



1st QUARTER REPORT

September 30, 2017 (un-audited)

KOT ADDU POWER COMPANY LIMITED

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Company Information

Board of Directors	<p>Lt. General (Retd) Muzammil Hussain (Chairman)</p> <p>Mr. Aftab Mahmood Butt (Chief Executive)</p> <p>Mr. Anwar-ul-Haq</p> <p>Mr. Owais Shahid</p> <p>Mr. Aqeel Ahmed Nasir</p> <p>Mr. Saad Iqbal</p> <p>Mr. Muhammad Arshad Ch.¹</p>
Audit Committee	<p>Mr. Anwar-ul-Haq (Chairman)</p> <p>Mr. Owais Shahid</p> <p>Mr. Saad Iqbal</p> <p>Mr. Muhammad Arshad Ch.</p>
HR Committee	<p>Mr. Aqeel Ahmed Nasir (Chairman)</p> <p>Mr. Aftab Mahmood Butt</p> <p>Mr. Anwar-ul-Haq</p>
General Manager Finance / CFO	Mr. M. Mohtashim Aftab
Company Secretary	Mr. A. Anthony Rath
Head of Internal Audit	Mr. Sikandar Usmani
Auditors	<p>Deloitte Yousuf Adil</p> <p>Chartered Accountants</p>
Internal Auditors	<p>Ernst & Young Ford Rhodes</p> <p>Chartered Accountants</p>
Legal Advisor	Cornelius, Lane & Mufti
Bankers	<p>Conventional</p> <p>Allied Bank Limited</p> <p>Askari Bank Limited</p> <p>Bank Al-Habib Limited</p> <p>Citibank, N.A.</p> <p>Faysal Bank Limited</p> <p>Habib Bank Limited</p> <p>Habib Metropolitan Bank Limited</p> <p>MCB Bank Limited</p> <p>National Bank of Pakistan</p> <p>NIB Bank Limited</p> <p>Samba Bank Limited</p> <p>Standard Chartered Bank (Pakistan) Limited</p> <p>The Bank of Punjab</p> <p>United Bank Limited</p> <p>Islamic</p> <p>AlBaraka Bank (Pakistan) Limited</p> <p>Askari Bank Limited-IBD</p> <p>Bank Alfalah Limited</p> <p>BankIslami Pakistan Limited</p> <p>Dubai Islamic Bank Pakistan Limited</p> <p>Meezan Bank Limited</p> <p>National Bank of Pakistan-IBD</p> <p>Standard Chartered Bank (Pakistan) Limited-IBD</p>
Share Registrar	<p>THK Associates (Private) Limited</p> <p>First Floor, 40-C, Block-6</p> <p>P.E.C.H.S.</p> <p>Karachi 75400, Pakistan</p> <p>Tel: +92 (0)21 111 000 322</p> <p>Fax: +92 (0)21 34168271</p>
Registered Office	<p>House No. 4, Street No. 54-A</p> <p>F-7/4, Islamabad 44210, Pakistan</p>
Corporate Office	<p>5 B/3, Gulberg III, Lahore 54660, Pakistan</p> <p>Tel: +92 (0)42 3577 2912-16</p> <p>Fax: +92 (0)42 3577 2922</p>
Power Project	<p>Kot Addu Power Complex, Kot Addu</p> <p>District Muzaffargarh, Punjab, Pakistan</p> <p>Tel: +92 (0)66 230 1047-9</p> <p>Fax: +92 (0)66 230 1025</p>
Email	Info@kapco.com.pk
Website	www.kapco.com.pk

¹Appointed Director on October 10, 2017 in place of Mr. Badar-ul-Munir-Murtiza

Directors' Report

We present the financial statements (un-audited) for the period ended September 30, 2017.

The principal activity of the Company is to own, operate and maintain a 1600 MW name plate capacity multi-fuel combined cycle gas turbine power plant at Kot Addu.

