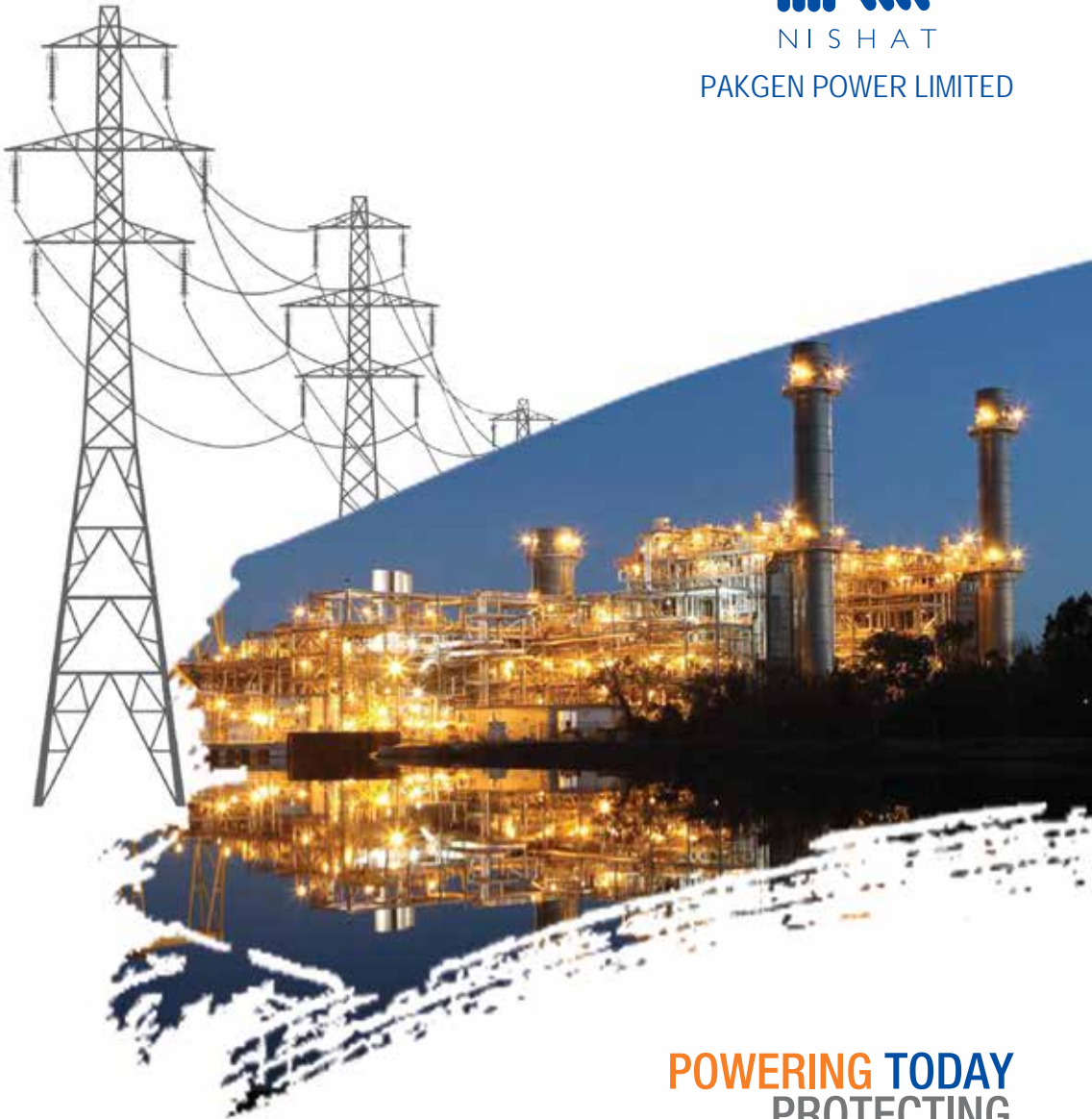




N I S H A T

PAKGEN POWER LIMITED



POWERING TODAY
PROTECTING
TOMORROW.....!

