



LALPIR POWER LIMITED

FIRST QUARTERLY REPORT
FOR THE PERIOD ENDED MARCH 31, 2019

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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 (Now Companies Act, 2017). 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 Mr. Mahmood Akhter Mr. Aurangzeb Firoz Mr. Jawaid Iqbal Mr. Muhammad Azam Mr. Tanvir Khalid Mr. Inayat Ullah Niazi	Chairman Chief Executive Officer
AUDIT COMMITTEE	Mr. Jawaid Iqbal Mr. Inayat Ullah Niazi Mr. Tanvir Khalid	Chairman
HUMAN RESOURCE & REMUNERATION(HR &R) COMMITTEE	Mr. Jawaid Iqbal Mian Hassan Mansha Mr. Inayat Ullah Niazi	Chairman
CHIEF FINANCIAL OFFICER	Mr. Awais Majeed Khan	
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 (Formerly NIB Bank Limited) Bank Islami Pakistan Limited Standard Chartered Bank (Pakistan) Limited Al Baraka Bank (Pakistan) Limited Pakbrunei Investment company Meezan Bank Limited Silk Bank 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 **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 2019.

We report that during the period under review power plant by achieving all the operating standards dispatched 147.354 MWH of electricity as compared with 186.695 MWH dispatched during the corresponding three months of the previous financial year. Resultantly the capacity factor remained 19.5% as against 24.7% 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 2019 are as follows:

Financial Highlights	PERIOD ENDED	
	31 March 2019	31 March 2018
Revenue (Rs '000')	3,477,429	3,248,729
Gross profit (Rs '000')	980,493	631,647
Gross profit ratio to revenue (%)	28.20%	19.44%
After tax profit (Rs '000')	599,653	381,404
After tax profit ratio to revenue (%)	17.24%	11.74%
Earnings per share (Rs)	1.58	1

The Company has posted after tax profit of Rupees.599.653 million as against Rupees 381.404 million earned in the comparative period. The net profits of the Company demonstrated the Earning per Share of Rs.1.58 as against Rs. 1 earned per share in the corresponding previous period.

Our sole customer Central Power Purchasing Agency (Guarantee) Limited (CPPA-G) 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 2019, an amount of Rupees 13.911 billion was outstanding against Central Power Purchasing Agency (Guarantee) Limited (CPPA-G) of these Rupees 460.327 Million was classified overdue. The Company is pursuing the matter, collectively with other IPPs on IPPAC (Independent Power Producer Advisory Council) platform, with the relevant authorities and ministries. Company has received assurance of higher payment allocations during April to June 2019 period.

During the period, January to March 2019, Company produced and sold electricity only in the month of January 2019. The plant was on standby mode for the month of February and March due to low national demand in comparison with 1st Quarter 2018. This was as per instructions of National Power Control Center (NPCC).

Corporate objectives:

Being a responsible and reliable energy company, we aim to facilitate the nation in reducing its cost of energy by maintaining high efficiency and availability of plant.

COMPOSITION OF BOARD:

Total number of Directors:	
(a) Male	7
(b) Female:	0
Composition:	
(i) Independent Directors	1
(ii) Other Non-executive Directors	6
(iii) Executive Directors	1

COMMITTEES OF THE BOARD:

Audit Committee of the Board:

Sr. #	Name of Directors	
1	Mr. Jawaid Iqbal	(Member/Chairman)
2	Mr. Tanvir Khalid	(Member)
3	Mr. Inayat Ullah Niazi	(Member)

Human Resource & Remuneration (HR&R) Committee:

Sr. #	Name of Member	
1.	Mr. Hassan Mansha	(Member)
2.	Mr. Jawaid Iqbal	(Member/Chairman)
3	Mr. I.U. Niazi	(Member)

DIRECTORS' REMUNERATION:

The company does not pay remuneration to its non-executive directors including independent directors except for meeting fee. Aggregate amount of remuneration paid to executive and non-executive directors have been disclosed in note 10 of the annexed financial statements.