The net output from the plant was 1,894 GWh of electricity, resulting in a load factor of 63.8% and an overall commercial availability of 96.9%.

Turnover for the review period was Rs. 21,570 Million and cost of sales were Rs. 18,127 Million. Profit after tax for the period was Rs. 2,181 Million (compared to Rs. 2,318 Million in the corresponding period in 2016), delivering an earnings per share (EPS) of Rs. 2.48 (EPS Rs. 2.63 in corresponding period in 2016).

On September 30, 2017, the receivables (including overdue receivables) from the Company's sole off-taker were Rs. 90,328 Million. The Company continues to actively pursue the off-taker and concerned Ministries in the Government of Pakistan for settlement of the outstandings.

As at September 30, 2017 the accumulated amount of liquidated damages invoiced to the Company amount to Rs. 27,898 Million for the period 2008-09 to June 30, 2016. The Company has disputed the claims for imposition of liquidated damages in accordance with the provisions of the Power Purchase Agreement.

During the review period, the Power Plant was operated and maintained in accordance with international standards. Combustion Inspection of three Gas Turbines were carried out as per plan. Hot Gas Path Inspection of three Gas Turbines and Major Overhauling of one Steam Turbine are in progress as per plan.

On behalf of the Board



Aftab Mahmood Butt
Chief Executive

Islamabad: October 19, 2017

ہمیں 30 ستمبر 2017 کو قلم ہونے والی مدت تک کے مالیاتی گوشوارے (غیر تصفیہ شدہ) پیش کرنے پر خوش محسوس ہو رہی ہے۔

کمپنی کی بنیادی سرگرمی کوٹ ادو میں اپنے گیس، فرنس آئل اور ڈیزل سے چلنے والے 1600 میگا واٹ کی استعداد کے حامل بجلی گھر/پاور پلانٹ کی ملکیت، آپریشن اور دیکھ بھال و مرمت ہے۔

زیر جائزہ مدت کے دوران، پلانٹ سے بجلی کی مجموعی پیداوار 1,894 GWh رہی، جس کے نتیجے میں 63.8 فیصد لوڈ فیکٹر اور مجموعی تجارتی دستیابی 96.9 فیصد رہی۔

جائزہ کی مدت میں کمپنی کا کاروباری حجم 21,570 ملین روپے رہا ہے جس میں فروخت کی لاگت 18,127 ملین روپے ہے۔ گیس کی ادائیگی کے بعد منافع 2,181 ملین روپے رہا ہے (جبکہ 2016 میں اسی مدت میں منافع 2,318 ملین روپے تھا)۔ اس طرح اس سال آمدن فی حصص (EPS) 2.48 روپے رہی ہے (جبکہ 2016 میں آمدن فی حصص (EPS) 2.63 روپے تھی)۔

30 ستمبر 2017 تک خریدار کے ذمہ کمپنی کی ذمہ داری (بشمول زائد المعیاد واجب الادا رقم) 90,328 ملین روپے تھی۔ کمپنی مذکورہ بقایا جات کے سلسلے میں متعلقہ خریدار اور حکومت پاکستان کی وزارتوں سے معاملات کے حل کے لیے مسلسل پیروی کر رہی ہے۔

30 ستمبر 2017 تک، 2008-09 سے 30 جون 2016 تک کے سالوں کے لیے کمپنی کے ذمہ نقصانات کی مجموعی رقم 27,898 ملین روپے بنتی ہے۔ کمپنی نے بجلی کی خریداری کے معاہدے کی دفعات کے تحت مذکورہ رقم پر اپنے اختیارات کا اظہار کیا ہے۔

