PAKGEN POWER LIMITED

POWERING TODAY
PROTECTING
TOMORROW.....!

NISHAT

FIRST QUARTERLY REPORT FOR THE PERIOD ENDED MARCH 31, 2021

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COMPANY PROFILE

THE COMPANY	**Pakgen Power Limited** ("the Company") was incorporated in Pakistan on 22 June 1995 under the repealed Companies Ordinance, 1984 now the Companies Act, 2017.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 365 MW in Mehmood Kot, Muzaffargarh, Punjab, Pakistan.	
BOARD OF DIRECTORS	Mr. Ghazanfar Hussain Mirza	Chairman
	Mr. Aurangzeb Firoz	
	Mrs. Sadia Younas Mansha	
	Mr. Samir Mustapha Chinoy	
	Mr. Shahid Malik	
	Dr. Arif Bashir	
	Mr. Farrukh Ifzal	
CHIEF EXECUTIVE OFFICER	Mian Hassan Mansha	
AUDIT COMMITTEE	Mr. Farrukh Ifzal	Chairman
	Mr. Aurangzeb Firoz	
	Mr. Shahid Malik	
HUMAN RESOURCE & REMUNERATION(HR &R) COMMITTEE	Mr. Samir Mustapha Chinoy	Chairman
	Mian Hassan Mansha	
	Mr. Ghazanfar Hussain Mirza	
CHIEF FINANCIAL OFFICER	Mr. Tanvir Khalid	
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 Bank Islamic Pakistan Limited Bank Al-Habib 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: +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 **Pakgen Power Limited "the Company"** are pleased to present their report together with the Condensed Interim Financial Information for the period ended March 31, 2021.

We report that during the period under review power plant dispatched 131.962 MWH of electricity as compared with 35.427 MWH dispatched during the corresponding three months of the previous financial year.

Operation Financial Results:

The financial results of the Company for period ended March 31, 2021 are as follows:

Financial Highlights	PERIOD ENDED	
	31 March 2021	31 March 2020
Revenue (Rs '000')	3,653,304	2,631,481
Gross profit (Rs '000')	1,276,389	1,510,833
After tax profit (Rs '000')	1,076,984	1,090,849
Earnings per share (Rs)	2.89	2.93

The Company has posted after tax profit of Rs.1,076.984 million as against Rs.1,090.849 million earned in the comparative period. The net profits of the Company demonstrated the Earning per Share of Rs.2.89 as against Rs.2.93 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, 2021, an amount of Rs. 21.107 billion was outstanding against CPPA-G.

During the period under review the Company entered into "Master Agreement" and "PPA Amendment Agreement" with CPPA-G in order to get payment of its overdue receivables as on November 30, 2020 amounting to Rs.16.337 billion. This amount will be paid as 40% in first installment and remaining 60% in second installment. Above installments shall be made in the breakup of 1/3rd cash, 1/3rd in the form of tradeable Ijarah Sukuk, and 1/3rd in the form of tradeable Pakistan Investment Bonds (PIBs). According to the agreement, the Company has voluntarily reduced its Capacity Purchase Price (CPP) and Variable O&M by 11%. Furthermore, 50% of the reduced CPP shall not be indexed with USD Exchange rate and US CPI. Whereas remaining 50% of reduced CPP shall continue to be indexed with USD Exchange rate and US CPI.

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.

COMPOSITION OF BOARD:

Total number of Directors:	
(a) Male	7
(b) Female:	1
Composition:	
(i) Independent Directors	2
(ii) Non-executive Directors	5
(iii) Executive Directors	1

COMMITTEES OF THE BOARD:

Audit Committee of the Board:

Sr. #	Name of Members	
1	Mr. Farrukh Afzal	(Member/ Chairman)
2	Mr. Aurangzeb Firoz	(Member)
3	Mr. Shahid Malik	(Member)

Human Resource & Remuneration (HR&R) Committee:

Sr. #	Name of Members	
1	Mr. Samir Mustapha Chinoy	Member/Chairman
2	Mr. Mian Hassan Mansha	Member
3	Mr. Ghazanfar Hussain Mirza	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 9 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. Mian Hassan Mansha
Chief Executive Officer
Lahore: 28 April 2021

