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OUR COMMUNITIES
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FUTURE



LALPIR POWER LIMITED

FIRST QUARTERLY REPORT
FOR THE PERIOD ENDED MARCH 31, 2018

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COMPANY PROFILE

THE COMPANY	Lalpir Power Limited (“the Company”) was incorporated in Pakistan on 8 May 1994 under the Companies Ordinance, 1984. 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 31 March 2018.

We report that during the period under review power plant by achieving all the operating standards dispatched 186.695 MWH of electricity as compared with 322.596 MWH dispatched during the corresponding three months of the previous financial year. Resultantly the capacity factor remained 28% as against 46.3% demonstrated in the comparable three months of the previous financial year.

Operation Financial Results:

The financial results of the Company for period ended 31 March 2018 are as follows:

Financial Highlights	PERIOD ENDED	
	31 March 2018	31 March 2017
Revenue (Rs '000')	3,248,729	4,355,872
Gross profit (Rs '000')	631,647	551,636
Gross profit ratio to revenue (%)	19.44%	12.66%
After tax profit (Rs '000')	381,404	319,948
After tax profit ratio to revenue (%)	11.74%	7.34%
Earnings per share (Rs)	1	0.84

The Company has posted after tax profit of Rupees.381.404 million as against Rupees 319.948 million earned in the comparative period. The net profits of the Company demonstrated the Earning per Share of Rs.1.00 as against Rs. 0.84 earned per share in the corresponding previous period.

Reason for variation in net profit for period ended 31st Mar 2018 in Comparison with period ended 31st Mar 2017 is decrease in delta loss by Rupees 33.520 Million.

Our sole customer Central Power Purchasing Agency (Guarantee) Limited (CPPA-G) remains unable to meet its obligations in accordance with the Power Purchase Agreement (PPA) which are secured under a sovereign guarantee of Government of Pakistan. As on 31 March 2018 an amount of Rupees 11.326 billion was outstanding against Central Power Purchasing Agency (Guarantee) Limited (CPPA-G) of these Rupees 2.125 billion was classified overdue. Despite frequent follow-up with the concerned Ministry of Government of Pakistan it is regretted there has been no improvement in the situation and this has resulted in irregular supply of fuel which has affected Plant Operations. The Company is pursuing the matter, collectively with other IPPs on IPPAC platform, with the Federal Finance Minister who has assured of sympathetic consideration.

Corporate objectives:

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

Acknowledgement:

The board appreciates the management for establishing a modern and motivating working climate and promoting high levels of performance in all areas of the power plant. We also appreciate the efforts of the company's workforce for delivering remarkable results and we wish for their long life relationship with the Company.

For and on behalf of the Board of Directors



(Mr. Khalid Qadeer Qureshi)

Chief Executive Officer
Lahore: 26 April 2018

ڈائریکٹرز رپورٹ لال پیر پاور لمیٹڈ

لال پیر پاور لمیٹڈ "دی کمپنی" کے ڈائریکٹرز 31 مارچ 2018ء مختتمہ مدت کے لئے آپ کی کمپنی کے آپریشنل اور مالیاتی نتائج پر مشتمل اپنی رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

ہم بیان کرتے ہیں کہ زیر جائزہ مدت کے دوران پاور پلانٹ نے گزشتہ مالی سال کی اسی مدت کے دوران 322.596 MWH ترسیل کے مقابلہ میں 186.695 MWH بجلی ترسیل کر کے تمام آپریشنل معیارات حاصل کیے ہیں۔ نتیجتاً گزشتہ مالی سال کی اسی مدت میں کسٹمیٹ فی کٹر 46.3 فیصد کے مقابلہ میں 28 فیصد پر برقرار رہا۔

مالیاتی نتائج:

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

مالی جھلکیاں	31 مارچ 2018 ء	31 مارچ 2017 ء
محصولات (000 روپے)	3,248,729	4,355,872
مجموعی منافع (000 روپے)	631,647	551,636
مجموعی منافع تناسب محصولات (فیصد)	19.44%	12.66%
بعد از ٹیکس منافع (000 روپے)	381,404	319,948
بعد از ٹیکس منافع تناسب محصولات (فیصد)	11.74%	7.34%
آمدن فی حصص (روپے)	1.00	0.84

