



NISHAT

LALPIR POWER LIMITED

FIRST QUARTERLY REPORT
FOR THE PERIOD ENDED
MARCH 31, 2023



**A NEW VISION FOR CONTINUED
GROWTH**

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COMPANY PROFILE

THE COMPANY

Lalpir Power Limited (“the Company”) was incorporated in Pakistan on 8 May 1994 under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017).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 | Chairman |
| Mr. Zaheer Ahmad Ghanghro | |
| Mr. Mahmood Akhtar | |
| Mr. Muhammad Azam | |
| Mr. Inayat Ullah Niazi | |
| Mrs. Hajra Arham | |
| Mr. Amir Mahmood | |

CHIEF EXECUTIVE OFFICER

Mr. Mahmood Akhtar

AUDIT COMMITTEE

| | |
|---------------------------|----------|
| Mr. Zaheer Ahmad Ghanghro | Chairman |
| Mr. Inayat Ullah Niazi | |
| Mrs. Hajra Arham | |

HUMAN RESOURCE & REMUNERATION (HR & R) COMMITTEE

| | |
|------------------------|-------------|
| Mrs. Hajra Arham | Chairperson |
| Mian Hassan Mansha | |
| Mr. Inayat Ullah Niazi | |

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
MCB Bank Limited
Bank Islami Pakistan Limited
Standard Chartered Bank (Pakistan) Limited
Al Baraka Bank (Pakistan) Limited
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: +92 42-111-11-33-33
Fax: +92 42 36367414

HEAD OFFICE

1-B, Aziz Avenue, Gulberg-V,
Lahore- Pakistan
Tel: +92 42 35717090-96
Fax: +92 42 35717239

SHARE REGISTRAR

CDC Share Registrar Services 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 the Condensed Interim Financial Information for the first quarter ended March 31, 2023.

We report that during the period under review power plant dispatched 4,809 MWh of electricity as compared with 124,436 MWh dispatched during the corresponding period of the previous financial year.

OPERATIONAL FINANCIAL RESULTS:

The financial results of the Company for period ended March 31, 2023 are as follows:

| Financial Highlights | PERIOD ENDED | |
|-----------------------------|------------------|------------------|
| | 31 March 2023 | 31 March 2022 |
| Revenue (Rs '000') | 2,611,682 | 4,830,363 |
| Gross profit (Rs '000') | 1,243,238 | 1,029,652 |
| After tax profit (Rs '000') | 1,023,348 | 1,048,257 |
| Earnings per share (Rs) | 2.69 | 2.76 |

The Company has posted after tax profit of Rs.1,023.348 million as against after tax profit Rs.1,048.257 million earned in the comparative period. The net profits of the Company demonstrated the Earning per Share of Rs.2.69 as against Rs.2.76 per share earned in the comparable 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 March 31, 2023, an amount of Rs.10.695 billion was receivable from CPPA-G.

COMPOSITION OF BOARD:

| | |
|------------------------------------|---|
| Total number of Directors: | |
| (a) Male | 6 |
| (b) Female | 1 |
| Composition: | |
| (i) Independent Directors | 2 |
| (ii) Other Non-executive Directors | 4 |
| (iii) Executive Directors | 1 |

COMMITTEES OF THE BOARD:

Audit Committee of the Board:

| Sr. # | Name of Members |
|-------|---|
| 1. | Mr. Zaheer Ahmad Ghanghro (Member/Chairman) |
| 2. | Mr. Inayat Ullah Niazi (Member) |
| 3. | Mrs. Hajra Arham (Member) |

Human Resource & Remuneration (HR&R) Committee:

| Sr. # | Name of Members | |
|-------|------------------------|----------------------|
| 1. | Mian Hassan Mansha | (Member) |
| 2. | Mrs. Hajra Arham | (Member/Chairperson) |
| 3. | Mr. Inayat Ullah 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 8 of the annexed financial statements.

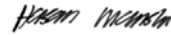
ACKNOWLEDGEMENT:

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 relationship with the Company.

