

LALPIR POWER LIMITED



SECY/STOCKEXC/

April 29, 2021

The General Manager,
Pakistan Stock Exchange Limited,
Stock Exchange Building,
Stock Exchange Road,
KARACHI.

SUB: TRANSMISSION OF QUARTERLY REPORT FOR THE PERIOD ENDED 31-03-2021

Dear Sir,

In compliance with the provisions of Section 237 of the Companies Act, 2017, read with PSX Notice No. PSX/N-4207 dated July 13, 2018 we have to inform you that the Quarterly Reports of Lalpir Power Limited for the period ended March 31, 2021 together with Directors' report have been transmitted through PUCARS and also available on Company's website.

You may also please inform the TRE Certificate Holders of the Exchange accordingly.

Thanking you,

Yours truly,


KHALID MAHMOOD CHOCHAN
COMPANY SECRETARY

HEAD OFFICE

: 1-B, AZIZ AVENUE, CANAL BANK, GULBERG V, LAHORE. TEL: +92-42-35717090-96, 35717159-63, FAX: +92-42-35717239, WEBSITE: www.lalpir.com, E-MAIL: lalpir@lalpir.com

REGISTERED OFFICE

: NISHAT HOUSE, 53/A, LAWRENCE ROAD, LAHORE. TEL: 111-113-333 FAX: +92-42-36367414

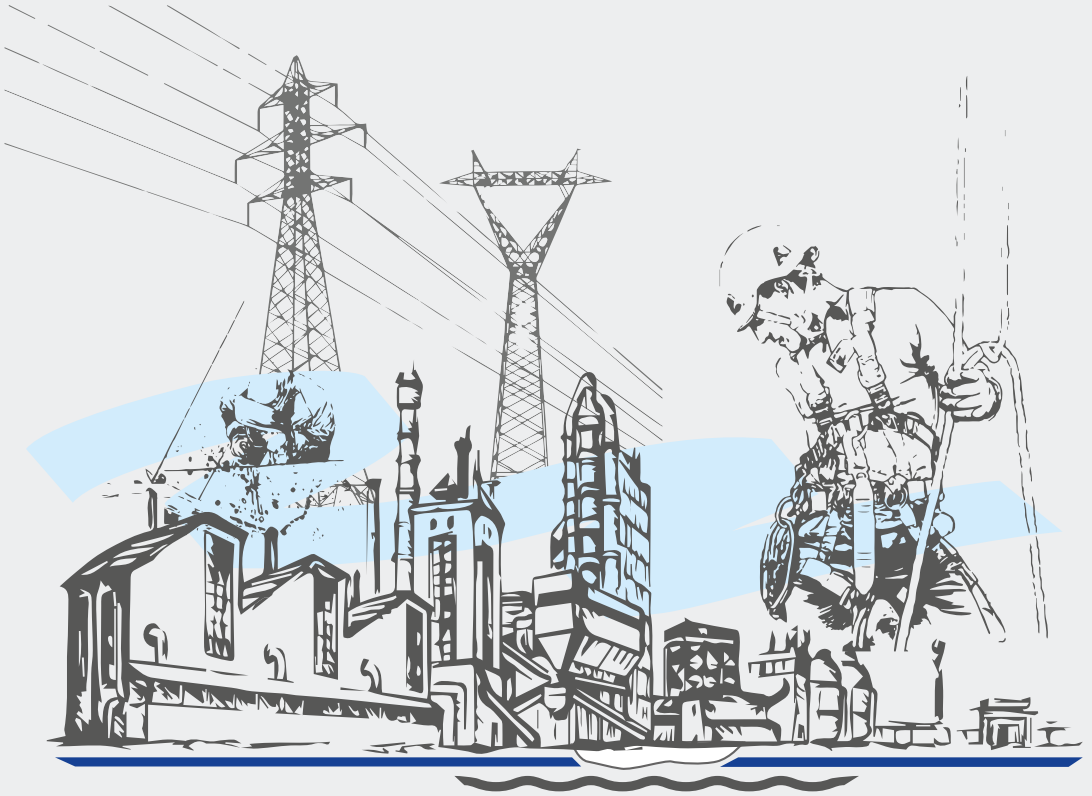
POWER STATIONS

: LALPIR THERMAL POWER STATIONS, P.O. BOX NO. 89, MUZAFFARGARH. PC-34200, PAKISTAN. TEL: +92-66-2300030 FAX: +92-66-2300260, www.lalpir.com