زیر جائزہ مدت کے دوران بجلی گھر/پاور پلانٹ کو بین الاقوامی معیارات کے مطابق چلایا گیا اور اس کی دیکھ بھال کی گئی۔ اس مقصد کے لیے منصوبے کے مطابق تین گیس ٹربائنوں کی حرارت پذیری کا معائنہ کیا گیا جبکہ تین گیس ٹربائنوں کی ہاٹ گیس پاتھ کا معائنہ اور ایک اسٹیم ٹربائن کی اور ہالٹ کا کام منصوبے کے مطابق جاری ہے۔

منجانب بورڈ


آفتاب محمود بیٹ
چیف ایگزیکٹو

اسلام آباد: 19 اکتوبر 2017ء

Condensed Interim Balance Sheet

as at September 30, 2017 (Un-audited)

	September 30, 2017	June 30, 2017
Note	(Rupees in thousand)	
EQUITY AND LIABILITIES		
CAPITAL AND RESERVES		
Authorised capital		
3,600,000,000 (June 30, 2017: 3,600,000,000)		
ordinary shares of Rs 10 each	36,000,000	36,000,000
Issued, subscribed and paid up capital		
880,253,228 (June 30, 2017: 880,253,228)		
ordinary shares of Rs 10 each	8,802,532	8,802,532
Capital reserve	444,451	444,451
Unappropriated profit	25,437,187	23,256,226
	34,684,170	32,503,209
NON-CURRENT LIABILITIES		
Liabilities against assets subject to finance lease	79,890	64,161
Deferred liabilities	2,042,518	2,138,546
	2,122,408	2,202,707
CURRENT LIABILITIES		
Current portion of long term liabilities	415,931	411,635
Finances under mark-up arrangements - secured	38,307,146	46,133,174
Trade and other payables	37,449,140	34,749,856
	76,172,217	81,294,665
CONTINGENCIES AND COMMITMENTS		
	112,978,795	116,000,581

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.



Aftab Mahmood Butt
Chief Executive

KOT ADDU POWER COMPANY LIMITED

		September 30, 2017	June 30, 2017
	Note	(Rupees in thousand)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	10,234,773	10,813,412
Intangible assets		8,457	9,577
Assets subject to finance lease		93,076	63,615
Capital work-in-progress		71,020	71,383
Long term loans and deposits		33,015	30,622
Post retirement benefits		56,979	58,876
		10,497,320	11,047,485
CURRENT ASSETS			
Stores and spares		4,218,125	4,264,752
Stock-in-trade		3,704,586	5,914,402
Trade debts	7	90,328,166	89,987,164
Loans, advances, deposits, prepayments and other receivables	8	3,616,833	4,157,060
Cash and bank balances		613,765	629,718
		102,481,475	104,953,096
		112,978,795	116,000,581


Anwar-ul-Haq
Director

Condensed Interim Profit and Loss Account
for the quarter ended September 30, 2017 (Un-audited)

	Note	Quarter ended	
		September 30, 2017	September 30, 2016
		(Rupees in thousand)	
Sales		21,570,552	17,725,188
Cost of sales	9	(18,127,310)	(14,386,523)
Gross profit		3,443,242	3,338,665
Administrative expenses		(127,588)	(102,487)
Other income		1,398,642	1,077,584
Profit from operations		4,714,296	4,313,762
Finance cost		(1,598,253)	(955,270)
Profit before tax		3,116,043	3,358,492
Taxation		(935,082)	(1,040,168)
Profit for the period		2,180,961	2,318,324
Earnings per share - basic and diluted	Rupees	2.48	2.63

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.



Aftab Mahmood Butt
Chief Executive



Anwar-ul-Haq
Director

Condensed Interim Statement of Comprehensive Income
for the quarter ended September 30, 2017 (Un-audited)

	Quarter ended	
	September 30, 2017	September 30, 2016
	(Rupees in thousand)	
Profit for the period	2,180,961	2,318,324
- Items that will not be reclassified to profit or loss	-	-
- Items that may be reclassified subsequently to profit or loss	-	-
Other comprehensive income for the period	-	-
Total comprehensive income for the period	<u>2,180,961</u>	<u>2,318,324</u>

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.