For and on behalf of the Board of Directors



(Mr. Mahmood Akhter)
Chief Executive Officer
Lahore: 27 April 2023



Mian Hassan Mansha
Chairman

ڈائریکٹرز رپورٹ لال پیر پاور لمیٹڈ

لال پیر پاور لمیٹڈ "دی کمپنی" کے ڈائریکٹرز 31 مارچ 2023ء تختہ پہلی سہ ماہی کے لئے مندرجہ ذیل مالیاتی معلومات پر مشتمل اپنی رپورٹ پیش کرتے ہوئے خوش محسوس کر رہے ہیں۔

ہم بیان کرتے ہیں کہ زیر جائزہ مدت کے دوران پاور پلانٹ نے گزشتہ مالی سال کی اسی مدت کے دوران 124,436 MWh ترسیل کے مقابلہ میں 4,809 MWh بجلی ترسیل کی۔

آپریٹل مالیاتی نتائج:

31 مارچ 2023ء کو ختم ہونے والی مدت کے لئے کمپنی کے مالیاتی نتائج مندرجہ ذیل ہیں:

| مالی جھلکیاں | 31 مارچ 2023ء تختہ سہ ماہی | 31 مارچ 2022ء تختہ سہ ماہی |
|------------------------------|----------------------------|----------------------------|
| محصولات (روپے) | 2,611,682 | 4,830,363 |
| مجموعی منافع (روپے) | 1,243,238 | 1,029,652 |
| بعد از ٹیکس منافع (000 روپے) | 1,023,348 | 1,048,257 |
| آمدن فی حصص (روپے) | 2.69 | 2.76 |

کمپنی نے ٹیکس کے بعد منافع 1,023,348 ملین روپے درج کیا جبکہ تقابلی مدت میں 1,048,257 ملین روپے ٹیکس کے بعد منافع حاصل ہوا تھا۔ کمپنی کے خالص منافع نے گزشتہ مدت میں 2.76 روپے فی حصص منافع کے مقابلے 2.69 روپے فی حصص منافع ظاہر کیا ہے۔

ہماری واحد صارف سنٹرل پاور پراجیکٹ ایجنسی (گارنٹی) لمیٹڈ (CPPA-G) بجلی کی خریداری کے معاہدے (PPA) جو حکومت پاکستان کی ایک خود مختار ضمانت کے تحت حاصل کیا گیا کے مطابق اپنی ذمہ داریوں کو پورا کرنے میں ناکام رہا ہے۔ 31 مارچ 2023 کو، CPPA-G کے ذمہ بقایا رقم 10.695 ملین روپے تھی۔

بورڈ کی تشکیل:

| ڈائریکٹرز کی کل تعداد | |
|-----------------------|------------------------------------|
| 6 | (a) مرد |
| 1 | (b) خاتون |
| | تشکیل |
| 2 | (i) آزاد ڈائریکٹرز |
| 4 | (ii) دیگر نامان ایگزیکٹو ڈائریکٹرز |
| 1 | (iii) ایگزیکٹو ڈائریکٹرز |

بورڈ کی کمیٹیاں:
بورڈ کی آڈٹ کمیٹی:

| نمبر شمار | نام ڈائریکٹرز |
|-----------|------------------------------------|
| 1 | ظہیر احمد گھانگرو (رکن / چیئر مین) |
| 2 | جناب عنایت اللہ نیازی (رکن) |
| 3 | محترمہ ہاجرہ ارحم (رکن) |

ہیومن ریسورس اینڈ ریمڈیشن (HR&R) کمیٹی:

| نمبر شمار | نام رکن |
|-----------|-------------------------------------|
| 1 | میاں حسن نشاء (رکن) |
| 2 | محترمہ ہاجرہ ارحم (رکن / چیئر پرسن) |
| 3 | جناب عنایت اللہ نیازی (رکن) |

ڈائریکٹرز کا مشاہرہ:

کمیٹی 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 منسلکہ مالی حسابات کے نوٹ 8 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 کمیٹی کے تمام عملہ کی مسلسل حمایت، سخت محنت اور عزم کو بھی سراہتے ہیں اور ہم کمیٹی کے ساتھ ان کے طویل تعلقات چاہتے ہیں۔

منجانب مجلس نظماء

Hasan Mahmood

میاں حسن نشاء
چیئر مین

Jalaluddin

(جناب محمود اختر)
چیئر ایگزیکٹو آفیسر

لاہور: 27 اپریل 2023ء

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (Un-audited)

As at 31 March 2023

| | Note | Un-audited 31 March 2023 (Rupees in thousand) | Audited 31 December 2022 |
|--|------|--|--------------------------------|
| EQUITY AND LIABILITIES | | | |
| SHARE CAPITAL AND RESERVES | | | |
| Authorized share capital 500,000,000 (31 December 2022: 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 2022: 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 | | 14,838,289 | 13,814,941 |
| Total equity | | 18,743,680 | 17,720,332 |
| LIABILITIES | | | |
| NON - CURRENT LIABILITIES | | | |
| Employee benefit - gratuity | | 29,264 | 25,207 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | | 459,611 | 496,802 |
| Accrued mark-up / profit | | 110,272 | 176,998 |
| Short-term borrowings | | 3,711,979 | 4,546,222 |
| Unclaimed dividend | | 5,834 | 5,908 |
| | | 4,287,696 | 5,225,930 |
| Total liabilities | | 4,316,960 | 5,251,137 |
| CONTINGENCIES AND COMMITMENTS | | | |
| | 4 | | |
| TOTAL EQUITY AND LIABILITIES | | 23,060,640 | 22,971,469 |

The annexed notes form an integral part of these condensed interim financial statements.


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

| | Note | Un-audited 31 March 2023 (Rupees in thousand) | Audited 31 December 2022 |
|--|------|--|--------------------------------|
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Fixed assets | 5 | 4,564,068 | 4,718,642 |
| Long-term loans to employees | | 13,465 | 15,068 |
| Long term security deposit | | 1,850 | 1,850 |
| | | <u>4,579,383</u> | <u>4,735,560</u> |
| CURRENT ASSETS | | | |
| Stores, spare parts and other consumables | | 890,504 | 1,130,372 |
| Fuel stock | | 2,032,909 | 1,871,923 |
| Trade debts | | 10,694,718 | 12,449,518 |
| Loans, advances and short-term prepayments | | 422,593 | 399,091 |
| Other receivables | | 301,420 | 301,420 |
| Advance Income Tax | | 277,200 | 273,885 |
| Sales tax recoverable | | 1,851,451 | 1,801,849 |
| Short-term Investment | | 5,008 | 5,116 |
| Cash and bank balances | | 2,005,454 | 2,735 |
| | | <u>18,481,257</u> | <u>18,235,909</u> |
| TOTAL ASSETS | | <u><u>23,060,640</u></u> | <u><u>22,971,469</u></u> |



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

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

For the Quarter Ended 31 March 2023 (Un-audited)

| | Note | Quarter Ended | |
|---|------|--|------------------|
| | | 31 March 2023 (Rupees in thousand) | 31 March 2022 |
| REVENUE FROM CONTRACT WITH CUSTOMER | | 2,611,682 | 4,830,363 |
| COST OF SALES | 6 | (1,368,444) | (3,800,711) |
| GROSS PROFIT | | 1,243,238 | 1,029,652 |
| ADMINISTRATIVE EXPENSES | | (60,345) | (55,280) |
| OTHER EXPENSES | | (1,309) | (942) |
| | | 1,181,584 | 973,430 |
| OTHER INCOME | | 1,861 | 100,803 |
| PROFIT FROM OPERATIONS | | 1,183,445 | 1,074,233 |
| FINANCE COST | | (160,097) | (25,976) |
| PROFIT BEFORE TAXATION | | 1,023,348 | 1,048,257 |
| TAXATION | | - | - |
| PROFIT AFTER TAXATION | | 1,023,348 | 1,048,257 |
| OTHER COMPREHENSIVE INCOME FOR THE PERIOD | | - | - |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | | 1,023,348 | 1,048,257 |
| EARNINGS PER SHARE - BASIC AND DILUTED (RUPEES) | | 2.69 | 2.76 |