N I S H A T

LALPIR POWER LIMITED



**ALWAYS AND EVERYWHERE
WELL CONNECTED**

**FIRST QUARTERLY REPORT
FOR THE PERIOD ENDED
MARCH 31, 2021**

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COMPANY PROFILE

THE COMPANY	<p>Lalpir Power Limited (“the Company”) was incorporated in Pakistan on 8 May 1994 under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). The registered office is situated at 53-A, Lawrence Road, Lahore. The principal activities of the Company are to own, operate and maintain an oil fired power station (“the Complex”) having gross capacity of 362 MW in Mehmood Kot, Muzaffargarh, Punjab, Pakistan.</p>	
BOARD OF DIRECTORS	Mian Hassan Mansha Mr. Aurangzeb Firoz Mr. Jawaid Iqbal Mr. Muhammad Azam Mr. Inayat Ullah Niazi Mrs. Hajra Arham Mr. Mahmood Akhter	Chairman
CHIEF EXECUTIVE OFFICER	Mr. Mahmood Akhtar	
AUDIT COMMITTEE	Mr. Jawaid Iqbal Mr. Inayat Ullah Niazi Mrs. Hajra Arham	Chairman
HUMAN RESOURCE & REMUNERATION(HR &R) COMMITTEE	Mr. Jawaid Iqbal Mian Hassan Mansha Mr. Inayat Ullah Niazi	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 MCB Bank Limited Bank Islami Pakistan Limited Standard Chartered Bank (Pakistan) Limited Al Baraka Bank (Pakistan) Limited Meezan Bank Limited Silk Bank Limited	
AUDITOR OF THE COMPANY	Riaz Ahmad & Co. Chartered Accountants	
LEGAL ADVISOR OF THE COMPANY	Mr. M. Aurangzeb Khan Advocate High Court	

REGISTERED OFFICE

53-A, Lawrence Road,
Lahore-Pakistan
UAN: +92 42-111-11-33-33
Fax: +92 42 36367414

HEAD OFFICE

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

SHARE REGISTRAR

CDC Share Registrar Services Limited
CDC House,99-B, Block-B, S.M.C.H.S
Shahra-e-Faisal, Karachi – 74400
Tel: (92-21) 111-111-500
Fax: (92-21) 34326053

PLANT

Mehmood Kot, Muzaffargarh,
Punjab – Pakistan.

DIRECTORS' REPORT

The Directors of **Lalpir Power Limited** "the Company" are pleased to present their report together with the Condensed Interim Financial Information for the period ended March 31, 2021.

We report that during the period under review power plant dispatched 122.527 MWH of electricity as compared with 21.426 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')	3,540,949	2,395,641
Gross profit (Rs '000')	1,280,051	1,373,441
After tax profit (Rs '000')	1,009,533	841,060
Earnings per share (Rs)	2.66	2.21

The Company has posted after tax profit of Rs.1,009.533 million as against Rs.841.060 million earned in the comparative period. The net profits of the Company demonstrated the Earning per Share of Rs.2.66 as against Rs.2.21 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. 20.445 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.15.483 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	6
(b) Female:	1
Composition:	
(i) Independent Directors	2
(ii) Non-executive Directors	4
(iii) Executive Directors	1

COMMITTEES OF THE BOARD:

Audit Committee of the Board:

Sr. #	Name of Members	
1	Mr. Jawaid Iqbal	(Member/Chairman)
2	Mr. Inayat Ullah Niazi	(Member)
3	Mrs. Hajra Arham	(Member)

Human Resource & Remuneration (HR&R) Committee:

Sr. #	Name of Members	
1.	Mr. Hassan Mansha	(Member)
2.	Mr. Jawaid Iqbal	(Member/Chairman)
3	Mr. Inayat Ullah Niazi	(Member)

DIRECTORS' REMUNERATION:

The company does not pay remuneration to its non-executive directors including independent directors except for meeting fee. Aggregate amount of remuneration paid to executive and non-executive directors have been disclosed in note 9 of the annexed financial statements.