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. Mahmood Akhter)
Chief Executive Officer
Lahore: 25 April 2019



Mr. Tanvir Khalid
Director

ڈائریکٹر رپورٹ لال پیر پاور لمیٹڈ

لال پیر پاور لمیٹڈ "دی کمپنی" کے ڈائریکٹر 31 مارچ 2019ء مختتمہ مدت کے لئے آپ کی کمپنی کے آپریشنل اور مالیاتی نتائج پر مشتمل اپنی رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

ہم بیان کرتے ہیں کہ زیر جائزہ مدت کے دوران پلانٹ نے گزشتہ مالی سال کی اسی سہ ماہی کے دوران 186.695 MWH ترسیل کے مقابلے 147.354 MWH ترسیل کے تمام آپریشننگ معیارات حاصل کئے ہیں۔ نتیجتاً گزشتہ مالی سال کی اسی مدت میں کمپنی ٹیکسٹر 24.7 فیصد کے مقابلے میں 19.5 فیصد پر برقرار رہا۔

مالیاتی نتائج:

31 مارچ 2019ء کو ختم ہونے والی مدت کے لئے کمپنی کے مالیاتی نتائج مندرجہ ذیل ہیں:

مالی جھلکیاں	31 مارچ 2019ء	31 مارچ 2018ء
محصولات (000 روپے)	3,477,429	3,248,729
مجموعی منافع (000 روپے)	980,493	631,647
مجموعی منافع تناسب محصولات (فیصد)	28.20%	19.44%
بعد از ٹیکس منافع (000 روپے)	599,653	381,404
بعد از ٹیکس منافع تناسب محصولات (فیصد)	17.24%	11.74%
آمدن فی حصص (روپے)	1.58	1.00

کمپنی نے تقابلی مدت میں 381.404 ملین روپے منافع کے برعکس 599.653 ملین روپے بعد از ٹیکس منافع درج کیا ہے۔ کمپنی کا خالص منافع، گزشتہ مدت میں -1 روپے فی شیئر کے مقابلے میں -1.58 روپے فی شیئر آمدن سے ظاہر ہوتا ہے۔

ہماری واحد صارف (CPPA-G) سینٹرل پاور پراجیکٹس اینجینی (گارنٹی) لمیٹڈ بجلی کی خریداری کے معاہدے (PPA) جو حکومت پاکستان کی ایک خود مختار ضمانت کے تحت حاصل کیا گیا ہے مطابق اپنی ذمہ داریوں کو پورا کرنے کے قابل نہیں رہا۔ 31 مارچ 2019ء کو (CPPA-G) سینٹرل پاور پراجیکٹس اینجینی (گارنٹی) لمیٹڈ کے ذمہ بقایا رقم 13.911 ملین روپے تھے جس میں سے 460.327 ملین روپے کی رقم زائد المعاد تھی۔ حکومت پاکستان کی متعلقہ وزارت کے ہاں بارہ ماہ تہ معاملہ اجاگر کرنے کے باوجود صورت حال میں کوئی بہتری نہیں ہوئی ہے جس کے نتیجے میں ایندھن کی فراہمی بے قاعدہ ہوئی جس نے پلانٹ کی کارروائیوں کو متاثر کیا ہے۔ کمپنی متعلقہ اٹھارہ روز وزارت کے ہاں آئی پی پی اے کے پلیٹ فارم پر دیگر آئی پی پی کے ساتھ مل کر معاملات کا تقاب کر رہی ہے۔ کمپنی کو اپریل تا جون 2019ء کے دوران اعلیٰ ادائیگیوں کی تنقیص کا یقین دلایا گیا ہے۔

مدت جنوری تا مارچ 2019ء کے دوران، کمپنی نے صرف جنوری 2019ء کے مہینہ میں بجلی پیدا اور فروخت کی۔ پلانٹ 2018ء کی پہلی سہ ماہی کے مقابلے کو قومی طلب کی وجہ سے فروری اور مارچ کے مہینہ میں شیڈ بائی موڈ پر تھا۔ یہ نیشنل پاور کنٹرول سنٹر (NPCC) کی ہدایات کے مطابق کیا گیا تھا۔

کارپوریٹ مقاصد:

ایک ذمہ دار اور قابل بھروسہ سوانحی کمپنی کی حیثیت سے، ہم پلانٹ کی اعلیٰ کارکردگی اور دستیابی کو برقرار رکھتے ہوئے بجلی کے اخراجات کو کم کرنے میں قوم کو مہولت دینے کا مقصد رکھتے ہیں۔

بورڈ کی تشکیل:

ڈائریکٹر کی کل تعداد	
(a) مرد	7
(b) خاتون	0
تشکیل	
(i) آزاد ڈائریکٹر	1
(ii) دیگر نان ایگزیکٹو ڈائریکٹر	6
(iii) ایگزیکٹو ڈائریکٹر	1

بورڈ کی کمیٹیاں:

بورڈ کی آڈٹ کمیٹی:

نمبر شمار	نام ڈائریکٹرز
1	جناب جاوید اقبال (رکن/چیئر مین)
2	جناب تنویر خالد (رکن)
3	جناب عنایت اللہ نیازی

