



PAKGEN POWER LIMITED
THIRD QUARTERLY REPORT
FOR THE PERIOD ENDED
SEPTEMBER 30, 2018



DELIVERING
A SUSTAINABLE ENERGY FUTURE

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COMPANY PROFILE

THE COMPANY	Pakgen Power Limited ("the Company") was incorporated in Pakistan on 22 June 1995 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 365 MW in Mehmood Kot, Muzaffargarh, Punjab, Pakistan.	
BOARD OF DIRECTORS	Mian Hassan Mansha Mr. Aurangzeb Firoz Mr. Shahid Malik Dr. Arif Bashir Mr. Farrukh Ifzal Mr. Hassan Nawaz Tarar Mr. Badar Ul Hassan	Chairman
CHIEF EXECUTIVE OFFICER	Mr. Ghazanfar Hussain Mirza	
AUDIT COMMITTEE	Mr. Farrukh Ifzal Mr. Aurangzeb Firoz Mr. Shahid Malik	Chairman
CHIEF FINANCIAL OFFICER	Mr. Khalid Qadeer Qureshi	
COMPANY SECRETARY	Mr. Khalid Mahmood Chohan	
BANKERS OF THE COMPANY	Habib Bank Limited The Bank of Punjab Silk Bank Limited 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 (Formerly NIB Bank Limited) Bank Islami Pakistan Limited Al Baraka Bank (Pakistan) 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 **Pakgen Power Limited "the Company"** are pleased to present their report together with operational and financial results of your Company for the period ended 30 Sep 2018.

Your Company is engaged in power generation with a dependable capacity of 350.00 MW furnace oil fired power plant against a gross capacity of 365 MW. Its shares are listed on the Pakistan Stock exchange. The Sole purchaser of the power is Central Power Purchasing Authority Guarantee Limited (CPPA-G). We report that during the period under review power plant by achieving all the operating standards dispatched 709,486 MWH of electricity as compared with 1,265,515 MWH dispatched during the corresponding nine months of the previous financial year. Resultantly the capacity factor remained at 31.1% as against 55.5% demonstrated in the comparable nine months of the previous financial year.

Financial Results:

The financial results of the Company for period ended 30 September 2018 are as follows:

Financial Highlights	PERIOD ENDED	
	30 September 2018	30 September 2017
Revenue (Rs '000')	13,094,387	15,953,413
Gross profit (Rs '000')	1,658,476	1,668,436
Gross profit ratio to revenue (%)	12.66	10.46
After tax profit (Rs '000')	923,839	1,002,634
After tax profit ratio to revenue (%)	7.05	6.28
Earnings per share (Rs)	2.48	2.69

The Company has posted after tax Profit of Rs. 923.839 million as against Profit of Rs. 1,002.634 million incurred in the comparative period. The net Profit of the Company demonstrated the Profit per Share of Rs. 2.48 as against Rs. 2.69 Profit per share in the previous period. The main reason of variation in Profit is decrease in Liquidated damages as plant resumed operations during the period under reference.

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.15, 922 Million as at September 2018 as compare to Rs. 13, 992 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, Pakgen 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



(Ghazanfar Hussain Mirza)

Chief Executive Officer

Lahore: 24 October 2018

ڈائریکٹرز رپورٹ پاک جن پاور لمیٹڈ

پاک جن پاور لمیٹڈ "دی کمپنی" کے ڈائریکٹرز 30 ستمبر 2018ء بختتمہ 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 365 میگا واٹ کی مجموعی صلاحیت کے فرنس 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 پرچیزنگ 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 1,265,515 MWH ترسیل کے مقابلہ میں 709,486 MWH بجلی ترسیل کر کے تمام آپریشننگ معیارات حاصل کیے ہیں۔ نتیجتاً گزشتہ مالی سال کی اسی نو ماہی مدت میں کمپنی فی کسٹی فیکٹر 55.5 فیصد کے مقابلہ میں 31.1 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 2018 ء	30 ستمبر 2017 ء
محصولات (000 روپے)	13,094,387	15,953,413
مجموعی منافع (000 روپے)	1,658,476	1,668,436
مجموعی منافع تناسب محصولات (فیصد)	12.66	10.46
بعد از ٹیکس منافع (000 روپے)	923,839	1,002,634
بعد از ٹیکس منافع تناسب محصولات (فیصد)	7.05	6.28
آمدن فی حصص (روپے)	2.48	2.69

کمپنی نے تقابلی مدت میں 1,002.634 ملین روپے منافع کے برعکس 923.839 ملین روپے بعد از ٹیکس منافع درج کیا ہے۔ کمپنی کا خالص منافع، گزشتہ تقابلی مدت میں 2.69 روپے فی شیئر کے مقابلہ میں 2.48 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 پرچیزنگ ایجنسی (گارنٹی) لمیٹڈ (CPPA-G) مسائل کو حل کرنے کے لئے حکومتی اداروں کے ساتھ تبادلہ خیال کر رہا ہے۔