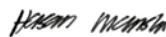
ACKNOWLEDGEMENT:

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. Mahmood Akhter)
Chief Executive Officer
Lahore: 28 April 2021



Mian Hassan Mansha
Chairman

ڈائریکٹرز رپورٹ لال پیر پاور لمیٹڈ

لال پیر پاور لمیٹڈ "دی کمپنی" کے ڈائریکٹرز 31 مارچ 2021ء مختتمہ مدت کے لئے منجملہ 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 21.426 MWH ترسیل کے مقابلہ میں 122.527 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	31 مارچ 2021ء مختتمہ سہ ماہی	31 مارچ 2020ء مختتمہ سہ ماہی
مخصوصات (000 روپے)	3,540,949	2,395,641
مجموعی منافع (000 روپے)	1,280,051	1,373,441
بعد از ٹیکس منافع (000 روپے)	1,009,533	841,060
آمدن فی حصص (روپے)	2.66	2.21

کمپنی نے ٹیکس کے بعد منافع 1,009,533 ملین روپے درج کیا جبکہ تقابلی مدت میں 841,060 ملین روپے منافع حاصل ہوا تھا۔ کمپنی کے خالص منافع نے گزشتہ مدت میں 2.21 روپے فی حصص منافع کے مقابلے 2.66 روپے فی حصص منافع ظاہر کیا ہے۔

ہمارا واحد صارف سنٹرل پاور پراجیکٹس انجینی (گارنٹی) لمیٹڈ (CPPA-G) بجلی کی خریداری کے معاہدے (PPA) جو حکومت پاکستان کی ایک خود مختار ضمانت کے تحت حاصل کیا گیا کے مطابق اپنی ذمہ داریوں کو پورا کرنے کے قابل نہیں رہا۔ 31 مارچ 2021 کے مطابق سنٹرل پاور پراجیکٹس انجینی (گارنٹی) لمیٹڈ (CPPA-G) کے ذمہ بقایا رقم 20.445 ملین روپے تھی۔

زیر جائزہ مدت کے دوران، کمپنی نے 30 نومبر 2020 کو اپنی واجب الادا وصول ہونے والی 15.483 ملین 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۔ بالاقساط 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 رضا کارانہ طور پر اپنی کپسٹی پراجیکٹ پرائس (سی پی پی) اور متغیر ادائیگہ 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 اعتماد توانائی کمپنی ہونے کے ناطے، ہم اعلیٰ کارکردگی اور پلانٹ کی دستیابی کو برقرار رکھتے ہوئے بجلی کے اخراجات کم کرنے میں قوم کو بولت فراہم کرنا چاہتے ہیں۔

بورڈ کی تشکیل:

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

بورڈ کی کمیٹیاں:

بورڈ کی آڈٹ کمیٹی:

نمبر شمار	نام ڈائریکٹرز
1	جناب جاوید اقبال (رکن / چیئر مین)
2	جناب عنایت اللہ نیازی (رکن)
3	محترمہ ہاجرہ ارم (رکن)

ہیومن ریسورس اینڈ ریمیزیشن (HR&R) کمیٹی:

نمبر شمار	نام رکن
1	جناب حسن منشاء (رکن)
2	جناب جاوید اقبال (رکن / چیئر مین)
3	جناب عنایت اللہ نیازی (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 9 میں منکشف ہے۔

اظہار تشکر

ہم، ایک جدید اور حوصلہ افزاء کام کے ماحول کے قیام اور باور 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 نفعاء

