

POWERING
OUR COMMUNITIES
Brightening OUR MEMBERS'
FUTURE



LALPIR POWER LIMITED

THIRD QUARTERLY REPORT
FOR THE PERIOD ENDED SEPTEMBER 30, 2018

CONTENTS

Company Profile	02
Directors' Report	03
Directors' Report (Urdu).....	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 Mr. Khalid Qadeer Qureshi Mr. Aurangzeb Firoz Mr. Jawaid Iqbal Mr. Muhammad Azam Mr. Mahmood Akhtar Mr. Inayat Ullah Niazi	Chairman Chief Executive Officer
AUDIT COMMITTEE	Mr. Jawaid Iqbal Mr. Inayat Ullah Niazi Mr. Mahmood Akhtar	Chairman
HUMAN RESOURCE & REMUNERATION(HR &R) COMMITTEE	Mr. Jawaid Iqbal Mian Hassan Mansha Mr. Mahmood Akhtar	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 30 September 2018.

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. Its shares are listed on the Pakistan Stock exchange. The Sole purchaser of the power is Central Power Purchasing Agency (Guarantee) Limited (CPPA-G). We report that during the period under review power plant, by achieving all the operating standards, dispatched 789,712 MWH of electricity as compared with 1,246,957 MWH dispatched during the corresponding nine months of the previous financial year. Resultantly, the capacity factor remained at 34.4% as against 54.4% demonstrated in the comparable nine months of the previous financial year.

Financial Results:

The financial results of the Company for the Period ended 30 Sep 2018 are as follows:

Financial Highlights	PERIOD ENDED	
	30 September 2018	30 September 2017
Revenue (Rs '000')	14,260,143	15,654,271
Gross profit (Rs '000')	1,485,859	1,470,321
Gross profit ratio to revenue (%)	10.42	9.39
After tax profit (Rs '000')	683,081	774,483
After tax profit ratio to revenue (%)	4.79	5
Earnings per share (Rs)	1.80	2.04

The Company has posted after tax profit of Rs. 683.081 million as against Rs 774.483 million earned in the comparative period. The net profits of the Company demonstrated the Earning per Share of Rs 1.80 as against Rs. 2.04 earned per share in the comparable previous period.

The conclusions and recommendations of Justice ® Tassaduq Husain Jilani are not yet implemented. CPPA-G is discussing the matter within government bodies to find a way forward.

Receivable from Central Power Purchasing Agency (Guarantee) Limited (CPPA-G) is Rs.14, 428 Million as at September 2018 as compare to Rs. 10, 679 Million as at December 2017. The increase is because the Central Power Purchasing Agency (Guarantee) Limited (CPPA-G) is not making timely payments.

Other significant matters

Due to induction of new and large size power generation facilities in the country, Lalpir Power plant was dispatched less compared to past. The dispatch will depend on national demand, availability of RLNG and coal based plants in the system.

Acknowledgement

We wish to thank our valuable shareholders, CPPA (G), 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. Khalid Qadeer Qureshi)

Chief Executive Officer

Lahore: 24 October 2018

ڈائریکٹرز رپورٹ لال پیر پاور لمیٹڈ

لال پیر پاور لمیٹڈ "دی کمپنی" کے ڈائریکٹرز 30 ستمبر 2018ء تختہ مدت کے لئے آپ کی کمپنی کے آپریشن اور مالیاتی نتائج پر مشتمل اپنی رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