کمپنی نے تقابلی مدت میں 319,948 ملین روپے منافع کے برعکس 381,404 ملین روپے بعد از ٹیکس منافع درج کیا ہے۔ کمپنی کا خالص منافع، گزشتہ مدت میں 0.84 روپے فی شیئر کے مقابلے میں 1.00 روپے فی شیئر آمدن ظاہر کرتا ہے۔

31 مارچ 2017ء کو مختتمہ مدت کے مقابلہ میں 31 مارچ 2018ء کو مختتمہ مدت کے خالص منافع میں تغیر کی بنیادی وجہ 33.520 ملین روپے تک ڈیلٹا نقصان میں اضافہ ہے۔

ہماری واحد صارف (CPPA-G) سینٹرل پاور پراجیکٹس ایجنسی (گارنٹی) لمیٹڈ 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 کے قابل نہیں رہا۔ 31 مارچ 2018ء کو (CPPA-G) سینٹرل پاور پراجیکٹس ایجنسی (گارنٹی) لمیٹڈ کے ذمہ بقایا رقم 11.326 ملین روپے تھے جس میں سے 2.125 ملین روپے کی رقم زائد المیعا تھی۔ حکومت پاکستان کی متعلقہ وزارت کے ہاں بارہا مرتبہ معاملہ اجاگر کرنے کے

باوجود صورت حال میں کوئی بہتری نہیں ہوئی ہے جس کے نتیجے میں ایندھن کی فراہمی بے قاعدہ ہوئی جس نے پلانٹ کی کارروائیوں کو متاثر کیا ہے۔ کمپنی وفاقی وزارت خزانہ کے ہاں آئی پی پی اے کے پلیٹ فارم پر دیگر آئی پی پی کے ساتھ مل کر معاملات کا تعاقب کر رہی ہے، جس نے ہمدردانہ رویہ کا یقین دلایا ہے۔

کارپوریٹ مقاصد:

ایک ذمہ دار اور قابل اعتماد توانائی کمپنی ہونے کی وجہ سے، ہمارا مقصد پلانٹ کی اعلیٰ کارکردگی اور دستیابی کو برقرار رکھ کر توانائی کی قیمتوں کو کم کر کے قوم کو سہولت فراہم کرنا ہے۔

اظہار تشکر

ہم، ایک جدید اور حوصلہ افزاء کام کے ماحول کے قیام اور پاور پلانٹ کے تمام شعبوں میں اعلیٰ سطح کی کارکردگی کو فروغ دینے کے لئے بھی انتظامیہ کی تعریف کرتے ہیں۔ ہم قابل ذکر نتائج کی فراہمی کے لئے کمپنی کے تمام عملہ کی مسلسل حمایت، سخت محنت اور عزم کو بھی سراہتے ہیں اور ہم کمپنی کے ساتھ ان کے طویل تعلقات چاہتے ہیں۔

منجانب

بورڈ آف ڈائریکٹرز



جناب خالد قدیر قریشی

چیف ایگزیکٹو آفیسر

لاہور: 26 اپریل 2018ء

CONDENSED INTERIM BALANCE SHEET

As at 31 March 2018

	Note	Un-audited 31 March 2018 (Rupees in thousand)	Audited 31 December 2017
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital 500,000,000 (31 December 2017: 500,000,000) ordinary shares of Rupees 10 each		5,000,000	5,000,000
Issued, subscribed and paid-up share capital		3,798,387	3,798,387
Capital reserve		107,004	107,004
Revenue reserves		8,900,477	8,898,912
Total equity		12,805,868	12,804,303
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term Loans	5	92,169	230,423
Provision for gratuity		40,002	38,280
		132,171	268,703
CURRENT LIABILITIES			
Trade and other payables		1,348,761	1,274,361
Accrued interest / profit		144,743	108,270
Short-term borrowings - secured		10,785,466	8,664,776
Current portion of long term Financing		553,015	553,015
		12831,985	10,600,422
Total liabilities		12,964,156	10,869,125
CONTINGENCIES AND COMMITMENTS			
	6		
TOTAL EQUITY AND LIABILITIES		25,770,024	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 31 March 2018 (Rupees in thousand)	Audited 31 December 2017
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	8,775,139	9,018,793
Investment Property		10,118	10,118
long Term Security Deposit		300	300
Long-term loans to employees		44,945	64,118
		<hr/>	<hr/>
		8,830,502	9,093,329
CURRENT ASSETS			
Stores, spare parts and other consumables		953,003	947,439
Fuel stock		510,997	299,334
Trade debts		11,689,266	10,849,196
Loans, advances and short-term prepayments		1,038,462	439,597
Other receivables		99,496	246,449
Sales tax recoverable		1,927,534	1,797,462
Cash and bank balances		720,764	622
		<hr/>	<hr/>
		16,939,522	14,580,099
TOTAL ASSETS			
		<hr/> <hr/>	<hr/> <hr/>
		25,770,024	23,673,428