FIRST QUARTERLY REPORT
FOR THE PERIOD ENDED
MARCH 31, 2019

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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 (Now 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	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
HUMAN RESOURCE & REMUNERATION(HR &R) COMMITTEE	Mr. Farrukh Ifzal Mian Hassan Mansha Mr. Badar Ul Hassan	Chairman
CHIEF FINANCIAL OFFICER	Mr. Syed Anees Hassan	
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 Islamic 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 31 March 2019.

We report that during the period under review power plant by achieving all the operating standards dispatched 142.357 MWH of electricity as compared with 258.020 MWH dispatched during the corresponding three months of the previous financial year. Resultantly, the capacity factor remained at 18.80% as against 34.30% 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 2019 are as follows:

Financial Highlights	PERIOD ENDED	
	31 March 2019	31 March 2018
Revenue (Rs '000')	3,561,721	4,111,464
Gross profit (Rs '000')	1,005,388	565,033
Gross profit ratio to revenue (%)	28.23%	13.75%
After tax profit (Rs '000')	646,774	335,229
After tax profit ratio to revenue (%)	18.16%	8.15%
Earnings per share (Rs)	1.74	0.9

The Company has posted after tax profit of Rs. 646.774 million as against Rs. 335.229 million profit earned in the comparative period. The net profits of the Company demonstrated the earnings per share of Rs. 1.74 as against Rs. 0.90 per share in the corresponding previous period.

Our sole customer 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 2019, an amount of Rupees 16.772 billion was outstanding against CPPA-G of these Rupees 474.202 Million was classified overdue. The Company is pursuing the matter, collectively with other IPPs on IPPAC (Independent Power Producer Advisory Council) platform, with the Relevant authorities and ministries. the Company has received assurance of higher payment allocations during April to June 2019 period.

During the period, January to March 2019, Company produced and sold electricity only in the month of January 2019. The plant was on standby mode for the month of February and March due to low national demand in comparison with 1st Quarter 2018. This was as per instructions of National Power Control Center (NPCC).

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:	0
Composition:	
(i) Independent Directors	1
(ii) Other Non-executive Directors	6
(iii) Executive Directors	1

COMMITTEES OF THE BOARD:

Audit Committee of the Board:

Sr. #	Name of Member	
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 Member	
1	Mr. Farrukh Ifzal	Member/Chairman
2	Mian Hassan Mansha	Member
3	Mr. Badar-ul-Hassan	Member

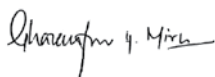
DIRECTORS' REMUNERATION:

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 10 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 life relationship with the Company.

For and on behalf of the Board of Directors



Mr. Ghazanfar Hussain Mirza
Chief Executive Officer
Lahore: 25th April 2019



Mr. Arif Bashir
Director

ڈائریکٹرز رپورٹ پاک جن پاور لمیٹڈ

پاک جن پاور لمیٹڈ "دی کمپنی" کے ڈائریکٹرز 31 مارچ 2019ء مختتم مدت کے لئے آپ کی کمپنی کے آپریشنل اور مالیاتی نتائج پر مشتمل اپنی رپورٹ پیش کرتے ہوئے خوش محسوس کر رہے ہیں۔

ہم بیان کرتے ہیں کہ زبردست کامیابی کے دوران پلانٹ نے گزشتہ مالی سال کی اسی سہ ماہی کے دوران 373.309 MWh ترسیل کے مقابلے میں 258.020 MWh ترسیل کے تمام آپریٹنگ معیارات حاصل کئے ہیں۔ نتیجتاً گزشتہ مالی سال کی اسی مدت میں کپکسٹی فیکٹر 34.30 فیصد کے مقابلے میں 18.8 فیصد پر برقرار رہا۔

