CONTENTS

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	Chairman
	Mr. Aurangzeb Feroz	
	Mr. Shahid Malik	
	Mr. Hassan Nawaz Tarar	
	Dr. Arif Bashir	
	Mr. Badar-ul-Hassan	
	Mr. Farrukh Ifzal	
CHIEF EXECUTIVE OFFICER	Mr. Ghazanfar Hussain Mirza	
AUDIT COMMITTEE	Mr. Aurangzeb Feroz	Chairman
	Mr. Shahid Malik	
	Mr. Farrukh Ifzal	
HR & R COMMITTEE	Mian Hassan Mansha	Chairman/member
	Dr. Arif Bashir	Member
	Mr. Badar-ul-Hassan	Member
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	
	NIB Bank Limited	
	MCB 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 2017.

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 1,265,515.600 MWH of electricity as compared with 1,268,567 MWH dispatched during the corresponding nine months of the previous financial year. Resultantly the capacity factor remained at 55.5% as against 55.5% demonstrated in the comparable nine months of the previous financial year.

Financial Results:

The financial results of the Company for the Period ended 30 September 2017 are as follows:

Financial Highlights	Period Ended	
	30 September 2017	30 September 2016
Revenue (Rs '000')	15,953,413	12,003,199
Gross profit (Rs '000')	1,668,436	953,959
Gross profit ratio to revenue (%)	10.46	7.95
After tax profit (Rs '000')	1,002,634	339,358
After tax profit ratio to revenue (%)	6.28	2.83
Earnings per share (Rs)	2.69	0.91

The Company has posted after tax Profit of Rs. 1,002.634 million as against Profit of Rs. 339.358 million incurred in the comparative period. The net Profit of the Company demonstrated the Profit per Share of Rs. 2.69 as against Rs. 0.91 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.

As earlier reported that CPPA-G has raised invoices for liquidate damages to the company on account of short supply of electricity by the company. The Company had disputed and rejected balance claims on account of liquidated damages that were 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 suppliers that resulted in inadequate level of electricity production owing to shortage of fuel.

The Company and CPPA-G appointed former Chief Justice of Pakistan, Justice Tassaduq Husain Jillani as The Expert, under the mechanism given in the PPA. After a comprehensive process including written statements and arguments, On 22 June 2017, The Honourable Expert, issued his conclusions and recommendations. The conclusion upheld Company's position that CPPA-G cannot claim liquidated damages for a caused by CPPA-G. Company has requested CPPA-G to withdraw its invoices for liquidated damages and waiting for a formal response.

Other significant matters

On 30 September 2016, Company had entered into an agreement with General Electric (GE) for their assistance in improvement in plant performance. The project, called PEPI, has been rolled out in the first six months of 2017. Dedicated teams from both side are working on possible areas of improvement some of which will be implemented in the one month planned shutdown in November 2017. When successfully implemented, these measures will help reduce the fuel losses (Delta Loss). The gain will be shared equally by both of the companies.

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 H. Mirza

(Ghazanfar Hussain Mirza)
Chief Executive Officer
Lahore: October 23, 2017

ڈائریکٹرز رپورٹ پاک جن پاور لمیٹڈ

پاک جن پاور لمیٹڈ" کمپنی" کے ڈائریکٹرز 30 ستمبر 2017 مختتمہ مدت کے لئے آپ کی کمپنی کے آپریشنل اور مالیاتی نتائج پر مشتمل اپنی رپورٹ پیش کرتے ہوئے خوشی محسوس کررہے ہیں۔

آپکی کمپنی MW 365 کی مجموعی صلاحیت کے برعکس MW 350.00 کی خالص صلاحیت کے ساتھ فرنس آئل فائرڈ پاور پلانٹ سے بجلی پیدا کرنے میں مصروف ہے۔اس کے حصص پاکستان اسٹاک ایکسچینج میں درج ہیں۔بجلی کا واحد خریدار سنٹرل پاور پرچیزنگ اتھارٹی گارنٹی لمیٹڈ (سی پی پی اے-جی) ہے۔

ہم بیان کرتے ہیں کہ زیرجائزہ مدت کے دوران پاور پلانٹ نے گزشتہ مالی سال کی اسی نوماہی کے دوران 1,268,567 MWH ترسیل کے مقابلے میں بجلی کی 1,265,515 MWH ترسیل کے تمام آپریٹنگ معیارات حاصل کئے ہیں۔ نتیجے میں صلاحیتی عنصر گزشتہ مالی سال کی نوماہی میں ظاہر کردہ 55.5 فیصد کے مقابلے 55.5 فیصد برقرار رہا ہے۔