Aftab Mahmood Butt
Chief Executive



Anwar-ul-Haq
Director

Condensed Interim Cash Flow Statement
for the quarter ended September 30, 2017 (Un-audited)

		Quarter ended	
		September 30, 2017	September 30, 2016
	Note	(Rupees in thousand)	
Cash flows from operating activities			
Cash generated from operations	11	9,785,740	3,164,685
Finance cost paid		(969,652)	(614,487)
Taxes paid		(975,615)	(961,297)
Staff retirement benefits paid		(5,057)	(8,431)
Net cash from operating activities		7,835,416	1,580,470
Cash flows from investing activities			
Fixed capital expenditure		(8,167)	(299,375)
Income on bank deposits received		15	2,670
Net increase in long term loans and deposits		(2,393)	(11,205)
Proceeds from sale of property, plant and equipment		3,552	318
Net cash used in investing activities		(6,993)	(307,592)
Cash flows from financing activities			
Repayment of liabilities against assets subject to finance lease		(4,635)	(7,483)
Dividend paid		(13,713)	(7,876)
Net cash used in financing activities		(18,348)	(15,359)
Net increase in cash and cash equivalents during the period		7,810,075	1,257,519
Cash and cash equivalents at the beginning of the period		(45,503,456)	(40,748,495)
Cash and cash equivalents at the end of the period	12	(37,693,381)	(39,490,976)

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.



Aftab Mahmood Butt
Chief Executive



Anwar-ul-Haq
Director

Condensed Interim Statement of Changes in Equity

for the quarter ended September 30, 2017 (Un-audited)

	Share Capital	Capital reserve	Un-appro- priated profit	Total
	(Rupees in thousand)			
Balance as at June 30, 2016	8,802,532	444,451	21,708,105	30,955,088
Total comprehensive income for the period	-	-	2,318,324	2,318,324
Balance as at September 30, 2016	8,802,532	444,451	24,026,429	33,273,412
Final dividend for the year ended June 30, 2016 - Rs 4.75 per share	-	-	(4,181,203)	(4,181,203)
Profit for the period	-	-	7,128,725	7,128,725
Other comprehensive gain: - Re-measurement of net defined benefit obligation - net of tax	-	-	67,364	67,364
Total comprehensive income for the period	-	-	7,196,089	7,196,089
Interim dividend for the year ended June 30, 2017 - Rs 4.30 per share	-	-	(3,785,089)	(3,785,089)
Balance as at June 30, 2017	8,802,532	444,451	23,256,226	32,503,209
Total comprehensive income for the period	-	-	2,180,961	2,180,961
Balance as at September 30, 2017	8,802,532	444,451	25,437,187	34,684,170

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.



Aftab Mahmood Butt
Chief Executive



Anwar-ul-Haq
Director

Notes to and forming part of the Condensed Interim Financial Information
for the quarter ended September 30, 2017 (Un-audited)

1. Legal status and nature of business

Kot Addu Power Company Limited ('the Company'), was incorporated in Pakistan on April 25, 1996 as a public limited company under the Companies Ordinance, 1984. The Company was listed on April 18, 2005 on the Karachi, Islamabad and Lahore Stock Exchanges (now merged as Pakistan Stock Exchange Limited). The principal activities of the Company are to own, operate and maintain a multi-fuel fired power station with fifteen generating units with a nameplate capacity of 1,600 MW in Kot Addu, District Muzaffargarh, Punjab, Pakistan and to sell the electricity produced therefrom to a single customer, the Pakistan Water and Power Development Authority (WAPDA) under a Power Purchase Agreement (PPA). This agreement is for a term of 25 years which commenced from June 1996.