ہیومن ریسورس اینڈ ریمیزیشن (HR&R) کمیٹی:

نمبر شمار	نام رکن
1	جناب حسن منشاء (رکن)
2	جناب جاوید اقبال (رکن/چیئر مین)
3	جناب عنایت اللہ نیازی (رکن)


ڈائریکٹرز کا مشاہرہ:


کمپنی اپنے آزاد ڈائریکٹرز سمیت نان ایگزیکٹو ڈائریکٹرز کو اجلاس فیس کے علاوہ کوئی مشاہرہ ادا نہیں کرتی ہے۔ ایگزیکٹو اور نان ایگزیکٹو ڈائریکٹرز کو ادا کئے جانے والے مشاہرہ کی مجموعی رقم منسلک مالی حسابات کے نوٹ 10 میں منکشف ہے۔

اظہار تشکر

ہم، 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 بھی انتظامیہ کی تعریف کرتے ہیں۔ ہم قابل ذکر نتائج کی فراہمی کے لئے کمپنی کے تمام عملہ کی مسلسل حمایت، سخت محنت اور عزم کو بھی سراہتے ہیں اور ہم کمپنی کے ساتھ ان کے طویل تعلقات چاہتے ہیں۔

منجانب مجلس نظماء


جناب تنویر خالد
ڈائریکٹر


(جناب محمود اختر)
چیف ایگزیکٹو آفیسر

لاہور: 25 اپریل 2019ء

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (Un-audited)

As at 31 March 2019

	Note	Un-audited 31 March 2019 (Rupees in thousand)	Audited 31 December 2018
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital 500,000,000 (31 December 2018: 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		9,487,140	9,267,326
Total equity		13,392,531	13,172,717
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term Loans	5	-	-
Employee benefit-Gratuity		6,965	6,298
		6,965	6,298
CURRENT LIABILITIES			
Trade and other payables		1,344,716	1,885,626
Accrued interest / profit		268,806	198,700
Short-term borrowings - secured		12,512,134	11,646,851
Current portion of long term Financing		92,169	230,423
Unclaimed Dividend		383,729	4,067
		14,601,554	13,965,667
Total liabilities		14,608,519	13,971,965
CONTINGENCIES AND COMMITMENTS			
	6		
TOTAL EQUITY AND LIABILITIES		28,001,050	27,144,682

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


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

	Note	Un-audited 31 March 2019 (Rupees in thousand)	Audited 31 December 2018
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	8,739,979	9,009,210
Investment Property		94,703	94,835
long Term Security Deposit		350	350
Long-term loans to employees		46,532	33,056
		<hr/>	<hr/>
		8,881,564	9,137,451
CURRENT ASSETS			
Stores, spare parts and other consumables		883,112	878,671
Fuel stock		1,371,542	450,924
Trade debts		13,910,995	13,658,828
Loans, advances and short-term prepayments		452,490	454,418
Loan to associated company		1,000,000	1,000,000
Other receivables		87,150	218,999
Accrued interest		9,478	9,258
Sales tax recoverable		1,385,595	1,332,363
Cash and bank balances		19,124	3,770
		<hr/>	<hr/>
		19,119,486	18,007,231
TOTAL ASSETS			
		<hr/>	<hr/>
		28,001,050	27,144,682
		<hr/>	<hr/>



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME

For the Quarter Ended 31 March 2019 (Un-audited)

	Note	Quarter Ended	
		31 March 2019 (Rupees in thousand)	31 March 2018
REVENUE		3,477,429	3,248,729
COST OF SALES	8	(2,496,936)	(2,617,082)
GROSS PROFIT		980,493	631,647
ADMINISTRATIVE EXPENSES		(74,400)	(74,809)
OTHER OPERATING EXPENSES		(482)	(735)
OTHER OPERATING INCOME		905,611	556,103
		29,478	7,969
PROFIT FROM OPERATIONS		935,089	564,072
FINANCE COST		(335,436)	(182,668)
PROFIT BEFORE TAXATION		599,653	381,404
TAXATION		-	-
PROFIT AFTER TAXATION		599,653	381,404
OTHER COMPREHENSIVE INCOME FOR THE PERIOD		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		599,653	381,404
EARNINGS PER SHARE - BASIC AND DILUTED (RUPEES)		1.58	1.00