Signature

جناب محمود اختر

چیف ایگزیکٹو آفیسر

Signature

میاں حسن منشاء

چیئر مین

لاہور: 28 اپریل 2021ء

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (Un-audited)

As at 31 March 2021

	Note	Un-audited 31 March 2021 (Rupees in thousand)	Audited 31 December 2020
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital 500,000,000 (31 December 2020: 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 reserve - un-appropriated profit		14,248,669	13,618,955
Total equity		18,154,060	17,524,346
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing		41,077	54,453
Employee benefit - gratuity		15,763	17,284
Deferred Income - Government grant		511	1,005
		57,351	72,742
CURRENT LIABILITIES			
Trade and other payables		690,667	999,793
Accrued mark-up / profit		191,438	219,509
Short-term borrowings		11,150,530	10,980,235
Current portion of non-current liabilities		54,867	54,776
Unclaimed dividend		385,585	7,588
		12,473,087	12,261,901
Total liabilities		12,530,438	12,334,643
CONTINGENCIES AND COMMITMENTS			
	5		
TOTAL EQUITY AND LIABILITIES		30,648,498	29,858,989

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	6,493,371	6,768,043
Investment properties		92,589	92,767
Long term loans to employees		13,146	15,494
Long term security deposits		350	350
		<hr/> 6,599,456	<hr/> 6,876,654
CURRENT ASSETS			
Stores, spare parts and other consumables		897,786	889,650
Fuel stock		704,875	1,018,582
Trade debts		20,444,515	18,831,180
Short term investment		5,362	5,733
Loans, advances and short-term prepayments		327,815	325,522
Loan to associated company		350,000	350,000
Other receivables		430,102	478,722
Accrued interest		2,515	2,496
Sales tax recoverable		919,461	951,513
Cash and bank balances		2,611	128,937
		<hr/> 24,085,042	<hr/> 22,982,335
TOTAL ASSETS		<hr/> 30,684,498	<hr/> 29,858,989



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

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

For the Quarter Ended 31 March 2021 (Un-audited)

	Note	Quarter Ended	
		31 March 2021 (Rupees in thousand)	31 March 2020
SALES		3,540,949	2,395,641
COST OF SALES	7	(2,260,898)	(1,022,200)
GROSS PROFIT		1,280,051	1,373,441
ADMINISTRATIVE EXPENSES		(60,951)	(62,655)
OTHER EXPENSES		(777)	(502)
OTHER INCOME		1,218,323 9,009	1,310,284 14,313
PROFIT FROM OPERATIONS		1,227,332	1,324,597
FINANCE COST		(217,779)	(483,537)
PROFIT BEFORE TAXATION		1,009,553	841,060
TAXATION		-	-
PROFIT AFTER TAXATION		1,009,553	841,060
OTHER COMPREHENSIVE INCOME FOR THE PERIOD		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		1,009,553	841,060
EARNINGS PER SHARE - BASIC AND DILUTED (RUPEES)		2.66	2.21

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 31 Dec 2019 - audited	3,798,387	107,004	10,921,948	14,827,339
Profit for the quarter ended 31 March 2020	-	-	841,060	841,060
Other comprehensive income for the quarter ended 31 March 2020	-	-	-	-
Total comprehensive income for the quarter ended 31 March 2020	-	-	841,060	841,060
Balance as at 31 March 2020 - un-audited	3,798,387	107,004	11,763,008	15,668,399
Balance as at 31 Dec 2020 - audited	3,798,387	107,004	13,618,955	17,524,346
Transactions with owners				
Final Dividend for the year ended 31 December 2020 @ Rupees 1 per share	-	-	(379,839)	(379,839)
Profit for the quarter ended 31 March 2021	-	-	1,009,553	1,009,553
Other comprehensive income for the quarter ended 31 March 2021	-	-	-	-
Total comprehensive income for the quarter ended 31 March 2021	-	-	1,009,553	1,009,553
Balance as at 31 March 2021 - un-audited	3,798,387	107,004	14,248,669	18,154,060