مالیاتی نتائج:

31 مارچ 2019ء کو ختم ہونے والی مدت کے لئے کمپنی کے مالیاتی نتائج مندرجہ ذیل ہیں:

مالی جھلکیاں	31 مارچ 2019ء	31 مارچ 2018ء
محصولات (000 روپے)	3,561,721	4,111,464
مجموعی منافع (000 روپے)	1,005,388	565,033
مجموعی منافع تناسب محصولات (فیصد)	28.23%	13.75%
بعد از ٹیکس منافع (000 روپے)	646,771	335,229
بعد از ٹیکس منافع تناسب محصولات (فیصد)	18.16%	8.15%
آمدن فی شخص (روپے)	1.74	0.90

کمپنی نے تقابلی مدت میں 335,229 ملین روپے منافع کے برعکس 646,771 ملین روپے بعد از ٹیکس منافع درج کیا ہے۔ کمپنی کا خالص منافع، گزشتہ مدت میں 0.90 روپے فی شیئر کے مقابلے میں 1.74 روپے فی شیئر آمدن سے ظاہر ہوتا ہے۔

ہماری واحد صارف (CPPA-G) سینٹرل پاور پراجیکٹس اینجینیئرنگ (گارڈی) لمیٹڈ بجلی کی خریداری کے معاہدے (PPA) جو حکومت پاکستان کی ایک خود مختار ضمانت کے تحت حاصل کیا گیا ہے مطابق اپنی ذمہ داریوں کو پورا کرنے کے قابل نہیں رہا۔ 31 مارچ 2019ء کو (CPPA-G) سینٹرل پاور پراجیکٹس اینجینیئرنگ (گارڈی) لمیٹڈ کے ذمہ بقایا رقم 16,772 ملین روپے تھے جس میں سے 474,202 ملین روپے کی رقم زائد المعاد تھی۔ حکومت پاکستان کی متعلقہ وزارت کے ہاں بارہ مرتبہ معاملہ جاگرا 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 متعلقہ اٹھارہ وزارتوں اور وزارت کے ہاں آئی پی پی اے سی کے پلیٹ فارم پر دیگر آئی پی پی کے ساتھ مل کر معاملات کا تعاقب کر رہی ہے۔ کمپنی کو اپریل تا جون 2019ء کے دوران اعلیٰ ادا ٹیکوں کی تشخیص کا یقین دلایا گیا ہے۔

مدت جنوری تا مارچ 2019ء کے دوران، کمپنی نے صرف جنوری 2019ء کے مہینے میں بجلی پیدا اور فروخت کی۔ پلانٹ 2018ء کی پہلی سہ ماہی کے مقابلے میں قومی طلب کی وجہ سے فوری اور مارچ کے مہینے میں شیڈ بائی موڈ پر تھا۔ یہ نیشنل پاور کنٹرول سنٹر (NPCC) کی ہدایات کے مطابق کیا گیا تھا۔

کارپوریٹ مقاصد:

ایک ذمہ دار اور قابل محروسہ انرجی کمپنی کی حیثیت سے، ہم پلانٹ کی اعلیٰ کارکردگی اور دستیابی کو برقرار رکھنے کے لئے بجلی کے اخراجات کو کم کرنے میں قوم کو ہولت دینے کا مقصد رکھتے ہیں۔

بورڈ کی تشکیل:

	ڈائریکٹرز کی کل تعداد
7	(a) مرد
0	(b) خاتون
	تشکیل
1	(i) آزاد ڈائریکٹرز
6	(ii) دیگر نان ایگزیکٹو ڈائریکٹرز
1	(iii) ایگزیکٹو ڈائریکٹرز

بورڈ کی کمیٹیاں:

بورڈ کی آڈٹ کمیٹی:

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

ہیومن ریسورس اینڈ ریمیزیشن (HR&R) کمیٹی:

نمبر شمار	نام رکن
1	جناب فرخ افضال (رکن/چیئر مین)
2	میاں حسن منشاء (رکن)
3	جناب بدر الحسن (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 منسلک مالی حسابات کے نوٹ 10 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 کٹوتیوں تعلقات چاہتے ہیں۔

منجانب مجلس نظماء



عارف بشیر

ڈائریکٹر



(غففر حسین مرزا)

چیف ایگزیکٹو آفیسر

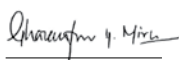
لاہور: 25 اپریل 2019ء

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)

As at 31 March 2019

	Note	Un-audited 31 March 2019 (Rupees in thousand)	Audited 31 December 2018
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital 400,000,000 (2018: 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		12,944,557	12,855,905
Total Equity		16,782,332	16,693,680
LIABILITIES			
NON-CURRENT LIABILITY			
Long-term finance - secured		29,274	-
Provision for Gratuity			29,349
		29,274	29,349
CURRENT LIABILITIES			
Trade and other payables		755,810	527,540
Accrued mark-up		261,749	126,510
Short-term borrowings		10,562,017	11,093,800
Current portion of long-term finance	5	222,913	334,369
Unclaimed dividend		564,618	6,732
		12,367,107	12,088,951
Total liabilities		12,367,107	12,118,300
CONTINGENCIES AND COMMITMENTS	6		
TOTAL EQUITY AND LIABILITIES		29,178,713	28,811,980

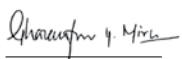
The annexed notes form an integral part of this condensed interim financial information.


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

	Note	Un-audited 31 March 2019 (Rupees in thousand)	Audited 31 December 2018
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	7,454,986	7,680,263
Long Term Loans		46,480	30,205
Long-term security deposits		300	300
		<u>7,501,766</u>	<u>7,710,768</u>
CURRENT ASSETS			
Stores, spare parts and other consumables		838,037	832,661
Fuel stock		1,253,809	516,398
Trade debts		16,772,159	16,939,272
Advances and short-term prepayments		442,422	378,385
Loan to associated company		950,000	1,000,000
Other receivables		140,095	276,445
Accrued interest		9,004	9,258
Sales tax recoverable		1,221,821	1,145,615
Cash and bank balances		49,600	3,178
		<u>21,676,947</u>	<u>21,101,212</u>
TOTAL ASSETS		<u><u>29,178,713</u></u>	<u><u>28,811,980</u></u>


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS
ACCOUNT AND OTHER COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 MARCH 2019 (UN-AUDITED)**

	Note	Quarter Ended	
		31 March 2019 (Rupees in thousand)	31 March 2018
REVENUE		3,561,721	4,111,464
COST OF SALES	8	(2,556,333)	(3,546,431)
GROSS PROFIT		1,005,388	565,033
ADMINISTRATIVE EXPENSES		(67,759)	(57,431)
OTHER OPERATING EXPENSES		(482)	(731)
OTHER OPERATING INCOME		937,147 29,480	506,871 3,064
PROFIT FROM OPERATIONS		966,627	509,935
FINANCE COST		(319,853)	(174,706)
PROFIT BEFORE TAXATION		646,774	335,229
TAXATION		-	-
PROFIT AFTER TAXATION		646,774	335,229
OTHER COMPREHENSIVE INCOME FOR THE PERIOD		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		646,774	335,229
EARNINGS/(LOSS) PER SHARE - BASIC AND DILUTED (RUPEES)		1.74	0.90

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


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

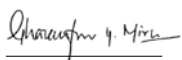
**CONDENSED INTERIM STATEMENT OF
CHANGES IN EQUITY
FOR THE QUARTER ENDED 31 MARCH 2019 (UN-AUDITED)**

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

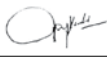
(-----Rupees in thousand-----)

