



LALPIR POWER LIMITED

# THIRD QUARTERLY REPORT

FOR THE PERIOD ENDED  
SEPTEMBER 30  
2015

## CONTENTS

Company Profile .....	02
Directors' Report .....	04
Condensed Interim Balance Sheet .....	06
Condensed Interim Profit and Loss Account and other comprehensive income .....	08
Condensed Interim Cash Flow Statement.....	09
Condensed Interim Statement of Changes in Equity .....	10
Selected Notes to the Condense Interim Financial Information .....	11

## 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. Saeed Ahmed Alvi	
Mr. Jawaid Iqbal	
Mr. Kamran Rasool	
Mr. Khalid Qadeer Qureshi	
Mr. Mahmood Akhtar	

### 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  
 KASB Bank Limited  
 Standard Chartered Bank (Pakistan) Limited  
 Al Baraka Bank (Pakistan) Limited  
 Pakbrunei Investment company  
 Meezan 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" is pleased to present their report together with operational and financial results of your Company for the period ended 30 September 2015.

Your Company is engaged in power generation with a net capacity of 350.00 MW furnace oil fired power plant against a gross capacity of 362 MW. The Sole purchaser of the power is Water and Power Development Authority (WAPDA). We report that during the period under review power plant, by achieving all the operating standards, dispatched 1,507,645 MWH of electricity as compared with 1,264,868 MWH dispatched during the corresponding nine months of the previous financial year. Resultantly the capacity factor remained at 66.10% as against 55.50% demonstrated in the comparable nine months of the previous financial year.

### Financial Results:

The financial results of the Company for Period ended 30 September 2015 are as follows:

Financial Highlights	PERIOD ENDED	
	30 September 2015	30 September 2014
Revenue (Rs '000')	18,026,242	23,903,682
Gross profit (Rs '000')	1,516,583	1,318,282
Gross profit ratio to revenue (%)	8.41	5.51
Pre-tax profit (Rs '000')	745,783	498,253
After tax profit (Rs '000')	745,783	498,253
After tax profit ratio to revenue (%)	4.14	2.08
Earnings per share (Rs)	1.96	1.31

The Company has posted after tax profit of Rupees.745.783 million as against profit of Rupees.498.253 million earned in the comparative period. The net profits of the Company demonstrated the Earning per Share of Rupees. 1.96 as against Rupees 1.31 earned per share in the previous period due to successful implementation of efficiency improvement projects at Lalpir which decrease the fuel consumption form 244.47 per KWH to 240.58 per KWH.


In spite of lowering the load factor form 83.30% to 71.60% in Sep 2015, Delta loss decreased by Rupees 555.98 Million because of improvement projects.

### Acknowledgement

We wish to thank our valuable shareholders, WAPDA, financial institutions, lenders, Pakistan State Oil and other suppliers for their trust and faith in the Company and their valuable support that enabled the Company to achieve better results.

We also appreciate 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 take this opportunity to thank our executives and staff members for their consistent support, hardworking and commitment 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: 26 October 2015

# CONDENSED INTERIM BALANCE SHEET

As at 30 September 2015

	Note	Un-audited 30 September 2015 (Rupees in thousand)	Audited 31 December 2014
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized share capital 500,000,000 (31 December 2014: 500,000,000) ordinary shares of Rupees 10 each		5,000,000	5,000,000
Issued, subscribed and paid up share capital (379,838,732) (31 December 2014: - 379,838,732) ordinary shares of Rupees 10 each		3,798,387	3,798,387
Capital reserve		107,004	107,004
Revenue reserve - Un Appropriated Profit		8,379,051	8,392,946
<b>Total Equity</b>		<b>12,284,442</b>	<b>12,298,337</b>
<b>LIABILITIES</b>			
<b>NON - CURRENT LIABILITIES</b>			
Long Term Financing		1,543,829	1,813,876
Employee benefit -gratuity		33,191	17,937
		1,577,020	1,831,813
<b>CURRENT LIABILITIES</b>			
Trade and other payables		699,676	1,203,913
Redeemable Capital -secured		2,000,000	-
Accrued mark-up		106,599	193,634
Short-term borrowings		5,302,525	7,918,600
Current portion of long term financing		442,409	176,963
		8,551,209	9,493,110
<b>Total liabilities</b>		<b>10,128,229</b>	<b>11,324,923</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	5		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>22,412,671</b>	<b>23,623,260</b>