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)

		Quarter Ended	
	Note	31 March 2021 (Rupees in thousand)	31 March 2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from / (utilized in) operations	8	(40,227)	558,892
Finance cost paid		(245,850)	(451,073)
Interest income received		7,415	12,882
Net (increase) / decrease in long-term loans to employees		2,348	2,663
Income tax paid		(1,192)	(2,887)
Net cash from / (used in) operating activities		(277,506)	120,477
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on fixed assets		(3,884)	107,176
Proceeds from disposal of operating fixed assets		19	(49)
Net cash from / (used in) investing activities		(3,865)	107,127
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment for long term loans		(13,779)	-
Dividend paid		(1,842)	(55)
Net cash (used) in financing activities		(15,621)	(55)
Net increase / (decrease) in cash and cash equivalents		(296,992)	227,548
Cash and cash equivalents at beginning of the period		(10,845,565)	(13,624,704)
Cash and cash equivalents at end of the period		(11,142,557)	(13,397,156)
CASH AND CASH EQUIVALENTS			
Cash in hand		301	443
Cash at banks		2,310	51,015
Short Term Investment		5,362	-
Short-term borrowings		(11,150,530)	(13,448,614)
		(11,142,557)	(13,397,156)

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

Lalpir Power Limited ("the Company") was incorporated in Pakistan on 08 May 1994 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The registered office of the Company is situated at 53-A, Lawrence Road, Lahore. The ordinary shares of the Company are listed on Pakistan Stock Exchange Limited. The principal activities of the Company are to own, operate and maintain a fuel fired power station ("the Complex") having gross capacity of 362 MW in Mehmood Kot, Muzaffargarh, Punjab, Pakistan. The Company has a Power Purchase Agreement (PPA) with its sole customer, Central Power Purchasing Agency (Guarantee) Limited (CPPA-G) for 30 years which commenced from 06 November 1997.

2. BASIS OF PREPARATION

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 These condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended 31 December 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, 2021 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, 2021 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 47 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 (Rupees in thousand)	Audited 31 December 2020
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	167,601	18,735

6. FIXED ASSETS

Operating fixed assets (Note 6.1)
Capital work-in-progress

Un-audited
31 March
2021
(Rupees in thousand)

Audited
31 December
2020

6,490,922	6,767,565
2,270	478
6,493,191	6,768,043

6.1 Operating fixed assets

Opening book value
Add: Cost of additions during the period /
year (Note 6.1.1)
Less: Book value of deletions during the
period / year (Note 6.1.2)
Less: Depreciation charged during the
period / year

6,767,565	7,743,066
1,913	130,956
9	8
278,547	1,106,449

Closing book value

6,490,922	6,767,565
-----------	-----------

6.1.1 Cost of additions

Plant and machinery
Furniture and fittings
Office equipment
Electric equipment and appliances

-	126,517
1,419	617
13	3,008
481	814
1,913	130,956

6.1.2 Book value of deletions

Cost
- Vehicles
- Computer Equipment
- Office Equipment

54	136
206	-
-	118

Less: Accumulated depreciation

260	254
251	246
9	8

7. COST OF SALES

Fuel cost
Operation and maintenance costs
Insurance
Depreciation
Others

Quarter Ended
31 March
2021
(Rupees in thousand)

31 March
2020

1,723,569	385,855
89,127	210,020
187,910	176,101
258,594	248,733
1,698	1,490
2,260,898	1,022,200