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT FOR THE QUARTER ENDED 31 MARCH 2018 (UN-AUDITED)

	Note	Quarter Ended	
		31 March 2018 (Rupees in thousand)	31 March 2017
REVENUE		3,248,729	4,355,872
COST OF SALES	8	(2,617,082)	(3,804,236)
GROSS PROFIT		631,647	551,636
ADMINISTRATIVE EXPENSES		(74,809)	(65,028)
OTHER OPERATING EXPENSES		(735)	(539)
OTHER OPERATING INCOME		556,103	486,069
		7,969	1,585
PROFIT FROM OPERATIONS		564,072	487,654
FINANCE COST		(182,668)	(167,706)
PROFIT BEFORE TAXATION		381,404	319,948
TAXATION		-	-
PROFIT AFTER TAXATION		381,404	319,948
OTHER COMPREHENSIVE INCOME FOR THE PERIOD		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		381,404	319,948
EARNINGS PER SHARE - BASIC AND DILUTED (RUPEES)		1.00	0.84

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



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE QUARTER ENDED 31 MARCH 2018 (UN-AUDITED)

	Note	Quarter Ended	
		31 March 2018 (Rupees in thousand)	31 March 2017
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in)/generated from operations	9	(1,132,781)	502,148
Finance cost paid		(146,195)	(142,560)
Interest income received		6,859	20
Net (increase)/decrease in long-term loans to employees		19,173	(29,440)
Income tax paid		(2,873)	(4,002)
Gratuity paid		(1,786)	(3,474)
Net cash (used in)/generated from operating activities		(1,257,603)	322,692
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(4,620)	(30,449)
Proceeds from sale of property, plant and equipment		8	19,929
Net cash generated/(used in) investing activities		(4,612)	(10,520)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds for long term loans		(138,254)	(138,254)
Dividend paid		(79)	(66)
Net cash generated / (used) in financing activities		(138,333)	(138,320)
Net (decrease) / increase in cash and cash equivalents		(1,400,548)	173,852
Cash and cash equivalents at beginning of the period		(8,664,154)	(8,130,115)
Cash and cash equivalents at end of the period		(10,064,702)	(7,956,263)
CASH AND CASH EQUIVALENTS			
Cash in hand		115	80
Cash at banks		720,649	52,698
Short-term borrowings		(10,785,466)	(8,009,041)
		(10,064,702)	(7,956,263)

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


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED 31 MARCH 2018 (UN-AUDITED)

SHARE CAPITAL	RESERVES			TOTAL EQUITY	
	Capital	Revenue			
	Retained payments reserve	Reserve for issuance of bonus shares	Un- appropriated profit		
(-----Rupees in thousand-----)					
Balance as at 01 January 2017 - audited	3,798,387	107,004	-	8,713,239	12,618,630
Profit for the quarter ended 31 March 2017	-	-	-	319,948	319,948
Other comprehensive income for the quarter ended 31 March 2017	-	-	-	-	-
Total comprehensive income for the quarter ended 31 March 2017	-	-	-	319,948	319,948
Balance as at 31 March 2017 - un-audited	3,798,387	107,004	-	9,033,187	12,938,578
Balance as at 01 January 2018 - audited	3,798,387	107,004	-	8,898,912	12,804,303
Transactions with owners - Final dividend for the year ended 31 December 2017 @ Rupees 1 per share				(379,839)	(379,839)
Profit for the quarter ended 31 March 2018	-	-	-	381,404	381,404
Other comprehensive income for the quarter ended 31 March 2018	-	-	-	-	-
Total comprehensive income for the quarter ended 31 March 2018	-	-	-	381,404	381,404
Balance as at 31 March 2018 - un-audited	3,798,387	107,004	-	8,900,477	12,805,868

