کیا ہے۔

آپریشن اور اہم واقعات:

7 فروری 2015 سے جنریٹریٹیپ اپ (GSU) ٹرانسفارمر ناکامی کی وجہ سے ایک طویل رکاوٹ کے بعد 29 جنوری 2016 پلانٹ آپریشن بحال ہوا۔ اسی سہ ماہی میں گزشتہ سال کے مقابلے میں لوڈ فیکٹر سہ ماہی کے دوران کم رہا۔ کم لوڈ فیکٹر دسمبر 2015 میں ٹربائن عمل میں تبدیلی کے نتیجے کے طور پر آیا جس میں ایندھن کی بچت ہوئی۔

اس جبری بندش کی وجہ سے مجموعی نفع اور ٹرانسفارمر کی تبدیلی کے لئے اخراجات پر کمپنی کا نقصان مناسب طور پر انشورنس پالیسی کے مطابق کٹوتی کی مدت اور سوائے رقم کے لئے انشورنس پالیسی کے تحت آتے ہیں۔ مجموعی منافع کا متوقع نقصان، جائیداد کے نقصان اور بحالی کے اخراجات کے 3,087.730 ملین روپے دعوے کی رقم کی جزوی ادائیگی 1,230 ملین روپے اس عرصے تک انشورنس کمپنی سے حاصل کی گئی ہے۔ اس جبری بندش کی وجہ سے کل نقصان کی تشخیص، انشورنس کمپنی سے کلیم کے تصفیہ مذاکرات ابھی جاری ہیں۔ ہمیں امید ہے کہ حالیہ سال کی اگلی سہ ماہی میں انشورنس کمپنی سے دعوے کو حتمی شکل دے دی جائے گی۔

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 آئل فائرڈ پلانٹ کو کوئلہ 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 پیرسولر پاور (پرائیویٹ) لمیٹڈ:

سال کے دوران کمپنی کے بورڈ آف ڈائریکٹرز نے لال پیرسولر پاور (پرائیویٹ) لمیٹڈ (LPSL) میں سرمایہ کاری کی منظوری دی ہے۔ LPSL کی اصل سرگرمی محمود کوٹ، ضلع مظفر گڑھ کے مقام پر واقع پراجیکٹ پر تقریباً 19 MWP اندازے کے مطابق پیداواری صلاحیت کے ساتھ 20 MWP 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 کیا 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 نیچر 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

Shauqatun N. Mirza

غضنفر حسین مرزا

چیف ایگزیکٹو آفیسر

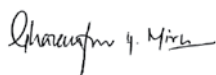
لاہور: 23 اپریل 2016

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 400,000,000 (2015: 400,000,000) ordinary shares of Rupees 10 each		4,000,000	4,000,000
Issued, subscribed and paid up share capital		3,720,816	3,720,816
Capital reserve		116,959	116,959
Revenue reserve - un-appropriated profit		11,175,626	11,423,876
Total Equity		15,013,401	15,261,651
LIABILITIES			
NON-CURRENT LIABILITY			
Long-term finance - secured		1,114,563	1,226,019
CURRENT LIABILITIES			
Trade and other payables		4,160,931	3,474,597
Accrued mark-up		79,291	60,489
Short-term borrowings		6,235,828	5,080,859
Current portion of long-term finance	5	445,825	445,825
		10,921,875	9,061,770
Total liabilities		10,921,875	10,287,789
CONTINGENCIES AND COMMITMENTS			
	6		
TOTAL EQUITY AND LIABILITIES		27,049,839	25,549,440