2. Basis of preparation

This condensed interim financial information is un-audited and has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 - 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984. As per the requirements of circular No. 23 of 2017 dated October 04, 2017 issued by the Securities and Exchange Commission of Pakistan (SECP), further clarified by the Institute of Chartered Accountants of Pakistan (ICAP), companies whose financial period closes on or before December 31, 2017 shall prepare their financial statements in accordance with provisions of the repealed Companies Ordinance, 1984. In case where the requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

This condensed interim financial information does not include all the information required for annual financial statements including financial risk management information and therefore should be read in conjunction with the annual financial statements for the year ended June 30, 2017.

The accounting policies adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of preceding annual published financial statements of the Company for the year ended June 30, 2017. Further, the basis of significant estimates are same as those that were applied to the financial statements for the year ended June 30, 2017, except for estimation of provision for taxation as referred to in note 3.

- 3. Income tax expense is recognised based on management's best estimate of the weighted average income tax rate expected for the full financial year.**
- 4. Trade and other payables**

Trade and other payables include payable to Pakistan State Oil amounting to Rs 19,615 million (June 30, 2017: Rs 16,899 million) and Sui Northern Gas Pipelines Limited (SNGPL) amounting to Rs 444 million (June 30, 2017: Rs 1,266 million) against fuel supplies.

5. Contingencies and commitments

5.1 Contingencies

There has been no change in the status of the contingent liabilities disclosed as at June 30, 2017 except for the following:

- a) During the period, Deputy Commissioner Inland Revenue (DCIR) issued notice for payment of left over balance of Workers' Profit Participation Fund (WPPF) towards WWF for tax year 2016 and subsequently issued recovery notice amounting to Rs 707 million. The Company filed an appeal before Commissioner Inland Revenue Appeals (CIRA) and Honourable Lahore High Court. Appeal before CIRA is pending adjudication whereas Honourable Lahore High Court has issued an order restraining Tax Department from any recovery till disposal of main appeal by CIRA. Later on, Tax Department has also withdrawn its notices of recovery.

The management is of the view that there are meritorious grounds available to defend the foregoing demands. Consequently no provision for such demand has been made in this condensed interim financial information.

- b) Before introduction of amendments in Finance Act 2006, the Company had not established Workers' Profit Participation Fund under the Companies Profit (Workers' Participation) Act, 1968 (the Act) based on the opinion of the legal advisor that it did not employ any person who fell under the definition of Worker as defined in the Act.

Further, the question whether a company to which the Act and its scheme applies but which does not employ any worker is nevertheless obliged to establish and pay contributions into the Fund under the Act and thereafter transfer the same to the Fund established under the WWF Ordinance, 1971 is subjudice before the Sindh High Court as the Supreme Court of Pakistan accepted the petition of another company and remanded the case to the Sindh High Court for fresh decision in accordance with its order.

Certain amendments were introduced in Finance Act 2006, to relax the conditions of payment of interest and penalty for companies defaulting in creating Fund under the Act. If it is established that Workers' Profit Participation Fund (WPPF) is applicable to the Company and Company makes the principal payment on or before the date which is yet to be decided by the Federal Government, no such penalty may be imposed and the Company may not be liable to pay interest.

In view of the foregoing, the Company did not make any provision for Workers' Profit Participation Fund and interest thereon in the financial statements up to June 30, 2006.

Subsequent to the amendments in Finance Act 2006, the Company had established the KAPCO Workers' Profit Participation Fund in March 2008 to allocate the amount of annual profits stipulated by the Act for distribution amongst workers eligible to receive such benefits under the Act. Accordingly contributions to WPPF were duly made up to the year ended June 30, 2016.

During the year ended June 30, 2017, the Honourable Supreme Court of Pakistan decided that amendments in Workers' Welfare Fund Ordinance, 1971 and Companies Profit (Workers Participation) Act, 1968 cannot be introduced through Finance Act, thereby, the said amendments made through the Finance Act 2006 are void ab initio. Subsequently, the Commissioner Inland Revenue (Peshawar) filed review petition in the Honourable Supreme Court of Pakistan against the said decision in case of another company, which is pending adjudication.