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


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

For the Quarter Ended 31 March 2019 (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 2018 - audited	3,798,387	107,004	-	8,898,912	12,804,303
Transactions with owners - Final dividend for the year ended 31 December 2017 @ Rupees 1 per share				(379,839)	(379,839)
Profit for the quarter ended 31 March 2018	-	-	-	381,404	381,404
Other comprehensive income for the quarter ended 31 March 2018	-	-	-	-	-
Total comprehensive income for the quarter ended 31 March 2017	-	-	-	381,404	381,404
Balance as at 31 March 2018 - un-audited	3,798,387	107,004	-	8,900,477	12,805,868
Balance as at 01 January 2019 - audited	3,798,387	107,004	-	9,267,326	13,172,717
Transactions with owners - Final dividend for the year ended 31 December 2018 @ Rupees 1 per share	-	-	-	(379,839)	(379,839)
Profit for the quarter ended 31 March 2019	-	-	-	599,653	599,653
Other comprehensive income for the quarter ended 31 March 2019	-	-	-	-	-
Total comprehensive income for the quarter ended 31 March 2019	-	-	-	599,653	599,653
Balance as at 31 March 2019 - un-audited	3,798,387	107,004	-	9,487,140	13,392,531

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


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF CASH FLOWS

For the Quarter Ended 31 March 2019 (Un-audited)

		Quarter Ended	
	Note	31 March 2019 (Rupees in thousand)	31 March 2018
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in)/generated from operations	9	(455,431)	(1,132,781)
Finance cost paid		(265,330)	(146,195)
Interest income received		28,186	6,859
Net (increase)/decrease in long-term loans to employees		(13,476)	191,173
Income tax paid		(662)	(2,873)
Gratuity paid		(2,560)	(1,786)
Net cash (used in)/generated from operating activities		(709,273)	(1,257,603)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(2,225)	(4,620)
Proceeds from sale of property, plant and equipment		-	8
Net cash generated/(used in) investing activities		(2,225)	(4,612)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment for long term loans		(138,254)	(138,254)
Dividend paid		(177)	(79)
Net cash generated / (used) in financing activities		(138,431)	(138,333)
Net (decrease) / increase in cash and cash equivalents		(849,929)	(1,400,548)
Cash and cash equivalents at beginning of the period		(11,643,081)	(8,664,154)
Cash and cash equivalents at end of the period		(12,493,010)	(10,064,702)
CASH AND CASH EQUIVALENTS			
Cash in hand		257	115
Cash at banks		18,867	720,649
Short-term borrowings		(12,512,134)	(10,785,466)
		(12,493,010)	(10,064,702)

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


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

For the Quarter Ended 31 March 2019 (Un-audited)

1. THE COMPANY AND ITS OPERATIONS

Lalpir Power Limited ("the Company") was incorporated in Pakistan on 08 May 1994 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). 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 Limited. The principal activities of the Company are to own, operate and maintain a fuel fired power station ("the Complex") having gross capacity of 362 MW in Mehmood Kot, Muzaffargarh, Punjab, Pakistan. The Company has a Power Purchase Agreement (PPA) with its sole customer, Central Power Purchasing Agency (Guarantee) Limited (CPPA-G) for 30 years which commenced from 06 November 1997.

2. BASIS OF PREPARATION

Statement of compliance

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

International Financial Reporting Standards (IFRSs) 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 provisions of and directives issued under the Companies Act, 2017 differ from the IFRSs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

Exemption from applicability of certain interpretations to standards

Securities and Exchange Commission of Pakistan (SECP) granted waiver to all companies from the requirements of International Financial Reporting Interpretation Committee (IFRIC) 4 'Determining Whether an Arrangement Contains a Lease' through its notification, S.R.O. 24(1)/2012 dated 16 January 2012. Therefore, the Company is not required to account for the portion of its Power Purchase Agreement (PPA) with Central Power Purchasing Agency (Guarantee) Limited (CPPA-G) as a lease under International Accounting Standard (IAS) 17 'Leases'. Further, SECP also granted waiver for the requirements of IAS 21 'The Effects of Changes in Foreign Exchange Rates' in respect of accounting principle of capitalization of exchange differences to power sector companies.

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 2018.

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 2018..

4.1 Standard and amendments to published approved accounting standards that are effective in current year and are relevant to the company

certain standards, amendments and interoperations to approved accounting standard are effective in the current year but are not relevant or to have any significant effect on the companies' operation and are, therefore, not detailed in this condensed interim financial information.

4.2 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 2019 but are considered not to be relevant or do not have any significant impact on the companies' condensed interim financial information

5. LONG TERM FINANCING

From banking company - secured

	Un-audited 31 March 2019 (Rupees in thousand)	Audited 31 December 2018
Long term loan	92,169	230,423
Less: Current portion shown under current liabilities	92,169	230,423
	-	-

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 2018.