The annexed notes form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

For the Quarter Ended 31 March 2023 (Un-audited)

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


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

| | | | | |
|--|------------------|----------------|-------------------|-------------------|
| Balance as at 31 December 2021 - audited | 3,798,387 | 107,004 | 11,668,299 | 15,573,690 |
| Profit for the quarter ended 31 March 2022 | - | - | 1,048,257 | 1,048,257 |
| Other comprehensive income for the quarter ended 31 March 2022 | - | - | - | - |
| Total comprehensive income for the quarter ended 31 March 2022 | - | - | 1,048,257 | 1,048,257 |
| Balance as at 31 March 2022 - un-audited | 3,798,387 | 107,004 | 12,716,556 | 16,621,947 |
| Balance as at 31 December 2022 - audited | 3,798,387 | 107,004 | 13,814,941 | 17,720,332 |
| Profit for the quarter ended 31 March 2023 | - | - | 1,023,348 | 1,023,348 |
| Other comprehensive income for the quarter ended 31 March 2023 | - | - | - | - |
| Total comprehensive income for the quarter ended 31 March 2023 | - | - | 1,023,348 | 1,023,348 |
| Balance as at 31 March 2023 - un-audited | 3,798,387 | 107,004 | 14,838,289 | 18,743,680 |

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



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF CASH FLOWS

For the Quarter Ended 31 March 2023 (Un-audited)

| | Note | Quarter Ended | |
|---|------|--|--------------------|
| | | 31 March 2023 (Rupees in thousand) | 31 March 2022 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Cash generated from operations | 7 | 3,166,674 | 2,736,529 |
| Finance cost paid | | (226,823) | (64,877) |
| Net decrease / (increase) in long term loans to employees | | 1,603 | (7,833) |
| Long term security deposit | | - | (1,500) |
| Gratuity paid | | - | (5,225) |
| Income tax paid | | (3,315) | (2,937) |
| Net cash from operating activities | | 2,938,139 | 2,654,157 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Capital expenditure on fixed assets | | (102,367) | (510) |
| Interest received | | 1,156 | 9,559 |
| Proceeds from disposal of investment properties (Net) | | - | 178,155 |
| Net cash (utilized in) / generated from investing activities | | (101,211) | 187,204 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Repayment of long term financing | | - | (13,870) |
| Dividends paid | | (74) | (480) |
| Net cash used in financing activities | | (74) | (14,350) |
| Net increase in cash and cash equivalents | | 2,836,854 | 2,827,011 |
| Cash and cash equivalents at beginning of the period | | (4,538,371) | (1,619,700) |
| Cash and cash equivalents at end of the period | | (1,701,517) | 1,207,311 |
| CASH AND CASH EQUIVALENTS | | | |
| Cash in hand | | 408 | 439 |
| Cash at banks | | 2,005,046 | 2,211,074 |
| Short-term Investment | | 5,008 | - |
| Short-term borrowings | | (3,711,979) | (1,004,202) |
| | | (1,701,517) | 1,207,311 |

The annexed notes form an integral part of these condensed interim financial statements.


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the Quarter Ended 31 March 2023 (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

2.1 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.

2.2 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 2022. These condensed interim financial statements are un-audited, and are being submitted to the members as required by 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 2022.

3.1 Critical accounting estimates and judgements

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 judgement in the process of applying the Company’s accounting policies. Estimates and judgements 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 judgements 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 2022.