In light of the above decision and based on advice of Company's legal counsel, the Company did not make any contribution to Workers' Profit Participation Fund for the year ended June 30, 2017 and during the period ended September 30, 2017. Further, the contribution of WPPF for the year 2016 amounting to Rs 684 million has been refunded by the WPPF Trust to the Company during the period.

In case the liability materializes, the cumulative principal amount of WPPF for the years up to June 30, 2006, for the years 2016 and 2017, and for period ended September 30, 2017 would amount to Rs 5,007 million (June 30, 2017: Rs 4,167 million). If it is established that the scheme is applicable to the Company and the Company is liable to pay contribution to the Workers' Welfare Fund, then these amounts would be recoverable from WAPDA as a pass-through item under the provisions of the Power Purchase Agreement.

(c) The Company has provided bank guarantees in favor of following:

- Sui Northern Gas Pipelines Limited on account of payment of dues against gas sales etc., amounting to Rs 1,030 million (June 30, 2017: Rs 1,030 million);
- Dawood Hercules Corporation Limited for proposed acquisition of shares of Hub Power Company Limited, amounting to Rs 2,500 million (June 30, 2017: Nil);
- Suppliers on account of equipment hired for use, amounting to Rs 1 million (June 30, 2017: Rs 1 million); and
- Collector of Customs on account of temporary import of rental tools, amounting to Rs 1 million (June 30, 2017: Nil).

Notes to and forming part of the Condensed Interim Financial Information
for the quarter ended September 30, 2017 (Un-audited)

5.2 Commitments

- (i) Contracts for capital expenditure Rs 82 million (June 30, 2017: Rs 139 million).
- (ii) Letters of credit other than for capital expenditure Rs 464 million (June 30, 2017: Rs 316 million).

		September 30, 2017	June 30, 2017
	Note	(Rupees in thousand)	
6. Property, plant and equipment			
Opening Net Book Value (NBV)		10,813,412	12,632,019
Add: Additions / transfers during the period	6.1	3,375	465,730
		<u>10,816,787</u>	<u>13,097,749</u>
Less: Disposals / adjustment during the period (at NBV)		7,452	4,265
Depreciation charged during the period		574,562	2,280,072
		<u>582,014</u>	<u>2,284,337</u>
		<u>10,234,773</u>	<u>10,813,412</u>
6.1 Following is the detail of additions / transfers during the period			
Additions:			
Buildings on freehold land		-	39,948
Gas turbine blading		-	349,675
Plant and machinery		-	23,196
Auxiliary plant and machinery		-	38,167
Office equipment		-	10,837
		-	461,823
Transfers:			
Vehicles		3,375	3,907
		<u>3,375</u>	<u>465,730</u>
7. Trade debts			
Trade debts	7.1	90,562,229	90,221,227
Less: Provision for doubtful debts		234,063	234,063
		<u>90,328,166</u>	<u>89,987,164</u>

- 7.1 These are considered good except Rs 234 million (June 30, 2017: Rs 234 million) which are considered doubtful. Trade debts include an overdue amount of Rs 80,128 million (June 30, 2017: Rs 76,896 million) receivable from WAPDA, which is a related party of the Company. The trade debts are secured by a guarantee from the Government of Pakistan under the Facilitation Agreement. These are in the normal course of business and are interest free, however, a penal mark-up of SBP discount rate plus 4 percent per annum is charged in case the amounts are not paid within due dates.

Notes to and forming part of the Condensed Interim Financial Information
for the quarter ended September 30, 2017 (Un-audited)

8. Loans, advances, deposits, prepayments and other receivables

Included in loans, advances, deposits, prepayments and other receivables is sales tax recoverable amounting to Rs 2,603 million (June 30, 2017: Rs 3,085 million). This amount mainly represents the differential of 20% input sales tax and 17% output sales tax on sales of electricity produced from Low Sulphur Furnace Oil (LSFO). During the year ended June 30, 2017, Sales Tax Refund Payment Orders (RPO) of Rs 1,196 million were issued by FBR out of which Rs 396 million has been received in Company's bank account during the period.