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


  
CHIEF EXECUTIVE



	Note	Un-audited 30 September 2015 (Rupees in thousand)	Audited 31 December 2014
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	6	10,554,744	11,048,768
Long-term loans to employees		73,466	49,256
Long term investment		1,298	2,389
Long Term security deposit		300	300
		<hr/>	<hr/>
		10,629,808	11,100,713
<b>CURRENT ASSETS</b>			
Stores, spare parts and other consumables		915,106	881,470
Fuel stock		305,717	337,226
Trade debts		8,374,851	8,480,277
Advances and short-term prepayments		604,766	482,249
Other receivables		40,781	145,329
Sales tax recoverable		1,540,352	1,563,648
Cash and bank balances		1,290	632,348
		<hr/>	<hr/>
		11,782,863	12,522,547
<b>TOTAL ASSETS</b>			
		<hr/>	<hr/>
		22,412,671	23,623,260

  
DIRECTOR



## CONDENSED INTERIM PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 30 SEPTEMBER 2015 (UN-AUDITED)

	Note	Period Ended		Quarter Ended	
		30 Sep.	30 Sep.	30 Sep.	30 Sep.
		2015	2014	2015	2014
		(Rupees in thousand)		(Rupees in thousand)	
REVENUE		18,026,242	23,903,682	5,665,978	4,454,994
COST OF SALES	7	(16,509,659)	(22,585,400)	(5,303,959)	(3,997,154)
GROSS PROFIT		1,516,583	1,318,282	362,019	457,840
ADMINISTRATIVE EXPENSES		(144,833)	(113,025)	(63,249)	(51,369)
OTHER OPERATING EXPENSES		(1,530)	(1,730)	(493)	(693)
		1,370,220	1,203,527	298,277	405,778
OTHER INCOME		160	19,629	1,213	674
PROFIT FROM OPERATIONS		1,370,380	1,223,156	299,490	406,452
SHARE OF LOSS OF ASSOCIATED COMPANY		(1,091)	-	-	-
FINANCE COST		(623,506)	(724,903)	(189,638)	(239,202)
PROFIT BEFORE TAXATION		745,783	498,253	109,852	167,250
TAXATION		-	-	-	-
PROFIT AFTER TAXATION		745,783	498,253	109,852	167,250
OTHER COMPREHENSIVE INCOME		-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		745,783	498,253	109,852	167,250
EARNINGS PER SHARE - BASIC AND DILUTED (RUPEES)		1.96	1.31	0.29	0.44