Mr. Ghazanfar Hussain Mirza
Chairman

ڈائریکٹرز رپورٹ پاک جن پاور لمیٹڈ

پاک جن پاور لمیٹڈ "دی کمپنی" کے ڈائریکٹرز 31 مارچ 2021ء مختتمہ مدت کے لئے منجمد عبوری مالیاتی معلومات 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 سہ ماہی مدت کے دوران 35.427 MWH ترسیل کے مقابلہ میں 131.962 MWH بجلی ترسیل کی گئی۔

آپریشنل مالیاتی نتائج:

31 مارچ 2021ء کو ختم ہونے والی مدت کے لئے کمپنی کے مالیاتی نتائج مندرجہ ذیل ہیں:

مالی جھلکیاں	31مارچ2021ء مختتمہ سہ ماہی	31مارچ2020ء مختتمہ سہ ماہی
محصولات (000روپے)	3,653,304	2,631,481
مجموعی منافع (000روپے)	1,276,389	1,510,833
بعداز ٹیکس منافع (000روپے)	1,076,984	1,090,849
آمدن فی حصص (روپے)	2.89	2.93

کمپنی نے ٹیکس کے بعد منافع 1,076.984 ملین روپے درج کیا جبکہ تقابلی مدت میں 1,090.849 ملین روپے منافع حاصل ہوا تھا۔ کمپنی کے خالص منافع نے گزشتہ مدت میں 2.93 روپے فی حصص منافع کے مقابلے 2.89 روپے فی حصص منافع ظاہر کیا ہے۔

ہمارا واحد صارف سنٹرل پاور پرچیزنگ ایجنسی (گارنٹی) لمیٹڈ (CPPA-G) بجلی کی خریداری کے معاہدے (PPA) جو حکومت پاکستان کی ایک خودمختار ضمانت کے تحت حاصل کیا گیا کے مطابق اپنی ذمہ داریوں کو پورا کرنے کے قابل نہیں رہا۔ 31 مارچ 2021 کے مطابق سنٹرل پاور پرچیزنگ ایجنسی (گارنٹی) لمیٹڈ (CPPA-G) کے ذمہ بقایا رقم 21.107 بلین روپے تھی۔

زیرِ جائزہ مدت کے دوران، کمپنی نے 30 نومبر 2020 کو اپنی واجب الادا وصول ہونے والی 16.337 بلین روپے کی ادائیگی حاصل کرنے کے لئے CPPA-G کے ساتھ "ماسٹر ایگریمنٹ" اور "PPA ترمیم شدہ معاہدہ" کیا۔ یہ رقم پہلی قسط میں 40% اور باقی 60% فیصد دوسری قسط میں ادا کی جائے گی۔ بالا اقساط 1/3rd کیش، 1/3rd بصورت قابل تجارت اجارہ سکوک، اور 1/3rd قابل تجارت پاکستان انویسٹمنٹ بانڈز (PIBs) کی شکل میں ادا کی جائیں گی۔ معاہدے کے مطابق، کمپنی نے رضاکارانہ طور پر اپنی کیپسٹی پرچیز پرائس (سی پی پی) اور متغیر اوایںڈ ایم میں 11 فیصد کمی کر دی ہے۔ مزید یہ کہ، کم کردہ سی پی پی کا 50 فیصد امریکی ڈالر کی شرح تبادلہ اور یو ایس CPI کے ساتھ ترتیب نہیں دیا جائے گا۔ جبکہ باقی کم کردہ سی پی پی کے 50 فیصد کو امریکی ڈالر کی شرح تبادلہ اور یو ایس سی پی آئی کے ساتھ ترتیب دیا جانا جاری رہے گا۔

کارپوریٹ مقاصد:

ایک ذمہ دار اور قابل بھروسہ توانائی کمپنی ہونے کی حیثیت سے، ہمارا مقصد پلانٹ کی اعلیٰ کارکردگی اور دستیابی کو برقرار رکھتے ہوئے توانائی کے اخراجات کو کم کرنے میں قوم کو سہولت پہنچانا ہے۔

بورڈ کی تشکیل:

ڈائریکٹرز کی کل تعداد	
(a) مرد	7
(b) خاتون	1
تشکیل	
(i) آزاد ڈائریکٹرز	2
(ii) نان ایگزیکٹو ڈائریکٹرز	5
(iii) ایگزیکٹو ڈائریکٹرز	1