سنٹرل پاور پرچیزنگ ایجنسی (گارنٹی) لمیٹڈ سے واجب الوصول رقم دسمبر 2017 کے مطابق 13,992 ملین روپے کے مقابلہ میں ستمبر 2018 کے مطابق 15,922 ملین روپے ہے۔ یہ اضافہ سنٹرل پاور پرچیزنگ ایجنسی (گارنٹی) لمیٹڈ کی طرف سے بروقت ادائیگیاں نہ کرنے کی وجہ سے ہوا ہے۔

دیگر اہم معاملات

ملک میں نئی اور بڑے سائز کی پاور جنریشن سہولیات کی انڈکشن کی وجہ سے، پاک جن پاور پلانٹ نے ماضی کے مقابلے کم ترسیل کی۔ ترسیل کا انحصار قومی طلب RLNG کی دستیابی اور نظام میں کونسلہ پر مبنی پلائٹس پر ہوگا۔

اظہار تشکر

ہم اپنے قابل قدر حصص داران (CPPA(G)، مالی اداروں، قرضہ 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

Shauqat & Mirza

جناب غضنفر حسین مرزا

چیف ایگزیکٹو آفیسر

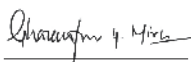
لاہور: 24 اکتوبر 2018ء

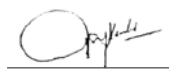
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

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			
Authorised share capital 400,000,000 (31 December 2016: 400,000,000) ordinary shares of Rupees 10 each		4,000,000	4,000,000
Issued, subscribed and paid up share capital 372,081,591 (31 December 2016: 372,081,591) ordinary shares of Rupees 10 each		3,720,816	3,720,816
Capital reserve		116,959	116,959
Revenue Reserve-Un-appropriated profit		12,318,172	11,766,415
Total equity		16,155,947	15,604,190
LIABILITIES			
Non Current Liability			
Long term finance - secured	5	-	334,369
CURRENT LIABILITIES			
Trade and other payables		674,554	1,169,600
Unclaimed dividend		7,243	5,337
Accrued mark-up / profit		126,957	108,124
Short-term borrowings		11,069,452	9,194,511
Loan from related party		200,000	-
Current portion of long - term finance	5	445,825	445,825
		12,524,031	10,923,397
Total liabilities		12,524,031	11,257,766
CONTINGENCIES AND COMMITMENTS	6		
TOTAL EQUITY AND LIABILITIES		28,679,978	26,861,956

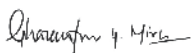
The annexed notes form an integral part of this condensed interim financial information.


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	7,855,753	8,525,337
Long-term loans		29,820	-
Long-term security deposit		300	300
		<u>7,885,873</u>	<u>8,525,637</u>
CURRENT ASSETS			
Stores, spare parts and other consumables		829,161	813,425
Fuel stock		673,837	420,331
Trade debts		16,438,891	14,166,522
Advances and short-term prepayments		1,601,720	351,244
Other receivables		66,319	359,198
Sales tax recoverable		1,112,317	2,163,910
Cash and bank balances		71,860	61,689
		<u>20,794,105</u>	<u>18,336,319</u>
TOTAL ASSETS		<u><u>28,679,978</u></u>	<u><u>26,861,956</u></u>


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		13,094,387	15,953,413	3,902,970	5,443,136
COST OF SALES	8	(11,435,911)	(14,284,977)	(3,313,757)	(4,851,216)
GROSS PROFIT / (LOSS)		1,658,476	1,668,436	589,213	591,920
ADMINISTRATIVE EXPENSES		(175,620)	(155,966)	(91,367)	(58,698)
OTHER EXPENSES		(2,138)	(12,708)	(481)	(1,059)
OTHER INCOME		41,554	6,469	22,891	1,214
PROFIT / (LOSS) FROM OPERATIONS		1,522,272	1,506,231	520,256	533,377
FINANCE COST		(598,433)	(503,597)	(224,129)	(176,128)
PROFIT / (LOSS) BEFORE TAXATION		923,839	1,002,634	296,127	357,249
TAXATION		-	-	-	-
PROFIT / (LOSS) AFTER TAXATION		923,839	1,002,634	296,127	357,249
OTHER COMPREHENSIVE INCOME		-	-	-	-
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD		923,839	1,002,634	296,127	357,249
EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED (RUPEES)		2.48	2.69	0.80	0.96