مالیاتی نتائج:

30 ستمبر 2017ءکوختم ہونے والی مدت کے لئے کمپنی کے مالیاتی نتائج مندرجہ ذیل ہیں:

مالی جھلکیاں	30 ستمبر 2017ء مختتمہ نوماہی	30 ستمبر 2016ء مختتمہ نوماہی
محصولات (000 روپے)	15,953,413	12,003,199
خام منافع (000 روپے)	1,668,436	953,959
خام منافع تناسب محصولات (فیصد)	10.46	7.95
بعدازٹیکس منافع (000 روپے)	1,002,634	339,358
بعدازٹیکس منافع تناسب محصولات (فیصد)	6.28	2.83
آمدن فی حصص (روپے)	2.69	0.91

کمپنی نے تقابلی مدت میں 339.358 ملین روپے منافع کے برعکس 1,002.634 ملین روپے بعدازٹیکس منافع درج کیا ہے۔ کمپنی کا خالص منافع، گذشتہ مدت میں 0.91 روپے فی شیئر منافع کے مقابلے میں 2.69 روپے فی شیئر منافع ظاہر کرتا ہے۔منافع میں فرق کی بڑی وجہ لیکویڈیٹڈ نقصانات میں کمی ہے کیونکہ پلانٹ کے آپریشنز زیرجائزہ مدت کے دوران دوبارہ شروع ہوئے۔

جیسا کہ پہلے بیان کیا گیا ہے کہ سی پی پی اے-جی نے کمپنی کی طرف سے بجلی کی فراہمی میں قلت کے سبب کمپنی کو لیکویڈیٹی نقصانات پہنچانے کے لئے انوائسز اٹھائی ہیں۔کمپنی پریمسز پر سی پی پی اے-جی کے لیکویڈیٹی نقصانات پر متنازعہ رکھتی ہے اور دعوے کو مسترد کرتی ہے کیونکہ بجلی کی ترسیل میں یہ ناکامی کمپنی کے واجبات سی پی پی اے-جی کی طرف سے بروقت ادائیگی نہ ہونے اور کمپنی کی اپنے ایندھن سپلائرز کو بروقت ادائیگیوں کی نااہلیت کی وجہ سے تھی جس کے نتیجہ میں ایندھن کی قلت کے سبب بجلی کی پیداوار کی ناکافی سطح رہی ہے۔

کمپنی اورسی پی پی اے-جی نے PPA میں دیئے گئے میکانزم کے تحت، سابقہ چیف جسٹس پاکستان، جسٹس تصدق حسین جیلانی کو بطور ایکسپرٹ مقرر کیا ہے۔ تحریری بیانات اور دلائل سمیت ایک جامع عمل کے بعد 22 جون 2017 کو معزز ماہر نے اپنے نتائج اور سفارشات جاری کی ہیں۔ نتیجہ کمپنی کی حیثیت کو قائم رکھتا ہے کہ سی پی پی اے-جی کی جانب سے نقصانات کی بدولت سی پی پی اے-جی لیکویڈیٹی نقصانات کا دعویٰ نہیں کرسکتا ہے۔

کمپنی نے سی پی پی اے-جی سے لیکویڈیٹی نقصانات کے لئے اپنی انوائسز واپس لینے کی درخواست کی ہے اور رسمی جواب کا انتظار کررہی ہے۔

دیگر اہم معاملات

30 ستمبر 2016 کو، کمپنی نے پلانٹ کی کارکردگی میں بہتری میں اپنی مدد کے لئے جنرل الیکٹرک (جی ای) کے ساتھ ایک معاہدہ کیا تھا۔ PEPI منصوبے کو 2017 کے پہلے چھ مہینوں میں ختم کردیا گیا ہے۔ دونوں طرف سے وقف شدہ ٹیمیں بہتری کے ممکنہ شعبوں پر کام کررہے ہیں جن میں سے کچھ نومبر 2017 میں ایک مہینہ کی مقررہ بندش میں لاگو کیے جائیں گے۔ جب کامیابی سے اطلاق ہوا، تو ان اقدامات سے ایندھن کے نقصانات (ڈیلٹا نقصان) کو کم کرنے میں مدد ملے گی۔ فائدہ میں دونوں کمپنیاں مساوی طور پر شریک ہوں گی۔

اظہار تشکر

ہم اپنے قابل قدر حصص داران، سی پی پی اے-جی، مالی اداروں، قرض دہندگان، پاکستان اسٹیٹ آئل اور دیگر سپلائرز کے کمپنی پر اعتماد اور یقین اور انکے قابل قدر تعاون کے شکرگذار ہیں جس نے کمپنی کو بہتر نتائج کے حصول کے قابل بنایا 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