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



CHIEF EXECUTIVE

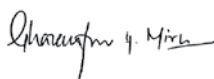
	Note	Un-audited 31 March 2016 (Rupees in thousand)	Audited 31 December 2015
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	9,839,329	10,018,982
Long term investment		969	969
long-term security deposits		300	300
		<u>9,840,598</u>	<u>10,020,251</u>
CURRENT ASSETS			
Stores, spare parts and other consumables		822,851	836,161
Fuel stock		243,930	186,875
Trade debts		12,682,908	10,833,800
Advances and short-term prepayments		2,154,837	297,907
Other receivables		80,039	2,286,015
Sales tax recoverable		1,197,837	1,087,628
Cash and bank balances		26,839	803
		<u>17,209,241</u>	<u>15,529,189</u>
TOTAL ASSETS		<u><u>27,049,839</u></u>	<u><u>25,549,440</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		2,941,520	3,319,444
COST OF SALES	8	(3,008,271)	(2,740,020)
GROSS (LOSS)/PROFIT		(66,751)	579,424
ADMINISTRATIVE EXPENSES		(48,484)	(36,214)
OTHER OPERATING EXPENSES		(493)	(568)
OTHER OPERATING INCOME		(115,728) 578	542,642 4,215
(LOSS)/PROFIT FROM OPERATIONS		(115,150)	546,857
FINANCE COST		(133,100)	(96,485)
(LOSS)/PROFIT BEFORE TAXATION		(248,250)	450,372
TAXATION		-	-
(LOSS)/PROFIT AFTER TAXATION		(248,250)	450,372
OTHER COMPREHENSIVE(LOSS)/ INCOME FOR THE PERIOD		-	-
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD		(248,250)	450,372
(LOSS)/EARNINGS PER SHARE - BASIC AND DILUTED (RUPEES)		(0.67)	1.21

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	31 March 2016 (Rupees in thousand)	31 March 2015
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	9	(894,286)	532,497
Finance cost paid		(114,298)	(148,076)
Interest income received		158	3,817
Income tax paid		(4,205)	(1,382)
Gratuity paid		(2,936)	(2,741)
Net cash generated from operating activities		(1,015,567)	384,115
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(1,783)	141,351
Net cash used in investing activities		(1,783)	141,351
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long-term finance		(111,456)	-
Dividends paid		(127)	(43)
Net cash used in financing activities		(111,583)	(43)
Net increase / (decrease) in cash and cash equivalents		(1,128,933)	525,423
Cash and cash equivalents at beginning of the period		(5,080,056)	(3,775,350)
Cash and cash equivalents at end of the period		(6,208,989)	(3,249,927)
CASH AND CASH EQUIVALENTS			
Cash in hand		239	353
Cash at banks		26,600	254,188
Short-term borrowings		(6,235,828)	(3,504,468)
		(6,208,989)	(3,249,927)

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	Un- appropriated profit		
(-----Rupees in thousand-----)				
Balance as at 01 January 2015 (Audited)	3,720,816	116,959	10,570,314	14,408,089
Transactions with owners - Final dividend for the year ended 31 December 2014 @ Rupees 1 per share	-	-	(372,082)	(372,082)
Profit for the quarter ended 31 March 2015	-	-	450,372	450,372
Other comprehensive income for the quarter ended 31 March 2015	-	-	-	-
Total comprehensive income for the quarter ended 31 March 2015	-	-	450,372	450,372
Balance as at 31 March 2015 - (Un-audited)	3,720,816	116,959	10,648,604	14,486,379
Balance as at 01 January 2016 (Audited)	3,720,816	116,959	11,423,876	15,261,651
Transactions with owners - Final dividend for the year ended 31 December 2015 @ Rupees 1 per share	-	-	-	-
(Loss) for the quarter ended 31 March 2016	-	-	(248,250)	(248,250)
Other comprehensive income for the quarter ended 31 March 2016	-	-	-	-
Total comprehensive income/(loss) for the quarter ended 31 March 2016	-	-	(248,250)	(248,250)
Balance as at 31 March 2016 - (Un-audited)	3,720,816	116,959	11,175,626	15,013,401

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

Pakgen Power Limited ("the Company") was incorporated in Pakistan on 22 June 1995 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 365 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 2016 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 annual published 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 published 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 copanny

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.