آپ کی کمپنی 362 میگا واٹ کی مجموعی صلاحیت کے فرانس آئل فائرڈ پاور پلانٹ سے 350 میگا واٹ کی خالص صلاحیت کے ساتھ بجلی پیدا کرنے میں مصروف ہے۔ اس کے حصص پاکستان اسٹاک ایکسچینج میں مندرج ہیں۔ بجلی کا واحد خریدار سنٹرل پاور پراجیکٹ ایجنسی (گارنٹی) لمیٹڈ (CPPA-G) ہے۔ ہم بیان کرتے ہیں کہ زیر جائزہ مدت کے دوران پاور پلانٹ نے گزشتہ مالی سال کی اسی نو ماہی مدت کے دوران 1,246,957 MWH ترسیل کے مقابلہ میں 789,712 MWH بجلی ترسیل کر کے تمام آپریٹنگ معیارات حاصل کیے ہیں۔ نتیجتاً گزشتہ مالی سال کی اسی نو ماہی مدت میں کپسٹی فیکٹر 54.4 فیصد کے مقابلہ میں 34.4 فیصد پر برقرار رہا۔

مالیاتی نتائج:

30 ستمبر 2018ء کو ختم ہونے والی مدت کے لئے کمپنی کے مالیاتی نتائج مندرجہ ذیل ہیں:

مالی جھلکیاں	30 ستمبر 2018ء	30 ستمبر 2017ء
محصولات (000 روپے)	14,260,143	15,654,271
مجموعی منافع (000 روپے)	1,485,859	1,470,321
مجموعی منافع تناسب محصولات (فیصد)	10.42	9.39
بعد از ٹیکس منافع (000 روپے)	683,081	774,483
بعد از ٹیکس منافع تناسب محصولات (فیصد)	4.79	5
آمدن فی حصص (روپے)	1.80	2.04

کمپنی نے تقابلی مدت میں 774.483 ملین روپے منافع کے برعکس 683.081 ملین روپے بعد از ٹیکس منافع درج کیا ہے۔ کمپنی کا خالص منافع، گزشتہ تقابلی مدت میں 2.04 روپے فی شیئر کے مقابلے میں 1.80 روپے فی شیئر آمدن ظاہر کرتا ہے۔ جسٹس ریٹائرڈ تصدق حسین جیلانی کے نتائج اور سفارشات ابھی تک لاگو نہیں کی گئی ہیں۔ سنٹرل پاور پراجیکٹ ایجنسی (گارنٹی) لمیٹڈ (CPPA-G) مسائل کو حل کرنے کے لئے حکومتی اداروں کے ساتھ تبادلہ خیال کر رہا ہے۔

سنٹرل پاور پراجیکٹ ایجنسی (گارنٹی) لمیٹڈ سے واجب الوصول رقم دسمبر 2017ء کے مطابق 10,679 ملین روپے کے مقابلے میں 14,428 ملین روپے ہے۔ یہ اضافہ سنٹرل پاور پراجیکٹ ایجنسی (گارنٹی) لمیٹڈ کی طرف سے بروقت ادائیگیاں نہ کرنے کی وجہ سے ہوا ہے۔

دیگراہم معاملات

ملک میں نئی اور بڑے سائز کی پاور جنریشن سہولیات کی انڈکشن کی وجہ سے، لال پیر پاور پلانٹ نے ماضی کے مقابلے کم ترسیل کی۔ ترسیل کا انحصار قومی طلب RLANG کی دستیابی اور نظام میں کوئلہ پر مبنی پلانٹس پر ہوگا۔

اظہار تشکر

ہم اپنے قابل قدر حصص داران (CPPA(G)، مالی اداروں، قرضد ہندگان، پاکستان اسٹیٹ آئل اور دیگر سپلائرز کے کمپنی میں ان کے اعتماد اور یقین اور ان کی قابل قدر تعاون جس کی بدولت کمپنی بہتر نتائج حاصل کرنے کے قابل ہوئی کے لئے شکر گزار ہے۔