بورڈ کی کمیٹیاں:

بورڈ کی آڈٹ کمیٹی:

نمبر شمار	نام رکن
1	جناب فرخ افضال (رکن/چیئرمین)
2	جناب اورنگ زیب فیروز (رکن)
3	جناب شاہد ملک (رکن)

ہیومن ریسورس اینڈ ریمنریشن (HR&R) کمیٹی:

نمبر شمار	نام رکن
1	جناب سمیر مصطفےٰ چنائے (رکن/چیئرمین)
2	میاں حسن منشاء (رکن)
3	جناب غضنفر حسین مرزا (رکن)

ڈائریکٹرز کا مشاہرہ:

کمپنی 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 9 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 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 مجلس نظماء

میاں حسن منشاء
چیف ایگزیکٹو آفیسر

غضنفر حسین مرزا
چیئرمین

لاہور: 28 اپریل 2021ء

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)

As at 31 March 2021

	Note	Un-audited 31 March 2021	Audited 31 December 2020
		(Rupees in thousand)	
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital 400,000,000 (2020: 400,000,000) ordinary shares of Rupees 10 each		4,000,000	4,000,000
Issued, subscribed and paid up share capital		3,720,816	3,720,816
Capital reserve		116,959	116,959
Revenue reserve - un-appropriated profit		19,501,528	18,796,628
Total Equity		23,339,303	22,634,403
LIABILITIES			
NON-CURRENT LIABILITY			
Long term financing		36,967	48,986
Deferred income - Government grant		487	957
		37,454	49,943
CURRENT LIABILITIES			
Trade and other payables		1,063,224	740,426
Accrued mark-up / profit		80,530	128,271
Short term borrowings		5,802,506	5,870,818
Current portion of non-current liabilities		49,407	49,326
Unclaimed dividend		378,599	12,087
		7,374,266	6,800,928
Total Liabilities		7,411,720	6,850,871
CONTINGENCIES AND COMMITMENTS	5		
TOTAL EQUITY AND LIABILITIES		30,751,023	29,485,274

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

CHIEF EXECUTIVE	DIRECTOR	CHIEF FINANCIAL OFFICER

	Note	Un-audited 31 March 2021 (Rupees in thousand)	Audited 31 December 2020
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets	6	5,731,874	5,943,119
Long term loans to employees		6,214	9,023
Long term security deposits		300	300
Employee benefit - gratuity		2,897	5,400
		5,741,285	5,957,842
CURRENT ASSETS			
Stores, spare parts and other consumables		811,529	807,648
Fuel stock		655,041	1,262,026
Trade debts		21,106,924	18,913,240
Short term investment		6,418	11,416
Loans, advances and short term prepayments		494,049	472,830
Loan to associated company		350,000	350,000
Other receivables		586,972	652,673
Accrued interest		2,515	2,496
Sales tax recoverable		960,612	1,031,743
Cash and bank balances		35,678	23,360
		25,009,738	23,527,432
TOTAL ASSETS		30,751,023	29,485,274

CHIEF EXECUTIVE **DIRECTOR** **CHIEF FINANCIAL OFFICER**

CONDENSED INTERIM STAEMENT OF PROFIT OR LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 MARCH 2021 (UN-AUDITED)

	Note	Quarter Ended	
		31 March 2021	31 March 2020
		(Rupees in thousand)	
SALES		3,653,304	2,631,481
COST OF SALES	7	(2,376,916)	(1,120,648)
GROSS PROFIT		1,276,388	1,510,833
ADMINISTRATIVE EXPENSES		(94,985)	(58,002)
OTHER EXPENSES		(861)	(508)
		1,180,542	1,452,323
OTHER INCOME		15,261	25,893
PROFIT FROM OPERATIONS		1,195,803	1,478,216
FINANCE COST		(118,821)	(387,367)
PROFIT BEFORE TAXATION		1,076,982	1,090,849
TAXATION		-	-
PROFIT AFTER TAXATION		1,076,982	1,090,849
OTHER COMPREHENSIVE INCOME FOR THE PERIOD		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		1,076,982	1,090,849
EARNINGS PER SHARE - BASIC AND DILUTED (RUPEES)		2.89	2.93

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 2021 (UN-AUDITED)