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

  
CHIEF EXECUTIVE

  
DIRECTOR

## CONDENSED INTERIM CASH FLOW STATEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2015 (UN-AUDITED)

	Note	30 September 2015 (Rupees in thousand)	30 September 2014
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation		745,783	498,253
Adjustment for non cash charges and other items:			
Depreciation		582,449	370,021
Provision for gratuity		8,222	8,201
Share of loss from associated company		1,090	-
(Gain)/Loss on disposal of property, plant and equipment		3,222	(6,520)
Interest income		(208)	(506)
Finance cost		623,506	724,903
<b>Cash flows from operating activities before working capital changes</b>		<b>1,964,064</b>	<b>1,594,352</b>
<b>(Increase) / decrease in current assets:</b>			
Stores, spare parts and other consumables		(33,636)	(406,644)
Fuel stock		31,509	(2,336)
Trade debts		105,426	761,952
Advances and short-term prepayments		(114,940)	(283,978)
Other receivables		104,548	237,473
Sales tax recoverable		23,296	(137,769)
		116,203	168,698
<b>(Decrease) / increase in trade and other payables</b>		<b>(884,298)</b>	<b>43,362</b>
<b>Cash generated from operations</b>		<b>1,195,969</b>	<b>1,806,412</b>
Finance cost paid		(710,541)	(762,366)
Interest income received		208	506
Income tax paid		(7,577)	(141,421)
Gratuity paid		7,032	337
<b>Net cash generated from operating activities</b>		<b>485,091</b>	<b>903,468</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure on property, plant and equipment		(100,901)	(2,222,177)
Proceeds from sale of property, plant and equipment		9,254	11,001
Long term loans		(24,210)	(21,431)
<b>Net cash (used in) investing activities</b>		<b>(115,857)</b>	<b>(2,232,607)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from long term financing		-	1,990,839
Repayment of long term loan		(4,601)	-
Dividends paid		(379,616)	(569,012)
<b>Net cash (used in) / generated from financing activities</b>		<b>(384,217)</b>	<b>1,421,827</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(14,983)</b>	<b>92,688</b>
<b>Cash and cash equivalents at beginning of the period</b>		<b>(7,286,252)</b>	<b>(9,539,907)</b>
<b>Cash and cash equivalents at end of the period</b>	8	<b>(7,301,235)</b>	<b>(9,447,219)</b>

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 PERIOD ENDED 30 SEPTEMBER 2015 (UN-AUDITED)

SHARE CAPITAL	RESERVES		TOTAL EQUITY
	Capital	Revenue	
	Retained payments reserve	Un- appropriated profit	

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

Balance as at 31 December 2013 audited(Restated)	3,798,387	107,004	8,178,692	12,084,083
Transaction with owners-Final dividend for the period ended 31 December 2013 @ Rupee 1.5 per share	-	-	(569,758)	(569,758)
Profit for the period ended 30 September 2014	-	-	498,253	498,253
Other Comprehensive income for the period ended 30 September 2014	-	-	-	-
Total comprehensive income for the period ended 30 September 2014	-	-	498,253	498,253
Balance as at 30 September 2014 (Un-audited)	3,798,387	107,004	8,107,187	12,012,578
Final dividend for the year ended 31 December 2014 @ Rupee 1 per share	-	-	(379,839)	(379,839)
Interim dividend @ Rupee 1 per share	-	-	(379,839)	(379,839)
Transaction with owners directly recognized in equity	-	-	(759,678)	(759,678)
Profit for the period ended 30 September 2015	-	-	745,783	745,783
Other Comprehensive income for the period ended 30 September 2015	-	-	-	-
Total comprehensive income for the period ended 30 September 2015	-	-	745,783	745,783
Balance as at 30 September 2015 (Un-audited)	3,798,387	107,004	8,379,051	12,284,442

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 PERIOD ENDED 30 SEPTEMBER 2015 (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 Karachi Stock Exchange Limited and Lahore Stock Exchange Limited of Pakistan. 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 un-audited. This condensed interim financial information for the nine months period ended 30 September 2015 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. 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 audited annual financial statements of the Company for the year ended 31 December 2014 and interim financial statements for the period ended 30 June 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 2014.

### 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 the 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 2014

## 5. CONTINGENCIES AND COMMITMENTS

There is no change in the contingencies disclosed in the preceding audited annual financial statements of the Company for the year ended 31 December 2014 and nterim financial statements for the period ended 30 June 2015.

### COMMITMENTS

There is no change in the commitments disclosed in the preceding audited annual published financial statements of the Company for the year ended 31 December 2013, except for the commitments for letters of credit as at reporting date are amounting to Rupees 74.55 million (30 September 2014: Rupees1,145.01 million).