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

بورڈ آف ڈائریکٹرز

جناب خالد قدیر قریشی

چیف ایگزیکٹو آفیسر

لاہور: 24 اکتوبر 2018ء

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at 30 September 2018

	Note	Un-audited 30 September 2018 (Rupees in thousand)	Audited 31 December 2017
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital 500,000,000 (31 December 2016: 500,000,000) ordinary shares of Rupees 10 each		5,000,000	5,000,000
Issued, subscribed and paid-up share capital 379,838,733 (31 December 2016: 379,838,733) ordinary shares of Rupees 10 each		3,798,387	3,798,387
Capital reserve		107,004	107,004
Revenue reserve - Un Appropriated Profit		9,202,155	8,898,912
Total Equity		13,107,546	12,804,303
LIABILITIES			
NON - CURRENT LIABILITIES			
Long - Term Financing	5	368,677	230,423
Employee benefit - gratuity		45,737	38,280
		414,414	268,703
CURRENT LIABILITIES			
Trade and other payables		325,582	1,271,586
Unclaimed dividend		4,282	2,775
Accrued mark-up / profit		226,282	108,270
Short-term borrowings		14,545,690	8,664,776
Current portion of long- term finance	5	-	553,015
		15,101,836	10,600,422
Total liabilities		15,516,250	10,869,125
CONTINGENCIES AND COMMITMENTS			
	6		
TOTAL EQUITY AND LIABILITIES		28,623,796	23,673,428

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



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

	Note	Un-audited 30 September 2018 (Rupees in thousand)	Audited 31 December 2017
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	8,320,843	9,018,793
Investment property	8	10,056	10,118
Long-term loans to employees		31,477	64,118
Long Term security deposit		300	300
		8,362,676	9,093,329
CURRENT ASSETS			
Stores, spare parts and other consumables		970,324	947,439
Fuel stock		721,074	299,334
Trade debts		14,833,837	10,849,196
Loans, advances and short-term prepayments		2,335,556	439,597
Other receivables		50,056	246,449
Sales tax recoverable		1,258,812	1,797,462
Cash and bank balances		91,461	622
		20,261,120	14,580,099
TOTAL ASSETS		28,623,796	23,673,428



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME**
FOR THE QUARTER AND PERIOD ENDED 30 SEPTEMBER 2018 (UN-AUDITED)

	Note	Period Ended		Quarter Ended	
		30 September	30 September	30 September	30 September
		2018	2017	2018	2017
		(Rupees in thousand)		(Rupees in thousand)	
REVENUE		14,260,143	15,654,271	5,464,585	5,183,856
COST OF SALES	9	(12,774,284)	(14,183,950)	(5,057,193)	(4,775,603)
GROSS PROFIT		1,485,859	1,470,321	407,392	408,253
ADMINISTRATIVE EXPENSES		(214,538)	(164,725)	(101,962)	(79,792)
OTHER OPERATING EXPENSES		(2,433)	(9,194)	(481)	(1,059)
OTHER INCOME		71,276	47,149	39,391	18,186
PROFIT FROM OPERATIONS		1,340,164	1,343,551	344,340	345,588
FINANCE COST		(657,082)	(569,068)	(260,689)	(198,311)
PROFIT BEFORE TAXATION		683,082	774,483	83,651	147,277
TAXATION		-	-	-	-
PROFIT AFTER TAXATION		683,082	774,483	83,651	147,277
OTHER COMPREHENSIVE INCOME		-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		683,082	774,483	83,651	147,277
EARNINGS PER SHARE - BASIC AND DILUTED (RUPEES)		1.80	2.04	0.22	0.39

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 PERIOD ENDED 30 SEPTEMBER 2018 (UN-AUDITED)

	Note	Period Ended	
		30 September 2018 (Rupees in thousand)	30 September 2017
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash utilized in operations	10	(4,520,336)	(76,066)
Finance cost paid		(539,070)	(520,581)
Interest income received		66,295	40,129
Income tax paid		(6,640)	(8,727)
Gratuity paid		(3,068)	(3,690)
Net cash used in operating activities		(5,002,819)	(568,935)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(43,689)	(109,017)
Proceeds from sale of property, plant and equipment		729	19,930
Long term loans		46,022	(1,754)
Net cash used in investing activities		3,062	(90,841)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term loan		(414,761)	(414,761)
Dividends paid		(375,557)	(602,412)
Net cash used in financing activities		(790,318)	(1,017,173)
Net (decrease) / increase in cash and cash equivalents		(5,790,075)	(1,676,949)
Cash and cash equivalents at beginning of the period		(8,664,154)	(8,130,115)
Cash and cash equivalents at end of the period		(14,454,229)	(9,807,064)