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


CHIEF EXECUTIVE


DIRECTOR

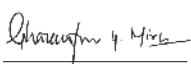

CHIEF FINANCIAL OFFICER

CONDENSED INTERIM CASH FLOW STATEMENT

FOR THE PERIOD ENDED 30 SEPTEMBER 2018 (UN-AUDITED)

		Period Ended	
		30 September 2018	30 September 2017
		(Rupees in thousand)	
Note			
CASH FLOWS FROM OPERATING ACTIVITIES			
	Cash (used in) / generated from Operating Activities	9	
	Finance cost paid	(733,278)	129,305
	Interest income received	(579,600)	(473,541)
	Net increase in long term loans	40,311	5,202
	Income tax paid	(45,779)	
	Gratuity paid	(8,790)	(8,169)
		(10,525)	(8,875)
	Net cash used in operating activities	(1,337,661)	(356,078)
CASH FLOWS FROM INVESTING ACTIVITIES			
	Capital expenditure on property, plant and equipment	(22,564)	(6,643)
	Net cash used in investing activities	(22,564)	(6,643)
CASH FLOWS FROM FINANCING ACTIVITIES			
	Dividend paid	(370,176)	(574,929)
	Loan received from related party	200,000	-
	Repayment of long term finance	(334,369)	(334,369)
	Net cash used in financing activities	(504,545)	(909,298)
	Net increase / (decrease) in cash and cash equivalents	(1,864,770)	(1,272,019)
	Cash and cash equivalents at beginning of the period	(9,132,822)	(6,658,213)
	Cash and cash equivalents at end of the period	(10,997,592)	(7,930,232)

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



CHIEF EXECUTIVE



DIRECTOR



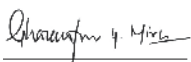
CHIEF FINANCIAL OFFICER

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)	3,720,816	116,959	11,196,602	15,034,377
Transaction with owners:				
Final dividend for the year ended 31 December 2016 @ Rupee 1 per share	-	-	(372,082)	(372,082)
Interim dividend @ Rupee 1 per share	-	-	(372,082)	(372,082)
Transaction with owners directly recognized in equity	-	-	(744,164)	(744,164)
Profit for the period ended 30 September 2017	-	-	1,002,634	1,002,634
Other Comprehensive income for the period ended 30 September 2017	-	-	-	-
Total comprehensive income for the period ended 30 September 2017	-	-	1,002,634	1,002,634
Balance as at 30 September 2017 (Un-audited)	3,720,816	116,959	11,455,072	15,292,847
Balance as at 31 December 2017 (audited)	3,720,816	116,959	11,766,415	15,604,190
Final dividend for the year ended 31 December 2017 @ Rupee 1 per share	-	-	(372,082)	(372,082)
Interim Dividend @ Rupee 1 per Share	-	-	-	-
Transaction with owners directly recognized in equity	-	-	(372,082)	(372,082)
Profit for the period ended 30 September 2018	-	-	923,839	923,839
Other Comprehensive income for the period ended 30 September 2018	-	-	-	-
Total comprehensive income for the period ended 30 September 2018	-	-	923,839	923,839
Balance as at 30 September 2018 (Un-audited)	3,720,816	116,959	12,318,172	16,155,947

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 (UN-AUDITED) FOR THE QUARTER AND PERIOD ENDED 30 SEPTEMBER 2018

1. THE COMPANY AND ITS OPERATIONS

Pakgen Power Limited (“the Company”) was incorporated in Pakistan on 22 June 1995 under the repealed Companies Ordinance, 1984. The registered office of the Company is situated at 53-A, Lawrence Road, Lahore. The Company's ordinary shares are listed on the Karachi Stock Exchange Limited and Lahore 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 365 MW in Mehmood Kot, Muzaffargarh, Punjab, Pakistan.

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 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 method of computations adopted for the preparation of this condensed interim financial information are the same as applied in the preparation of the preceding 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.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of this condensed interim financial information in conformity with the 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 the 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 FINANCE - SECURED		
Opening balance	780,194	1,226,019
Less: Repaid during the period / year	334,369	445,825
	445,825	780,194
Less: Current portion shown under current liabilities	445,825	445,825
	-	334,369

6. CONTINGENCIES AND COMMITMENTS

6.1 Contingencies

6.1.1 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:

6.1.2 Central Power Purchasing Agency (Guarantee) Limited (CPPA-G) has raised invoices for liquidated damages to the Company from 11th to 20th (up to April 2018) agreement year (after taking into account forced outage allowance stipulated under the terms of Power Purchase Agreement) 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 6,266 million (31 December 2017: Rupees 6,266 million). Out of these, the Company has accepted and paid Rupees 4,006.277 million (31 December 2017: Rupees 4,006 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.

6.2 Commitments

6.2.1 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 2017, except for the commitments for letters of credit as at reporting date as per below Note 6.2.2.