	SHARE CAPITAL	RESERVES		TOTAL EQUITY
		Capital	Revenue	
		Retained payments reserve	Un-appropriated profit	
	(- - - - - - - - - - - - Rupees in thousand - - - - - - - - - - -)			
Balance as at 31st December 2019 - audited	3,720,816	116,959	15,216,287	19,054,062
Profit for the Quarter ended 31st March 2020	-	-	1,090,849	1,090,849
Other Comprehensive Income for the Quarter ended 31st March 2020	-	-	-	-
Total Comprehensive Income for the Quarter ended 31st March 2020	-	-	1,090,849	1,090,849
Balance as at 31st March 2020 - unaudited	3,720,816	116,959	16,307,136	20,144,911
Balance as at 31st December 2020 - audited	3,720,816	116,959	18,796,628	22,634,403
Transactions with owners:				
Final Dividend for the year ended 31st December 2020 @ Rupees 1 per share	-	-	(372,082)	(372,082)
Profit for the Quarter ended 31st March 2021	-	-	1,076,982	1,076,982
Other Comprehensive Income for the Quarter ended 31st March 2021	-	-	-	-
Total Comprehensive Income for the Quarter ended 31st March 2021	-	-	1,076,982	1,076,982
Balance as at 31st March 2021 - unaudited	3,720,816	116,959	19,501,528	23,339,303

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 QUARTER ENDED 31 MARCH 2021 (UN-AUDITED)

	Note	31 March 2021	31 March 2020
		(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	8	253,622	426,535
Finance cost paid		(166,562)	(426,459)
Interest income received		8,924	25,510
Net (increase)/decrease in long-term loans to employees		2,809	4,424
Income tax paid		(2,379)	(3,219)
Gratuity paid		-	(2,812)
Net cash generated from operating activities		96,414	23,980
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(2,804)	45,221
Net cash from / (used in) investing activities		(2,804)	45,221
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long-term finance		(12,408)	-
Dividends paid		(5,570)	(58)
Net cash (used in) financing activities		(17,978)	(58)
Net increase in cash and cash equivalents		75,632	69,143
Cash and cash equivalents at beginning of the period		(5,836,042)	(11,383,542)
Cash and cash equivalents at end of the period		(5,760,410)	(11,314,399)
CASH AND CASH EQUIVALENTS			
Cash in hand		272	348
Cash at banks		35,406	15,686
Short Term Investments		6,418	
Short-term borrowings		(5,802,506)	(11,330,433)
		(5,760,410)	(11,314,399)

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 2021 (UN-AUDITED)

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 (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 365 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 01 February 1998.

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 2020. These condensed interim financial statements are un-audited, and are being submitted to the member as required by Section 237 of the Companies Act, 2017.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of preceding annual published financial statements of the company for the year ended December 31, 2020 except for the adoption of new and amended standards as set out below:

3.2 Initial application of standards, amendments or an interpretation to existing standards

The following amendments to existing standards have been published that are applicable to the company's financial statements covering annual periods, beginning on or after the following dates:

3.2.1 Standards, amendments and interpretations to accounting standards that are effective in the current period

Certain standards, amendments and interpretations to accounting standards are effective for accounting periods beginning on January 1, 2020 but are considered not to be relevant or to have any significant effect on the company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these unconsolidated condensed interim financial statements.

3.2.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the company

There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the company's accounting periods beginning on or after January 1, 2020 but are considered not to be relevant or to have any significant effect on the company's operations and are, therefore, not detailed in these unconsolidated condensed interim financial statements.

4. ACCOUNTING ESTIMATES

The preparation of the condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing these condensed interim financial statements, the significant judgments made by management in applying accounting policies and key sources of estimation were the same as those that were applied to the financial statements for the year ended December 31, 2020.

5. CONTINGENCIES AND COMMITMENTS

5.1 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 2020 except for the following:

Refer to note 44 of the preceding audited annual published financial statements of the Company for the year ended 31 December 2020, the company filed the final award in the Lahore High Court ('LHC') for enforcement on January 12, 2021. However, the Company entered into "Master Agreement" and "PPA Amendment Agreement" with CPPA-G on February 12, 2021. Under the PPA Amendment Agreement, the parties have agreed in good faith to attempt to amicably resolve the outstanding ICC Award / Expert's determination.