Balance as at 01 January 2018 (Audited)	3,720,816	116,959	11,766,415	15,604,190
Transactions with owners - Final dividend for the year ended 31 December 2017 @ Rupees 1 per share	-	-	(372,081)	(372,081)
Profit for the quarter ended 31 March 2018	-	-	335,229	335,229
Other comprehensive income for the quarter ended 31 March 2018	-	-	-	-
Total comprehensive income for the quarter ended 31 March 2018	-	-	335,229	335,229
Balance as at 31 March 2018 - (Un-audited)	3,720,816	116,959	11,729,563	15,567,338
Balance as at 01 January 2019 (Audited)	3,720,816	116,959	12,855,905	16,693,680
Transactions with owners - Final dividend for the year ended 31 December 2018 @ Rupees 1.5 per share	-	-	(558,122)	(558,122)
Profit for the quarter ended 31 March 2019	-	-	646,774	646,774
Other comprehensive income for the quarter ended 31 March 2019	-	-	-	-
Total comprehensive income for the quarter ended 31 March 2019	-	-	646,774	646,774
Balance as at 31 March 2019 - (Un-audited)	3,720,816	116,959	12,944,557	16,782,332

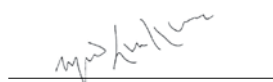
The annexed notes form an integral part of this condensed interim financial information.



CHIEF EXECUTIVE



DIRECTOR




CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF CASH FLOWS FOR THE QUARTER ENDED 31 MARCH 2019 (UN-AUDITED)

	Note	31 March 2019 (Rupees in thousand)	31 March 2018
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated / (used in) from operations	9	868,333	(56,024)
Finance cost paid		(184,614)	(139,506)
Interest income received		29,097	2,633
Net increase in long-term loans to employees		(16,275)	(49,169)
Income tax paid		(1,224)	(5,087)
Gratuity paid		(3,910)	(469)
Net cash generated / (used in) from operating activities		691,407	(247,622)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(1,510)	(5,352)
Net cash (used in) investing activities		(1,510)	(5,352)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long-term finance		(111,456)	(111,457)
Dividends paid		(236)	(62)
Net cash (used in) financing activities		(111,692)	(111,519)
Net increase / (decrease) in cash and cash equivalents		578,205	(364,493)
Cash and cash equivalents at beginning of the period		(11,090,622)	(9,132,822)
Cash and cash equivalents at end of the period		(10,512,417)	(9,497,315)
CASH AND CASH EQUIVALENTS			
Cash in hand		189	165
Cash at banks		49,411	823,403
Short-term borrowings		(10,562,017)	(10,320,883)
		(10,512,417)	(9,497,315)

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 2019 (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

Statement of compliance

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

International Financial Reporting Standards (IFRSs) 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 provisions of and directives issued under the Companies Act, 2017 differ from the IFRSs, the provisions of and directives issued under the Companies Act, 2017 have been followed."

Exemption from applicability of certain interpretations to standards

Securities and Exchange Commission of Pakistan (SECP) granted waiver to all companies from the requirements of International Financial Reporting Interpretation Committee (IFRIC) 4 'Determining Whether an Arrangement Contains a Lease' through its notification, S.R.O. 24(1)/2012 dated 16 January 2012. Therefore, the Company is not required to account for the portion of its Power Purchase Agreement (PPA) with Central Power Purchasing Agency (Guarantee) Limited (CPPA-G) as a lease under International Accounting Standard (IAS) 17 'Leases'. Further, SECP also granted waiver for the requirements of IAS 21 'The Effects of Changes in Foreign Exchange Rates' in respect of accounting principle of capitalization of exchange differences to power sector companies. "

3. 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 2018.

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 2018.

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 interpretations 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 2019 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 2019 (Rupees in thousand)	Audited 31 December 2018
5. FROM BANKING COMPANY - SECURED		
Long term loan	222,913	334,369
Less: Current portion shown under current liabilities	222,913	334,369
	-	-

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 2018.