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 AND PERIOD ENDED 30 SEPTEMBER 2018 (UN-AUDITED)

SHARE CAPITAL	RESERVES		TOTAL EQUITY	
	Capital	Revenue		
	Retained payments reserve	Un-appropriated profit		
(-----Rupees in thousand -----)				
Balance as at 31 December 2016 - audited	3,798,387	107,004	8,713,239	12,618,630
Transaction with owners:				
Final dividend for the period ended 31 December 2016 @ Rupee 1 per share	-	-	(379,839)	(379,839)
Interim dividend @ Rupee 1 per share	-	-	(379,839)	(379,839)
			(759,678)	(759,678)
Profit for the period ended 30 September 2017	-	-	774,483	774,483
Other Comprehensive income for the period ended 30 September 2017	-	-	-	-
Total comprehensive income for the period ended 30 September 2017	-	-	774,483	774,483
Transaction with owners-Interim dividend for the year ended 31 december 2016 @ Rupee 1 per share	-	-	-	-
Balance as at 30 September 2017 (Un-audited)	3,798,387	107,004	8,728,044	12,633,435
Balance as at 31 December 2017 (audited)	3,798,387	107,004	8,898,912	12,804,303
Final dividend for the year ended 31 December 2017 @ Rupee 1 per share	-	-	(379,839)	(379,839)
Interim Dividend @ Rupee 1 per Share	-	-	-	-
Transaction with owners directly recognized in equity	-	-	(379,839)	(379,839)
Profit for the period ended 30 September 2018	-	-	683,082	683,082
Other Comprehensive income for the period ended 30 September 2018	-	-	-	-
Total comprehensive income for the period ended 30 September 2018	-	-	683,082	683,082
Balance as at 30 September 2018 (Un-audited)	3,798,387	107,004	9,202,155	13,107,546

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


 CHIEF EXECUTIVE


 DIRECTOR


 CHIEF FINANCIAL OFFICER

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE QUARTER AND PERIOD ENDED 30 SEPTEMBER 2018

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. 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

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, 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 the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

These condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended 31 December 2017. These condensed interim financial statements are un-audited, however, have been subjected to limited scope review by the auditors and are being submitted to the shareholders as required by the Listed Companies (Code of Corporate Governance) Regulations, 2017 and Section 237 of the Companies Act, 2017.

3. ACCOUNTING POLICIES

The accounting policies and methods of computations adopted for the preparation of these condensed interim financial statements are same as applied in the preparation of the preceding audited annual published financial statements of the Company for the year ended 31 December 2017.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these condensed interim financial statements 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 these condensed interim financial statements, 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 2017.

	Un-audited 30 September 2018 (Rupees in thousand)	Audited 31 December 2017
5. LONG TERM FINANCING		
Opening balance	783,438	783,438
Less: Repaid during the period / year	414,761	-
	368,677	783,438
Less: Current portion shown under current liabilities	-	553,015
	368,677	230,423

6. CONTINGENCIES AND COMMITMENTS

6.1 Contingencies

There is no significant change in the status of contingencies disclosed in the preceding audited annual published financial statements of the Company for the year ended 31 December 2017 and half yearly published financial statements of the Company for the period ended 30 June 2018 except the following:

- 6.1.1** Central Power Purchasing Agency (Guarantee) Limited (CPPA-G) has raised invoices for liquidated damages to the Company from 11th to 21st (up to April 2018) agreement year (after taking into account forced outage allowance stipulated under the terms of Power Purchase Agreement - PPA) on account of short supply of electricity by the Company, which was due to cash constraints of the Company as a result of default by CPPA-G in making timely payments. Liquidated damages invoiced to the Company amounts to Rupees 3,343.150 million (31 December 2017: Rupees 3,343 million). Out of these, the Company has accepted and paid Rupees 35.179 million (31 December 2017: Rupees 34.82 million). The Company disputes and rejects balance claims on account of liquidated damages that are raised by CPPA-G on the premise that its failure to dispatch electricity was due to CPPA-G 's non-payment of dues on timely basis to the Company and consequential inability of the Company to make timely payments to its fuel supplier that resulted in inadequate level of electricity production owing to shortage of fuel. Against these the Company has raised invoice dispute notices to CPPA-G. The Company appointed mediation expert under the mechanism given in the Power Purchase Agreement (PPA). On 22 June 2017, the mediation expert gave his decision in favour of the Company. However, this decision is not binding on either party. The Company is in the process of negotiation with CPPA-G to settle the issue. The ultimate outcome of the matter cannot presently be determined, and consequently, no provision for such liquidated damages has been made in these condensed interim financial statements.

	Un-audited 30 September 2018 (Rupees in thousand)	Audited 31 December 2017
6.2 Commitments		
6.2.1 Commitments in respect of letters of credit for capital expenditure	130,970	37,899
6.2.2 Commitments in respect of other than capital expenditure	43,198	234,797

	Un-audited 30 September 2018 (Rupees in thousand)	Audited 31 December 2017
7. PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets (Note 7.1)	8,097,531	8,793,917
Capital work-in-progress (Note 7.2)	223,312	224,876
	<u>8,320,843</u>	<u>9,018,793</u>
7.1 Operating fixed assets		
Opening book value	8,793,917	9,632,917
Add: Cost of addition during the period / year (Note 7.1.1)	45,252	187,014
Less: Book value of deletions / derecognition during the period / year (Note 7.1.2)	682	33,799
Less: Transferred to investment property	-	-
Less: Depreciation charged during the period / year	740,956	992,215
Closing book value	<u>8,097,531</u>	<u>8,793,917</u>
7.1.1 Cost of additions		
Buildings on freehold land	54	39,953
Plant and machinery	35,260	104,755
Furniture and fixtures	150	42
Vehicles	8,513	36,196
Office equipment	271	2,571
Electric equipment and appliances	202	3,437
Clinical Equipment	-	60
Computer Equipment	802	-
	<u>45,252</u>	<u>187,014</u>
7.1.2 Book value of disposals / derecognitions		
Cost		
- Plant and machinery	720	32,467
- Vehicles	468	22,634
- Electric equipment and appliances	-	1,067
- Computer Equipment	65	-
	<u>1,253</u>	<u>56,168</u>
Less: Accumulated depreciation	571	22,369
	<u>682</u>	<u>33,799</u>
7.2 Capital work-in-progress		
Civil Work	-	-
Plant and machinery	223,312	216,097
Others	-	8,779
	<u>223,312</u>	<u>224,876</u>
8. INVESTMENT PROPERTY		
Opening net book value	10,118	11,041
Less: Depreciation charged during the period / year	62	923
	<u>10,056</u>	<u>10,118</u>

	Un-audited Nine Months Ended		Un-audited Quarter Ended	
	30 September 2018	30 September 2017	30 September 2018	30 September 2017
	(Rupees in thousand)		(Rupees in thousand)	
9. COST OF SALES				
Fuel cost	11,394,073	12,912,005	4,598,017	4,363,555
Operation and maintenance costs	354,129	331,637	130,386	107,757
Insurance cost	357,124	326,931	136,587	110,268
Depreciation	668,726	600,674	192,026	181,464
Liquidated damages to WAPDA	232	12,703	177	12,559
	<u>12,774,284</u>	<u>14,183,950</u>	<u>5,057,193</u>	<u>4,775,603</u>