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



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE QUARTER ENDED 31 MARCH 2018 (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 Pakistan Stock Exchange Limited. 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 financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. During the previous year, the Companies Ordinance, 1984 (hereinafter referred to as the ‘Ordinance’) has been repealed after the enactment of the Companies Act, 2017. However, as allowed by the Securities and Exchange Commission of Pakistan (‘SECP’) vide Circular No. 23/2017 dated October 04, 2017, companies whose financial year closes on or before December 31, 2017, shall prepare financial statements in accordance with the provisions of the repealed Ordinance. This condensed interim financial information is un-audited and is being submitted to the members in accordance with section 245 of the repealed Ordinance. It 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 repealed Ordinance. This condensed interim financial information does not include all the information required for annual financial statements and therefore, should be read in conjunction with the annual financial statements for the year ended December 31, 2017.

3. SIGNIFICANT 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 2017.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of this condensed interim financial information in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company’s accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

During preparation of this condensed interim financial information, the significant judgments made by the management in applying the Company’s accounting policies and key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual financial statements of the Company for the year ended 31 December 2017.

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

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

4.2 Amendments to published approved accounting standards that are effective in current year but not relevant to the company.

These are standards and amendments to published standards that are mandatory for accounting periods beginning on or after 01 January 2018 but are considered not to be relevant or do not have any significant impact on the companies’ condensed interim financial information.

	Un-audited 31 March 2018 (Rupees in thousand)	Audited 31 December 2017
5. LONG TERM FINANCING		
From banking company - secured		
Long term loan	645,184	783,438
Less: Current portion shown under current liabilities	553,015	553,015
	92,169	230,423

6. CONTINGENCIES AND COMMITMENTS

6.1 Contingencies

There is no change in the contingencies disclosed in the preceding audited annual financial statements of the Company for the year ended 31 December 2017.

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

- a) The banks of the Company have issued letters of credit in favour of CPPA-G amounting to Rupees 596 million (2017: Rupees 596 million) to meet its obligations under the Power Purchase Agreement (PPA).
- b) The bank of the Company has issued a letter of guarantee in favour of Siemens (Pakistan) Engineering Company Limited for an amount of Rupees 87 million (2017: Rupees Nil).
- c) The banks of the Company have issued letters of guarantee in favour of Pakistan State Oil Company Limited (PSO) - fuel supplier for an amount of Rupees 1,500 million (2017: Rupees 1,000 million).

6.2 Commitments

6.2.1 The Company has entered into a contract for a period of thirty years for purchase of fuel from Pakistan State Oil Company Limited (PSO). Under the terms of Fuel Supply Agreement (FSA), the Company is not required to buy any minimum quantity of fuel from PSO.

6.2.2 There is no change in the commitments disclosed in the preceding audited annual financial statements of the Company for the year ended 31 December 2017, except for the commitments for capital expenditure as at reporting date are amounting to Rupees 502 million (31 December 2017: Rupees 235 million).

	Un-audited 31 March 2018 (Rupees in thousand)	Audited 31 December 2017
7. PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets (Note 7.1)	8,557,110	8,793,917
Capital work-in-progress	218,029	224,876
	8,775,139	9,018,793

	Un-audited 31 March 2018 (Rupees in thousand)	Audited 31 December 2017
7.1 Operating fixed assets		
Opening book value	8,793,917	9,632,917
Add: Cost of additions during the period / year (Note 7.1.1)	12,150	187,014
Less: Book value of deletions during the period / year (Note 7.1.2)	683	33,799
Less: Depreciation charged during the period / year	248,274	992,215
	8,557,110	8,793,917
7.1.1 Cost of additions		
Vehicles	5,915	36,196
Plant and machinery	5,631	104,755
Furniture and fittings	18	42
Buildings	54	39,953
Computer Equipment	279	-
Office equipment	251	2,571
Electric equipment and appliances	2	3,437
Clinical Equipment	-	60
	12,150	187,014
7.1.2 Book value of deletions		
Plant and machinery	683	14,298
Vehicles	-	19,461
Electric equipment and appliances	-	40
	683	33,799