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

a) 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 (2018: Rupees 1,500 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 Commitments for capital expenditure as at reporting date are amounting to Rupees 69.916 million (31 Dec 2018: Rupees 3,799 million).

	Un-audited 31 March 2019 (Rupees in thousand)	Audited 31 December 2018
7. PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets (Note 7.1)	7,411,227	7,634,699
Capital work-in-progress	43,756	45,564
	7,454,983	7,680,263

7.1 Operating fixed assets

Opening Book value	7,634,699	8,482,603
Add: Cost of Additions during the period / year (Note 7.1.1)	3,373	75,528
Less: Book value of deletions during the period/year(7.1.2)	58	1,915
Less: Depreciation charged during the period / year	226,787	921,517
	7,411,227	7,634,699

7.1.1 Cost of additions

	Un-audited 31 March 2019 (Rupees in thousand)	Audited 31 December 2018
Vehicles	-	65
Plant and Machinery	3,008	73,319
Furniture and fittings	365	557
Office Equipment	-	572
Electric equipment and appliances	-	1,015
	<u>3,373</u>	<u>75,528</u>

7.1.2 Book value of Deletions

	<u>58</u>	<u>1,915</u>
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Un-audited Quarter Ended

	31 March 2019 (Rupees in thousand)	31 March 2018
Fuel consumed	2,120,295	3,113,118
Operation and maintenance costs	79,835	101,180
Insurance cost	142,043	114,537
Liquidated damages	9	26
Depreciation	212,756	216,273
Others	1,395	1,297
	<u>2,556,333</u>	<u>3,546,431</u>

8. COST OF SALES

9. CASH GENERATED FROM OPERATIONS

Profit before taxation	646,774	335,229
Adjustment for non - cash charges and other items:		
loss on disposal of asset		
Depreciation	226,787	230,365
Provision for gratuity	3,834	3,508
Interest income	(29,097)	(2,633)
Finance cost	319,853	174,706
Cash flows from operating activities before working capital changes	<u>1,168,151</u>	<u>741,175</u>
(Increase) / decrease in current assets:		
Stores, spare parts and other consumables	(5,376)	(18,350)
Fuel stock	(737,411)	(122,878)
Trade debts	167,113	(1,478,096)
Advances and short-term prepayments	(62,558)	(65,668)
Other receivables	136,350	267,502
Loan to associated co.	50,000	-
Sales tax recoverable	(76,206)	(134,567)
	<u>(528,088)</u>	<u>(1,552,057)</u>
(Decrease) / increase in trade and other payables	228,270	754,858
	<u>868,333</u>	<u>(56,024)</u>

10. 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:

		Un-audited Quarter Ended	
		31 March 2019 (Rupees in thousand)	31 March 2018
Associated company	Nature of transaction		
Adamjee Insurance Company Limited	Insurance premium	3,398	4,715
Security General Insurance Company Limited	Insurance claim received	381	61
	Insurance premium	164,545	132,681
Lalpir Power Limited	Share of expenses	-	5,400
	Loan given	732,862	-
	Loan repaid	662,000	-
	Interest charged	2,463	-
Nishat (Aziz Avenue) hotels and properties Limited	Rent	1,570	1,570
Nishat Hotels and Properties Limited	Loan given	1,000,000	-
	Loan repaid	50,000	-
	Interest charged	26,308	-
Pakistan Aviators and Aviation (Private) Limited	Flying services	18,108	19,400
Nishat Hospitality (Private) Limited	Boarding and Lodging services	-	17
STAFF RETIREMENT BENEFIT PLANS			
Provident fund	Contribution made	4,443	4,311
Gratuity fund	Contribution made	3,834	3,508
KEY MANAGEMENT PERSONNEL			
	Remuneration	11,028	11,023

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 financial information does not include any financial risk management information and disclosures required in the annual financials statements, and should be read in conjunction with the companies annual financial statements as at 31st December 2018.

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 25 April 2019 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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