	Un-audited Half Year Ended	
	30 September 2018 (Rupees in thousand)	30 September 2017
10. CASH UTILIZED IN OPERATIONS		
Profit before taxation	683,081	774,483
Adjustments for non-cash charges and other items:		
Depreciation on operating fixed assets	740,956	656,779
Depreciation on investment property	62	62
Provision for gratuity	10,525	8,875
Loss on disposal / derecognition of operating fixed assets	(46)	6,292
Impairment loss on long term investment in associated company	-	841
Interest income	(66,295)	(40,129)
Finance cost	657,082	569,068
Cash flows from operating activities before working capital changes	<u>2,025,365</u>	<u>1,976,271</u>
Working capital changes		
(Increase) / decrease in current assets:		
Stores, spare parts and other consumables	(22,885)	6,231
Fuel stock	(421,740)	99,458
Trade debts	(3,984,641)	(2,291,357)
Loans, advances and short-term prepayments	(1,902,700)	(390,524)
Other receivables	196,393	144,045
Sales tax recoverable	538,650	432,664
	<u>(5,596,923)</u>	<u>(1,999,483)</u>
Decrease in trade and other payables	(948,779)	(52,854)
Cash utilized in operations	<u>(4,520,337)</u>	<u>(76,066)</u>

11. 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:

Relationship with the Company	Nature of transaction	(Un-audited) Nine Months Ended		(Un-audited) Quarter Ended	
		30 September 2018 (Rupees in thousand)	30 September 2017 (Rupees in thousand)	30 September 2018 (Rupees in thousand)	30 September 2017 (Rupees in thousand)
Associated undertakings	Insurance premium	423,974	391,110	160,391	128,240
	Insurance claim received	4,738	1,621	429	619
	Dividend paid	196,646	196,646	-	-
	Share of expenses	-	273,678	-	92,676
	share of Rental Income	-	1,267	-	421
	Bording lodging services	63	655	-	214
	Purchase of stores	212	321	41	189
	Rent Expenses	4,710	4,710	1,570	1,570
	Interest Charged	65,755	39,348	36,675	17,065
	Loan made	1,200,000	1,000,000	(670,000)	-
	Stores and spares transferred to	-	-	-	(19,521)
	Stores and spares transferred from	-	-	-	(4,026)
Key management personnel	Remuneration	17,498	5,864	5,190	1,450
Staff Retirement benefits plans	contribution to provident funds	13,624	24,530	4,554	8,107
	contribution to gratuity funds	10,525	17,751	3,509	5,917
Period end balances:				Un-audited 30 September 2018 (Rupees in thousand)	Audited 31 December 2017
Short term loans receivable from associated companies		1,200,000			-

12. RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

(i) Fair value hierarchy

Certain financial assets and financial liabilities are not measured at fair value if the carrying amounts are a reasonable approximation of fair value. Due to short term nature, carrying amounts of certain financial assets and financial liabilities are considered to be the same as their fair value. For the majority of the non-current receivables, the fair values are also not significantly different to their carrying amounts. Judgements and estimates are made in determining the fair values of the financial instruments that are recognised and measured at fair value in these condensed interim financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company classify its financial instruments into the following three levels. However, as at the reporting date, the Company

has no such type of financial instruments which are required to be grouped into these levels. These levels are explained as under:

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

13. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual published financial statements of the Company for the year ended 31 December 2017.

14. 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.

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

15. 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 24 October 2018.

16. GENERAL

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



CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

BOOK POST

PRINTED MATTER

UPC



N I S H A T

LALPIR POWER LIMITED

53 - A, Lawrence Road, Lahore. Tel: 042 - 36367812 - 16

Fax: 042 - 363674141 UAN: 042 - 111-11-33-33