6.1.1 The banks have issued the following on behalf of the company:

- The banks of the Company have issued letters of credit in favour of CPPA-G amounting to Rupees 596 million (2018: Rupees 596 million) to meet its obligations under the Power Purchase Agreement (PPA).
- The banks of the Company have issued letters of guarantee in favour of Pakistan State Oil Company Limited (PSO) - fuel supplier for an amount of Rupees 1,500 million (2018: Rupees 1,500 million).

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 2018, except for the commitments for capital expenditure as at reporting date are amounting to Rupees 59.038 million (31 December 2018: Rupees 502 million).

7. PROPERTY, PLANT AND EQUIPMENT

	Un-audited 31 March 2019 (Rupees in thousand)	Audited 31 December 2018
Operating fixed assets (Note 7.1)	8,548,136	8,814,685
Capital work-in-progress	191,843	194,525
	<u>8,739,979</u>	<u>9,009,210</u>
7.1 Operating fixed assets		
Opening book value	8,814,685	8,793,917
Add: Cost of additions during the period / year (Note 7.1.1)	3,996	1,078,761
Less: Book value of deletions during the period / year (Note 7.1.2)	49	60,386
Less: Depreciation charged during the period / year	270,496	997,607
Closing book value	<u>8,548,136</u>	<u>8,814,685</u>
7.1.1 Cost of additions		
Vehicles	-	13,923
Plant and machinery	3,740	1,056,968
Furniture and fittings	44	333
Buildings	-	54
Office equipment	112	1,151
Electric equipment and appliances	100	6,296
Telephone Installation	-	36
	<u>3,996</u>	<u>1,078,761</u>
7.1.2 Book value of deletions		
Plant and machinery	49	60,386
	<u>49</u>	<u>60,386</u>

8. COST OF SALES

	Un-audited Quarter Ended 31 March 2019 (Rupees in thousand)	31 March 2018
Fuel cost	2,003,941	2,195,429
Operation and maintenance costs	108,229	87,368
Insurance	136,587	110,297
Liquidated Damages	-	17
Depreciation	246,796	222,685
Others	1,383	1,286
	<u>2,496,936</u>	<u>2,617,082</u>

	Un-audited Quarter Ended	
	31 March 2019 (Rupees in thousand)	31 March 2018
9. CASH GENERATED FROM OPERATIONS		
Profit before taxation	599,653	381,404
Adjustments for non-cash charges and other items:		
Depreciation on operating fixed assets.	270,496	248,274
Depreciation on investment property	1,092	-
Provision for gratuity	3,227	3,508
Loss / (Gain) on disposal of property, plant and equipment	-	(8)
Interest income	(28,186)	(6,859)
Finance cost	335,436	182,668
Cash flows from operating activities before working capital changes	1,181,718	808,987
(Increase) / decrease in current assets:		
Stores, spare parts and other consumables	(4,441)	(5,564)
Fuel stock	(920,618)	(211,663)
Trade debts	(252,167)	(840,070)
Advances and short-term prepayments	2,370	(595,992)
Other receivables	131,849	146,953
Sales tax recoverable	(53,232)	(130,072)
	(1,096,239)	(1,636,408)
(Decrease) / increase in trade and other payables	(540,910)	(305,360)
	(455,431)	(1,132,781)

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:

		Un-audited Quarter Ended	
		31 March 2019 (Rupees in thousand)	31 March 2018
Associated company	Nature of transaction		
Nishat Mills Limited	Share of expenses	-	160
Adamjee Insurance Company Limited	Insurance claims received Insurance premium	922 12,005	4,110 7,970
Security General Insurance Company Limited	Insurance premium	158,224	127,737
D.G.Khan Cement Company Limited	Purchased of goods	145	145
Pakgen Power Limited	Loan Given Loan Repaid Intetest Charged	147,788 155,651 396	- - -
Nishat Hotels & Properties Limited	Loan Intetest Charged	1,000,000 27,133	606,709 -
Nishat Hospitality (Private)Limited	Boarding and Lodging services	60	17
Nisaht (Aziz Avenue) hotels and properties Limited	Rent	1,570	1,570
Provident fund	Contribution made	4,685	4,489
Gratuity fund	Contribution made	3,227	3,508
KEY MANAGEMENT PERSONNEL	Remuneration	7,276	7,560

11. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

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.

The condensed interim financials information does not include any financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the companies annual financial statements as at 31st December 2018.

There have been no changes in risk management department since year end or in any risk management 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 25 April 2019 by the Board of Directors of the Company.

14. GENERAL

Figures have been rounded off to the nearest thousand Rupees.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

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