## 6. PROPERTY, PLANT AND EQUIPMENT

	Un-audited 30 September 2015 (Rupees in thousand)	Audited 31 December 2014
Operating fixed assets (Note 6.1)	10,068,863	10,231,231
Capital work-in-progress (Note 6.2)	485,881	817,537
	<u>10,554,744</u>	<u>11,048,768</u>
<b>6.1 Operating fixed assets</b>		
Opening book value	10,231,231	7,732,229
Add: Cost of addition during the period / year (Note 6.1.1)	432,557	3,020,705
Less: Book value of deletions / derecognition during the period / year (Note 6.1.2)	12,476	4,481
Less: Depreciation charged during the period / year	(582,449)	(517,222)
Closing book value	<u>10,068,863</u>	<u>10,231,231</u>
<b>6.1.1 Cost of additions</b>		
Buildings on freehold land	-	2,728
Plant and machinery	415,186	2,975,575
Furniture and fixtures	5	1,113
Vehicles	15,327	29,061
Electric equipment	85	-
Office equipment	1,030	5,060
Computer equipment	924	7,168
	<u>432,557</u>	<u>3,020,705</u>

## 6.1.2 Book value of deletions / derecognition

	Un-audited 30 September 2015 (Rupees in thousand)	Audited 31 December 2014
Cost		
- Plant and machinery	51,040	41,990
- Vehicles	16,145	14,754
- Furniture and fixtures	59	-
	67,244	56,744
Less: Accumulated depreciation	54,768	52,263
	12,476	4,481

## 6.2 Capital work-in-progress

Civil Work	1,113	-
Plant and machinery	484,768	816,932
Others	-	605
	485,881	817,537

## 7. COST OF SALES

	(Un-audited) Period Ended		(Un-audited) Quarter Ended	
	30 Sep. 2015	30 Sep. 2014	30 Sep. 2015	30 Sep. 2014
	(Rupees in thousand)		(Rupees in thousand)	
Fuel consumed	15,410,900	21,619,264	4,934,336	3,633,293
Operation and maintenance costs	287,625	383,361	84,494	168,921
Insurance cost	266,604	233,793	108,546	79,042
Depreciation	539,823	348,732	174,457	118,146
Liquidated damages to WAPDA	1,161	-	659	-
Others	3,546	250	1,467	(2,248)
	16,509,659	22,585,400	5,303,959	3,997,154

		Un-audited Nine Months Ended	
		30 September 2015 (Rupees in thousand)	30 September 2014
8. CASH AND CASH EQUIVALENTS			
Cash and bank balances		1,290	5,136
Short-term borrowings		(7,302,525)	(9,452,355)
		<u>(7,301,235)</u>	<u>(9,447,219)</u>

## 9. 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 parties. The Company in the normal course of business carries out transactions with these related parties. Details of transactions with related parties are as follows:

		(Un-audited) Nine Months Ended		(Un-audited) Quarter Ended	
		30 Sep. 2015 (Rupees in thousand)	30 Sep. 2014	30 Sep. 2015 (Rupees in thousand)	30 Sep. 2014
Relationship with the Company	Nature of transaction				
Associated undertakings	Insurance premium	334,781	299,507	140,157	102,912
	Insurance claim received	1,927	11,036	610	8
	Dividend paid	196,183	416,827	-	-
	Share of expenses	229,310	218,357	75,943	70,984
	Share of Rental Income	1,210	1,979	407	412
	Bording lodging services	1,326			
	Rent Expenses	4,710	5,636	1,570	2,480
	Flying services	-	2,388	-	574
Key management personnel	Remuneration	4,847	4,660	1,293	1,223
Staff Retirement benefits plans	Contribution to provident funds	19,904	18,290.00	6,678	6,127
	Contribution to grauity funds	16,444	16,402.00	5,482	5,467



## 10. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was approved by the Board of Directors of the Company and authorized for issue on 26 October 2015.

## 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 2014.

## 12. CORRESPONDING FIGURES

In order to comply with 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 the 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.

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

## 14. GENERAL

Figures have been rounded off to the nearest thousand Rupees, unless otherwise stated.

  
CHIEF EXECUTIVE

  
DIRECTOR



BOOK POST

PRINTED MATTER

UPC



53-A, Lawrence Road, Lahore

Tel: 042-36367812-16

Fax: 042-36367414

UAN: 042-111-11-33-33