Ghazanfar H. Mirza

جناب غضنفر حسین مرزا

چیف ایگزیکٹو آفیسر

لاہور:

23 اکتوبر 2017ء

CONDENSED INTERIM BALANCE SHEET
As at 30 September 2017

	Note	Un-audited 30 September 2017	Audited 31 December 2016
		(Rupees in thousand)	
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		11,455,072	11,196,602
Total equity		15,292,847	15,034,377
LIABILITIES			
Non Current Liability			
Long term finance - secured	5	445,825	780,194
CURRENT LIABILITIES			
Trade and other payables		2,725,028	1,521,863
Accrued mark-up / profit		117,267	87,211
Short-term borrowings		8,042,591	7,249,291
Current portion of long - term finance	5	445,825	445,825
		11,330,711	9,304,190
Total liabilities		11,776,536	10,084,384
CONTINGENCIES AND COMMITMENTS	6		
TOTAL EQUITY AND LIABILITIES		27,069,383	25,118,761

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

CHIEF EXECUTIVE

	Note	Un-audited 30 September 2017	Audited 31 December 2016
		(Rupees in thousand)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	8,777,012	9,369,818
Long term investment		-	842
Long-term security deposit		300	300
		8,777,312	9,370,960
CURRENT ASSETS			
Stores, spare parts and other consumables		857,334	836,954
Fuel stock		422,063	319,573
Trade debts		14,396,258	11,634,502
Advances and short-term prepayments		377,362	349,090
Other receivables		105,879	293,319
Sales tax recoverable		2,020,817	1,723,285
Cash and bank balances		112,358	591,078
		18,292,071	15,747,801
TOTAL ASSETS		27,069,383	25,118,761

DIRECTOR

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 30 SEPTEMBER 2017 (UN-AUDITED)

	Note	Period Ended		Quarter Ended	
		30 September 2017	30 September 2016	30 September 2017	30 September 2016
		(Rupees in thousand)		(Rupees in thousand)	
REVENUE		15,953,413	12,003,199	5,443,136	4,635,572
COST OF SALES	8	(14,284,977)	(11,049,240)	(4,851,216)	(4,174,606)
GROSS PROFIT / (LOSS)		1,668,436	953,959	591,920	460,966
ADMINISTRATIVE EXPENSES		(155,966)	(162,488)	(58,698)	(68,639)
OTHER EXPENSES		(12,708)	(2,105)	(1,059)	(1,066)
OTHER INCOME		6,469	2,567	1,214	1,261
PROFIT / (LOSS) FROM OPERATIONS		1,506,231	791,933	533,377	392,522
FINANCE COST		(503,597)	(452,489)	(176,128)	(151,774)
SHARE OF LOSS OF ASSOCIATED COMPANY		-	(86)	-	(12)
PROFIT / (LOSS) BEFORE TAXATION BEFORE TAXATION		1,002,634	339,358	357,249	240,736
TAXATION		-	-	-	-
PROFIT / (LOSS) AFTER TAXATION		1,002,634	339,358	357,249	240,736
OTHER COMPREHENSIVE INCOME		-	-	-	-
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD		1,002,634	339,358	357,249	240,736
EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED (RUPEES)		2.69	0.91	0.96	0.65

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

CHIEF EXECUTIVE

DIRECTOR

CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE PERIOD ENDED 30 SEPTEMBER 2017 (UN-AUDITED)

	Note	30 September 2017	30 September 2016
		(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		1,002,634	339,358
Adjustment for non-cash charges and other items:			
Depreciation		599,449	575,273
Provision for gratuity		8,875	8,808
share of loss from associated company		-	86
Impairment loss on long term investment in associated company		842	-
Interest income		(5,202)	(1,300)
Finance cost		503,597	452,489
Cash flows from operating activities before working capital changes		2,110,195	1,374,714
(Increase) / decrease in current assets:			
Stores, spare parts and other consumables		(20,380)	(26,747)
Fuel stock		(102,490)	(176,806)
Trade debts		(2,761,756)	(3,985,394)
Advances and short-term prepayments		(20,103)	(36,619)
Other receivables		187,440	1,808,970
Sales tax recoverable		(297,532)	(498,805)
		(3,014,821)	(2,915,401)
Increase / (decrease) in trade and other payables		1,033,931	347,414
Cash (used in) / generated from Operating Activities		129,305	(1,193,273)
Finance cost paid		(473,541)	(436,616)
Interest income received		5,202	1,300
Income tax paid		(8,169)	(9,698)
Gratuity paid		(8,875)	(8,808)
Net cash used in operating activities		(356,078)	(1,647,095)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(6,643)	(143,175)
Net cash used in investing activities		(6,643)	(143,175)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(574,929)	(372,149)
Repayment of long term finance		(334,369)	(334,369)
Net cash used in financing activities		(909,298)	(706,518)
Net increase / (decrease) in cash and cash equivalents		(1,272,019)	(2,496,788)
Cash and cash equivalents at beginning of the period		(6,658,213)	(5,080,056)
Cash and cash equivalents at end of the period	9	(7,930,233)	(7,576,844)