	Quarter Ended	
	31 March 2018 (Rupees in thousand)	31 March 2017
8. COST OF SALES		
Fuel cost	2,195,429	3,396,800
Operation and maintenance costs	87,368	99,603
Insurance	110,297	108,345
Liquidated Damages	17	21
Depreciation	222,685	198,096
Others	1,286	1,371
	2,617,082	3,804,236

	Quarter Ended	
	31 March 2018 (Rupees in thousand)	31 March 2017
9. CASH GENERATED FROM OPERATIONS		
Profit before taxation	381,404	319,948
Adjustments for non-cash charges and other items:		
Depreciation on operating fixed assets	248,274	216,337
Provision for gratuity	3,508	2,959
Loss / (Gain) on disposal of property, plant and equipment	(8)	(468)
Interest income	(6,859)	(20)
Finance cost	182,668	167,706
Cash flows from operating activities before working capital changes	808,987	706,462
(Increase) / decrease in current assets:		
Stores, spare parts and other consumables	(5,564)	27,022
Fuel stock	(211,663)	(15,965)
Trade debts	(840,070)	(699,392)
Advances and short-term prepayments	(595,992)	638,389
Other receivables	146,953	144,405
Sales tax recoverable	(130,072)	(153,639)
	(1,636,408)	(59,180)
(Decrease) / increase in trade and other payables	(305,360)	(145,134)
	<u>(1,132,781)</u>	<u>502,148</u>

10. TRANSACTIONS WITH RELATED PARTIES

Related parties of the Company comprise of associated undertakings, key management personnel and staff retirement benefit plans. Transactions with related parties include expenses charged between these companies. The Company in the normal course of business carries out transactions with these related parties. Detail of transactions with related parties are as follows:

Associated company	Nature of transaction	Quarter Ended	
		31 March 2018 (Rupees in thousand)	31 March 2017
Nishat Mills Limited	Share of expenses	160	-
Adamjee Insurance Company Limited	Insurance claims received Insurance premium	4,110 7,970	- 12,583
Security General Insurance Company Limited	Insurance premium	127,737	125,502
D.G.Khan Cement Company Limited	Purchase of goods	145	-
Pakgen Power Limited	Share of expenses Share of rental income	- -	86,020 1,096
Nishat Hotels & Properties Limited	Loan	606,709	-
Nishat Hospitality (Private) Limited	Boarding and Lodging services	17	-
Nisaht (Aziz Avenue) hotels and properties Limited	Rent	1,570	675
Provident fund	Contribution made	4,489	4,133
Gratuity fund	Contribution made	3,508	2,959
KEY MANAGEMENT PERSONNEL	Remuneration	7,560	1,396

11. FINANCIAL RISK MANAGEMENT

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

Risk management is carried out by the Company's finance department under policies approved by the Board of Directors (the Board). The Company's finance department evaluates and hedges financial risks. The Board provides principles for overall risk management, as well as policies covering specific areas such as currency risk, other price risk, interest rate risk, credit risk, liquidity risk and investment of excess liquidity. All treasury related transactions are carried out within the parameters of these policies.

The condensed interim financials information does not include any financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the companies annual financial statements as at 31st December 2017.

There have been no changes in risk management department since year end or in any risk management policies.

12. CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard 34 "Interim Financial Reporting", the condensed interim balance sheet and condensed interim statement of changes in equity have been compared with balances of audited annual financial statements of preceding financial year, whereas, the condensed interim profit and loss account, condensed interim cash flow statement have been compared with the balances of comparable period of immediately preceding financial year.

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

13. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorized for issue on 26 April 2018 by the Board of Directors of the Company.

14. GENERAL

Figures have been rounded off to the nearest thousand Rupees.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

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