	Quarter Ended	
	31 March 2021 (Rupees in thousand)	31 March 2020
8. CASH GENERATED FROM OPERATIONS		
Profit before taxation	1,009,553	841,060
Adjustments for non-cash charges and other items:		
Depreciation on operating fixed assets	278,547	269,504
Depreciation on investment properties	178	178
Provision for gratuity	(1,521)	3,935
Gain on disposal / derecognition of operating fixed assets	(10)	56
Interest income	(7,415)	(12,882)
Finance cost	217,779	483,537
Cash flows from operating activities before working capital changes	1,497,111	1,585,389
Working Capital Changes		
(Increase) / decrease in current assets		
Stores, spare parts and other consumables	(8,136)	3,901
Fuel stock	313,707	(130,038)
Trade debts	(1,613,335)	(681,920)
Advances and short-term prepayments	(1,120)	(4,618)
Other receivables	48,620	49,842
Sales tax recoverable	32,052	(31,305)
	(1,228,212)	(794,138)
(Decrease) in trade and other payables	(309,126)	(232,359)
	(40,227)	558,892

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:

		Quarter Ended	
		31 March 2021 (Rupees in thousand)	31 March 2020
Associated company	Nature of transaction		
Adamjee Insurance Company Limited	Insurance claims received Insurance premium	149 4,334	69 8,305
Security General Insurance Company Limited	Insurance premium	186,042	174,349
D.G.Khan Cement Company Limited	Purchased of goods	172	97
Pakgen Power Limited	Loan Recevied Loan Repaid Interest Charged	- - -	1,318,000 1,318,000 11,753
Nishat Hotels & Properties Limited	Loan Interest Charged Boarding and Lodging services	- 7,306 -	- 12,758 43
Nishat Hospitality (Private) Limited	Boarding and Lodging services	-	-
Nisaht (Aziz Avenue) hotels and properties Limited	Rent	1,570	1,570
Adamjee Life Assurance Company Ltd	Insurance claims received Insurance premium	- 1,566	1,031 1,549
Hyundai Nishat Motor (Pvt) Ltd	Purchase of vehicle Services received	1,200 88	- -
MCB Bank Limited	Mark up on short term borrowings Short term loan obtained Short term loan repaid Mark up on long term borrowings Long term loan repaid	33,518 3,359,457 1,474,700 595 13,779	62,406 2,975,187 2,839,588 - -
STAFF RETIREMENT BENEFIT PLANS			
Provident fund	Contribution made	5,517	5,307
Gratuity fund	Contribution made	3,706	3,935
KEY MANAGEMENT PERSONNEL			
	Remuneration	4,865	4,590
		Un-audited 31 March 2021 (Rupees in thousand)	Audited 31 December 2020

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. 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.

12. 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.

13. 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 April 28, 2021.

14. GENERAL

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



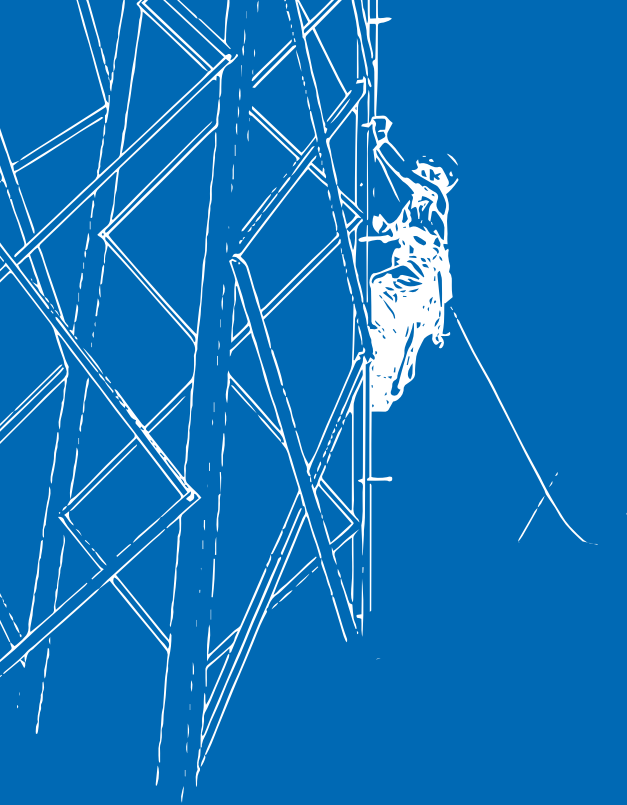
CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER



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