4. CONTINGENCIES AND COMMITMENTS

4.1 Contingencies

There is no significant change in the status of contingencies as disclosed in the preceding audited annual published financial statements of the Company for the year ended 31 December 2022 except for the following:

- (i) On 08 April 2021, Assistant Commissioner Inland Revenue (ACIR) issued a show cause notice under section 11(2) of the Sales Tax Act, 1990 for the tax periods from January 2017 to December 2017 regarding the disallowance of input sales tax amounting to Rupees 699.763 million along with default surcharge and penalty. On 19 June 2021, ACIR passed a detailed order whereby the recoverability of sales tax claimed against capacity purchase price amounting to Rupees 699.763 million along with default surcharge and penalty was connected with the outcome of decision of Honorable Supreme Court in the same matter. Moreover, ACIR also raised a demand of Rupees 4.612 million on account of inadmissible claim of input sales tax and sales tax on sale of residue of extracts from furnace oil. Against the order of ACIR, the Company preferred an appeal before CIR(A). On 10 March 2022, CIR(A) passed an order whereby partial relief was provided to the Company. Being aggrieved with the order of CIR(A), both parties preferred an appeal before ATIR. On 13 June 2022, ATIR passed an order and decided the case in favour of the Company. Against ATIR's order, the tax department has filed a reference before the Honorable Lahore High Court which is pending adjudication. The management is of the view that there are meritorious grounds available to defend these cases. Consequently, no provision for these cases has been made in these financial statements.
- (ii) The tax authorities have completed assessment proceedings under section 122(5A) of the Income Tax Ordinance, 2001 for the tax years 2009 to 2014 creating a demand of Rupees 971.329 million on account of interest on delayed payments by CPPA-G not been offered for tax. As per tax authorities, interest on delayed payments falls under the head income from other sources and is not exempt from tax as the same is not covered under Clause 132, Part I of the Second Schedule to the Income Tax Ordinance, 2001. The Company filed appeals against foregoing assessment proceedings before Commissioner Inland Revenue (Appeals) [CIR(A)], which were decided in favour of the Company. Against the orders of CIR(A), tax authorities filed appeals before the Appellate Tribunal Inland Revenue (ATIR). Through its orders dated 27 June 2022, ATIR has dismissed tax authorities' appeal for tax years 2009, 2010, 2012 and 2013. Against ATIR's order, the tax department has filed a reference before the Honorable Lahore High Court which is pending adjudication. Further, the matter in respect of tax years 2011 and 2014 is pending adjudication before ATIR. Based on tax advisor's opinion, the management is confident that the matter will be decided in favour of the Company and accordingly no provision has been made in these financial statements.
- (iii) 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 Nil (31 December 2022: Rupees 500 million).

| | Un-audited 31 March 2023 (Rupees in thousand) | Audited 31 December 2022 |
|---|--|--------------------------------|
| 4.2 Commitments | | |
| 4.2.1 Commitments in respect of others than capital expenditure | 273,243 | 436,588 |
| 5. FIXED ASSETS | | |
| Operating fixed assets (Note 5.1) | 4,424,436 | 4,674,573 |
| Capital work-in-progress | 139,632 | 44,069 |
| | <u>4,564,068</u> | <u>4,718,642</u> |
| 5.1 Operating fixed assets | | |
| Opening book value | 4,674,573 | 5,694,942 |
| Add: Cost of addition during the period / year (Note 5.1.1) | 6,804 | 19,417 |
| Less: Book value of disposals during the period / year (Note 5.1.2) | - | 299 |
| Less: Depreciation charged during the period / year | 256,941 | 1,039,487 |
| Closing book value | <u>4,424,436</u> | <u>4,674,573</u> |
| 5.1.1 Cost of additions | | |
| Plant and machinery | 5,046 | - |
| Buildings on freehold land | - | 1,296 |
| Furniture and fittings | 79 | 1,249 |
| Vehicles | - | 10,923 |
| Office equipment | 1,467 | 4,719 |
| Electric equipment and appliances | 212 | 1,230 |
| | <u>6,804</u> | <u>19,417</u> |
| 5.1.2 Book value of deletions | | |
| Cost | | |
| - Vehicles | - | 13,362 |
| - Office equipment | - | 421 |
| - Furniture and fixtures | - | 29 |
| - Electric equipment and appliances | 574 | 38 |
| | <u>574</u> | <u>13,850</u> |
| Less: Accumulated depreciation | 574 | 13,551 |
| | <u>-</u> | <u>299</u> |