	Un-audited 31 March 2021	Audited 31 December 2020
	(Rupees in thousand)	
5.2 Commitments		
5.2.1 Commitments in respect of letters of credit for capital expenditure	-	-
5.2.2 Commitments in respect of other than capital expenditure	32,704	24,490

	Un-audited 31 March 2021	Audited 31 December 2020
	(Rupees in thousand)	
6. FIXED ASSETS		
Operating fixed assets (Note 6.1)	5,730,801	6,760,597
Capital work-in-progress	2,231	48,577
	5,733,031	6,809,174
6.1 Operating fixed assets		
Opening Book value	5,942,491	6,760,597
Add: Cost of Additions during the period / year (Note 6.1.1)	2,358	49,705
Less: Depreciation charged during the period / year	214,049	867,811
	5,730,801	5,942,491
6.1.1 Cost of additions		
Vehicles	-	-
Plant and machinery	1,419	48,175
Furniture and fittings	-	139
Office equipment	54	894
Computer equipment	364	-
Electric equipment and appliances	522	497
	2,358	49,705

	Quarter Ended	
	31 March 2021	31 March 2020
	(Rupees in thousand)	
7. COST OF SALES		
Fuel consumed	1,912,556	604,996
Operation and maintenance costs	66,641	125,493
Insurance cost	195,506	183,159
Liquidated damages	-	-
Depreciation	200,511	205,515
Others	1,702	1,485
	2,376,916	1,120,648

	Quarter Ended	
	31 March 2021	31 March 2020
	(Rupees in thousand)	
8. CASH GENERATED FROM OPERATIONS		
Profit before taxation	1,076,982	1,090,849
Adjustment for non - cash charges and other items:		
Depreciation	214,049	219,065
Provision for gratuity	2,503	3,600
Interest income	(8,924)	(25,510)
Finance cost	118,821	387,367
Cash flows from operating activities before working capital changes	1,403,431	1,675,371
(Increase) / decrease in current assets:		
Stores, spare parts and other consumables	(3,881)	(8,834)
Fuel stock	606,985	(197,457)
Trade debts	(2,193,684)	(807,801)
Advances and short-term prepayments	(18,859)	(2,746)
Other receivables	65,701	1
Sales tax recoverable	71,131	(55,789)
	(1,472,607)	(1,072,625)
(Decrease) / Increase in trade and other payables	322,798	(176,210)
	253,622	426,536

9. 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 2021 (Rupees in thousand)	31 March 2020 (Rupees in thousand)
Adamjee Insurance Company Limited	Insurance premium	650	3,932
	Insurance claim received	129	217
Security General Insurance Company Limited	Insurance premium	193,567	181,341
Lalpir Power Limited	Loan given	-	1,318,000
	Loan repaid	-	1,318,000
	Interest charged	-	11,753
Nishat (Aziz Avenue) hotels and properties Limited	Rent	1,570	1,570
Nishat Hotels and Properties Limited	Loan given	-	-
	Loan repaid	-	-
	Interest charged	7,306	12,758
Pakistan Aviators and Aviation (Private) Limited	Flying services	20,913	20,190
Adamjee Life Assurance Co Ltd	Insurance premium	1,266	1,369
MCB Bank Limited	Mark up on short term borrowings	23,158	46,751
	Short term loan obtained	2,968,963	4,776,070
	Short term loan repaid	1,411,596	3,290,881
	Mark up on long term borrowings	537	-
	Long term loan repaid	12,409	-
STAFF RETIREMENT BENEFIT PLANS			
Provident fund	Contribution made	3,896	4,124
Gratuity fund	Contribution made	2,503	3,600
KEY MANAGEMENT PERSONNEL	Remuneration	5,864	5,013

	Un-audited 31 March 2021 (Rupees in thousand)	Audited 31 December 2020 (Rupees in thousand)
Period end balances:		
Short term loan receivable from associated company	350,000	350,000
Accrued interest on loan to associated company	2,515	2,496

10. 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.

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 has 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 changes in equity, 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

This condensed interim financial information was approved by the Board of Directors of the Company and authorized for issue on 28th April 2021.

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 2020.

14. GENERAL

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

CHIEF EXECUTIVE	DIRECTOR	CHIEF FINANCIAL OFFICER

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