	Quarter ended	
	September 30, 2017	September 30, 2016
	(Rupees in thousand)	
9. Cost of sales		
Fuel cost	16,757,835	12,898,764
Salaries, wages and benefits	525,684	498,394
Plant maintenance	44,586	50,286
Gas turbines overhauls	57,097	200,749
Repair and renewals	171,514	106,605
Depreciation on property, plant and equipment	562,619	549,617
Amortisation on intangible assets	1,120	1,114
Liquidated damages	-	46
Provision for store obsolescence	6,855	80,948
	<u>18,127,310</u>	<u>14,386,523</u>

10. Transactions with related parties

Relationship with the Company	Nature of transaction		
i. Associated undertakings	Sale of electricity	21,570,552	17,725,188
	Interest expense	13,517	32,424
	Interest income on late payments	1,390,554	1,066,083
ii. Post retirement benefit plans	Expense charged	35,686	43,649
iii. Key management personnel	Compensation	117,083	113,053

All transactions with related parties have been carried out on commercial terms and conditions.

Notes to and forming part of the Condensed Interim Financial Information
for the quarter ended September 30, 2017 (Un-audited)

	September 30, 2017	June 30, 2017
	(Rupees in thousand)	
Period end balances		
Associated Undertakings		
Receivable from related parties	90,007,621	90,598,138
Payable to related parties	1,383,794	1,083,806

They are in the normal course of business and interest free except for loans included in the current portion of long term liabilities.

	Quarter ended	
	September 30, 2017	September 30, 2016
	(Rupees in thousand)	
11. Cash generated from operations		
Profit before tax	3,116,043	3,358,492
Adjustments for:		
- Depreciation on property, plant and equipment	574,562	559,285
- Amortisation on intangible assets	1,120	1,114
- Depreciation on assets subject to finance lease	4,254	6,013
- Income on bank deposits	(15)	(2,670)
- Provision for store obsolescence	6,855	80,948
- Staff retirement benefits accrued	25,801	34,282
- Finance cost	1,598,253	955,270
Profit before working capital changes	5,326,873	4,992,734
Effect on cash flow due to working capital changes:		
(Increase) / decrease in current assets		
- Stores and spares	39,772	(109,989)
- Stock-in-trade	2,209,816	(384,640)
- Trade debts	(341,002)	(7,870,853)
- Loans, advances, deposits, prepayments and other receivables	540,227	(714,897)
Increase in trade and other payables	2,010,054	7,252,330
	4,458,867	(1,828,049)
Cash generated from operations	9,785,740	3,164,685

Notes to and forming part of the Condensed Interim Financial Information
for the quarter ended September 30, 2017 (Un-audited)

	September 30, 2017	September 30, 2016
	(Rupees in thousand)	
12. Cash and cash equivalents		
Cash and bank balances	613,765	697,133
Finances under mark-up arrangements - secured	(38,307,146)	(40,188,109)
	<u>(37,693,381)</u>	<u>(39,490,976)</u>

13. Date of authorisation for issue

This condensed interim financial information was authorised for issue on October 19, 2017 by the Board of Directors of the Company.

14. Corresponding figures

In order to comply with the requirements of IAS 34 - 'Interim Financial Reporting', the condensed interim balance sheet and condensed interim statement of changes in equity have been compared with the balances of annual audited financial statements of preceding financial year, whereas the condensed interim profit and loss account, condensed interim statement of comprehensive income and 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 purposes of comparison. However, no significant re-arrangements have been made.



Aftab Mahmood Butt
Chief Executive



Anwar-ul-Haq
Director