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 are unlikely to 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 are unlikely to 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

There 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. FROM BANKING COMPANY - SECURED		
Long term loan	1,560,388	1,671,844
Less: Current portion shown under current liabilities	445,825	445,825
	1,114,563	1,226,019

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 Commitment

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 Commitments for capital expenditure as at reporting date are amounting to Rupees 111.123 million (31 Dec 2015: Rupees 285.284 million).

	Un-audited 31 March 2016 (Rupees in thousand)	Audited 31 December 2015
7. PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets (Note 7.1)	9,042,083	9,223,337
Capital work-in-progress	797,246	795,645
	<u>9,839,329</u>	<u>10,018,982</u>
7.1 Operating fixed assets		
Opening Book value	9,223,337	7,358,455
Add: Cost of Additions during the period / year (Note 7.1.1)	182	2,829,923
Less: Book value of deletions during the period/year(7.1.2)	-	372,778
Less: Depreciation charged during the period / year	181,436	592,263
	<u>9,042,083</u>	<u>9,223,337</u>
7.1.1 Cost of additions		
Buildings on Freehold Land	-	214,751
Plant and Machinery	-	2,614,656
Furniture and fittings	-	49
Office Equipment	182	306
Electric equipment and appliances	-	161
	<u>182</u>	<u>2,829,923</u>
7.1.2 Book value of Deletions		
	<u>-</u>	<u>372,778</u>
Quarter Ended		
	31 March 2016 (Rupees in thousand)	31 March 2015
8. COST OF SALES		
Fuel consumed	1,895,058	2,349,629
Operation and maintenance costs	80,927	75,772
Insurance cost	112,294	82,298
Liquidated damages	745,791	105,367
Depreciation	172,917	126,954
Others	1284	-
	<u>3,008,271</u>	<u>2,740,020</u>

	Quarter Ended	
	31 March 2016 (Rupees in thousand)	31 March 2015
9. CASH GENERATED FROM OPERATIONS		
(Loss) before taxation	(248,250)	450,372
Adjustment for non - cash charges and other items:		
Depreciation	181,436	130,065
Provision for gratuity	2,936	2,741
Interest income	(158)	(3,817)
Finance cost	133,100	96,485
Cash flows from operating activities before working capital changes	69,064	675,846
(Increase) / decrease in current assets:		
Stores, spare parts and other consumables	13,310	4,624
Fuel stock	(57,055)	278,336
Trade debts	(1,849,108)	262,933
Advances and short-term prepayments	(1,852,725)	(305,060)
Other receivables	2,205,976	187,464
Sales tax recoverable	(110,209)	10,628
	(1,649,811)	438,925
(Decrease) / increase trade and other payables	686,461	(582,274)
	<u>(894,286)</u>	<u>532,497</u>

10. TRANSACTIONS WITH RELATED PARTIES

The related parties of the Company comprise of associated undertakings, other related group companies and key management personnel. Transactions with related parties include expenses charged between these companies. The Company in the normal course of business carries out transactions with various related parties. Detail of transactions with related parties other than those which have been specifically disclosed elsewhere in these financial statements are as follows:

Associated company	Nature of transaction	Quarter Ended	
		31 March 2016 (Rupees in thousand)	31 March 2015
Adamjee Insurance Company Limited	Insurance premium	89	98
Security General Insurance Company Limited	Insurance premium	130,083	93,813
Lalpir Power Limited	Share of expenses Share of rental income	77,066 419	72,586 398
Nishat (Aziz Avenue) hotels and properties Limited	Rent	1,570	1,570
Pakistan Aviators and Aviation (Private) Limited	Flying services	13,673	13,251
STAFF RETIREMENT BENEFIT PLANS			
Provident fund	Contribution made	3,709	3,293
Gratuity fund	Contribution made	2,936	2,741
KEY MANAGEMENT PERSONNEL	Remuneration	2,507	2,319

10.1 The Company shares premises, employees and other common costs with its associated company, Lalpir 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.



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DIRECTOR



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