| | Quarter Ended | |
|--|------------------|------------------|
| | 31 March 2023 | 31 March 2022 |
| (Rupees in thousand) | | |
| 6. COST OF SALES | | |
| Fuel cost | 233,776 | 3,242,066 |
| Operation and maintenance costs | 626,081 | 130,816 |
| Insurance | 271,610 | 187,255 |
| Depreciation | 236,977 | 240,574 |
| | 1,368,444 | 3,800,711 |
| 7. CASH GENERATED FROM OPERATIONS | | |
| Profit before taxation | 1,023,348 | 1,048,257 |
| Adjustments for non-cash charges and other items: | | |
| Depreciation on operating fixed assets | 256,941 | 260,086 |
| Provision for gratuity | 4,057 | 4,123 |
| (Gain)/ loss on disposal / derecognition of investment properties | - | (86,102) |
| Interest income | (1,156) | (9,819) |
| Amortization of deferred income - Government grant | - | (494) |
| Finance cost | 160,097 | 25,976 |
| Cash flows from operating activities before working capital changes | 1,443,287 | 1,242,027 |
| Working capital changes | | |
| (Increase) / decrease in current assets: | | |
| Stores, spare parts and other consumables | 239,868 | (7,361) |
| Fuel stock | (160,986) | 1,347,810 |
| Trade debts | 1,754,800 | (1,413,272) |
| Loans, advances and short-term prepayments | (23,502) | 295,155 |
| Other receivables | - | 398 |
| Sales tax recoverable | (49,602) | 212,235 |
| | 1,760,578 | 434,965 |
| (Decrease) / increase in trade and other payables | (37,191) | 1,059,537 |
| | 3,166,674 | 2,736,529 |

8. TRANSACTIONS WITH RELATED PARTIES

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

| Associated company | Nature of transaction | Quarter Ended | |
|--|---|----------------------|------------------|
| | | 31 March 2023 | 31 March 2022 |
| | | (Rupees in thousand) | |
| Adamjee Insurance Company Limited | Insurance claims received | 144 | 75 |
| | Insurance premium | 6,676 | 3,712 |
| Security General Insurance Company Limited | Insurance premium | 269,766 | 185,400 |
| D.G.Khan Cement Company Limited | Purchase of goods | - | 106 |
| Nishat Hotels & Properties Limited | Interest charged | - | 9,813 |
| Adamjee Life Assurance Company Ltd | Insurance premium | 1,611 | 1,953 |
| Hyundai Nishat Motor (Pvt) Ltd | Advance paid for purchase of vehicle | - | 1,500 |
| | Services received | 10 | 33 |
| | Interest received on delayed delivery of vehicles | 19 | - |
| | Reimbursement of expenses | - | 660 |
| MCB Bank Limited | Mark up on short term borrowings | - | 257 |
| | Long term loan repaid | - | 13,779 |
| | Profit on bank deposits received | 997 | 5 |
| STAFF RETIREMENT BENEFIT PLANS | | | |
| Provident fund | Contribution made | 6,348 | 5,733 |
| KEY MANAGEMENT PERSONNEL | | | |
| | Remuneration | 5,756 | 5,357 |

9. 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 equity 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.

10. 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 2022.

11. CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard 34 "Interim Financial Reporting", the condensed interim statement of financial position and condensed interim statement of changes in equity have been compared with balances of audited annual published financial statements of preceding financial year, whereas, the condensed interim statement of profit or loss and other comprehensive income and condensed interim statement of cash flows have been compared with the amounts of comparable period of immediately preceding financial year.

Corresponding figures have been re-arranged and reclassified, wherever necessary for the purpose of comparison, however, no significant re-arrangements and reclassifications have been made in these condensed interim financial statements.

12. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorized for issue on April 27, 2023 by the Board of Directors of the Company.

13. GENERAL

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



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

BOOK POST

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