	Un-audited 30 September 2018 (Rupees in thousand)	Audited 31 December 2017
6.2.2 Commitments in respect of letters of credit for capital expenditure	-	46,324
6.2.3 Commitments in respect of other than capital expenditure	9,033	15,984

	Un-audited 30 September 2018 (Rupees in thousand)	Audited 31 December 2017
7. PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets (Note 7.1)	7,826,470	8,482,603
Capital work-in-progress (Note 7.2)	29,283	42,734
	<u>7,855,753</u>	<u>8,525,337</u>
7.1 Operating fixed assets		
Opening book value	8,482,603	9,298,612
Add: Cost of additions during the period / year (Note 7.1.1)	36,016	112,360
Less: Book value of derecognitions during the period / year (Note 7.1.2)	388	10,813
Less: Depreciation charged during the period / year	691,760	917,556
Closing book value	<u>7,826,470</u>	<u>8,482,603</u>
7.1.1 Cost of additions		
Buildings on freehold land	-	7,844
Plant and machinery	35,129	103,914
Office equipment	574	122
Furniture and fittings	-	-
Electric equipment and appliances	248	480
Vehicle	65	-
	<u>36,016</u>	<u>112,360</u>
7.1.2 Book value of derecognitions		
Plant and machinery		
- Cost	579	49,451
- Less: Accumulated depreciation	190	38,638
	<u>388</u>	<u>10,813</u>
7.2 Capital work-in-progress		
Plant and machinery	29,283	42,734
	<u>29,283</u>	<u>42,734</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)	
8. COST OF SALES				
Fuel consumed	10,028,264	12,927,296	2,828,359	4,446,441
Operation and maintenance costs	386,601	445,132	152,588	113,828
Liquidated damages to WAPDA	260	90	209	27
Insurance cost	371,117	339,124	142,043	114,537
Depreciation	649,669	573,335	190,558	176,383
	<u>11,435,911</u>	<u>14,284,977</u>	<u>3,313,757</u>	<u>4,851,216</u>

	Un-audited Nine Months Ended	
	30 September 2018	30 September 2017
	(Rupees in thousand)	
9. CASH UTILIZED IN OPERATIONS		
Profit / Loss before taxation	923,839	1,002,634
Adjustment for non-cash charges and other items:		
Depreciation	691,760	599,449
Provision for gratuity	10,525	8,875
Impairment loss on long term investment in associated company	388	842
Interest income	(40,311)	(5,202)
Finance cost	598,433	503,597
Cash flows from operating activities before working capital changes	<u>2,184,634</u>	<u>2,110,195</u>
(Increase) / decrease in current assets:		
Stores, spare parts and other consumables	(15,736)	(20,380)
Fuel stock	(253,506)	(102,490)
Trade debts	(2,272,369)	(2,761,756)
Advances and short-term prepayments	(1,225,727)	(20,103)
Other receivables	292,879	187,440
Sales tax recoverable	1,051,593	(297,532)
	<u>(2,422,866)</u>	<u>(3,014,821)</u>
Increase / (decrease) in trade and other payables	<u>(495,046)</u>	<u>1,033,931</u>
	<u>(733,278)</u>	<u>129,305</u>

10. TRANSACTIONS WITH RELATED PARTIES

The related parties of the Company comprise of associated undertakings and key management personnel. The Company in the normal course of business carries out transactions with various related parties. Detail 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	436,355	393,038	164,669	132,708
	Share of expenses	-	273,678	-	92,676
	Flying Services	50,948	50,938	21,485	17,541
	Share of rental income	-	1,267	-	421
	Dividend paid	124,471	184,112	-	(56,002)
	Insurance Claim	433	-	69	-
	Rent Expense	4,709	4,709	1,570	1,570
	Purchase of stores	221	58	41	58
	Interest charged	35,095	-	20,382	-
	Loan made	1,000,000	-	-	-
	Interest paid	22,041	39,348	16,272	17,065
	Loan taken	200,000	1,000,000	(670,000)	1,000,000
	Boarding and lodging	16	666	-	349
	Stores and spares transferred to	-	-	-	(4,026)
	Stores and spares transferred from	-	-	-	(19,521)
Key management personnel	Remuneration	21,866	16,400	5,802	3,973
Staff retirement benefits plans	Contribution to provident fund	12,802	-	4,219	-
	Contribution to gratuity fund	10,525	-	3,509	-

	Un-audited 30 September 2018 (Rupees in thousand)	Audited 31 December 2017
Period end balances:		
Short term loan payable to associated company	200,000	-
Short term loan receivable from associated company	1,000,000	-

11. 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.

12. 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.

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.

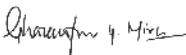
14. CORRESPONDING FIGURES


In order to comply with 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, 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.

15. GENERAL

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


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

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