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

CHIEF EXECUTIVE

DIRECTOR

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 30 SEPTEMBER 2017 (UN-AUDITED)

	SHARE CAPITAL	RESERVES		TOTAL EQUITY
		Capital	Revenue	
		Retained payments reserve	Un-appropriated profit	
	(- - - - - - - - - - - - -Rupees in thousand - - - - - - - - - - - -)			
Balance as at 31 December 2015 (audited)	3,720,816	116,959	11,423,876	15,261,651
Transaction with owners:				
Final dividend for the year ended 31 December 2015 @ 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 2016	-	-	339,358	339,358
Other Comprehensive income for the period ended 30 September 2015	-	-	-	-
Total comprehensive income for the period ended 30 September 2016	-	-	339,358	339,358
Balance as at 30 September 2016 (Un-audited)	3,720,816	116,959	11,019,070	14,856,845
Balance as at 31 December 2016 (audited)	3,720,816	116,959	11,196,602	15,034,377
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

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

CHIEF EXECUTIVE

DIRECTOR

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE PERIOD ENDED 30 SEPTEMBER 2017 (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. 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

This condensed interim financial information is un-audited and is being submitted to shareholders as required by section 245 of the repealed Companies Ordinance, 1984. This condensed interim financial information of the Company for the nine months period ended 30 September 2017 has been prepared in accordance with the requirements of International Accounting Standard (IAS) 34 "Interim Financial Reporting" and provisions of and directives issued under the repealed Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the repealed Companies Ordinance, 1984 have been followed. This condensed interim financial information should be read in conjunction with audited annual published financial statements of the Company for the year ended 31 December 2016 and interim financial statements for the period ended 30 June 2017.

The Companies Ordinance, 1984 has been repealed after the enactment of the Companies Act, 2017 on 30 May 2017. SECP vide its Circular 23 of 2017 and its press release dated 04 October 2017 in continuation of circular No 17 of 2017 dated 20 July 2017, has clarified that the companies whose financial year, including quarterly and other interim period, closes on or before 31 December 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. The Companies Act, 2017 requires enhanced disclosures about Companies Operations and has also enhanced the definition of related parties.

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 2016 and half yearly published financial statements of the Company for the period ended 30 June 2017.

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 2016.

	Un-audited 30 September 2017	Audited 31 December 2016
	(Rupees in thousand)	

5. LONG-TERM FINANCE - SECURED

	Un-audited 30 September 2017	Audited 31 December 2016
Opening balance	1,226,019	1,671,844
Add: Obtained during the period / year	-	-
Less: Repaid during the period / year	334,369	445,825
	891,650	1,226,019
Less: Current portion shown under current liabilities	445,825	445,825
	445,825	780,194

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 2016 and half yearly published financial statements of the Company for the period ended 30 June 2017 except the following:

6.1.2 The bank of the Company has issued a letter of guarantee in favour of Pakistan State Oil Company Limited (PSO) - fuel supplier for an amount of Rupees 1,500 million.

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 2016, except for the commitments for letters of credit as at reporting date as per below Note 6.2.2.

	Un-audited 30 September 2017	Audited 31 December 2016
	(Rupees in thousand)	
6.2.2 Commitments in respect of letters of credit for capital expenditure	58,637	43,832
6.2.3 Commitments in respect of other than capital expenditure	15,885	279,302

7. PROPERTY, PLANT AND EQUIPMENT

	Un-audited 30 September 2017	Audited 31 December 2016
Operating fixed assets (Note 7.1)	8,743,730	9,298,612
Capital work-in-progress (Note 7.2)	33,282	71,206
	8,777,012	9,369,818

	Un-audited 30 September 2017	Audited 31 December 2016
	(Rupees in thousand)	
7.1 Operating fixed assets		
Opening book value	9,298,612	9,223,337
Add: Cost of additions during the period / year (Note 7.1.1)	54,357	923,988
Less: Book value of derecognitions during the period / year (Note 7.1.2)	9,790	28,350
Less: Depreciation charged during the period / year	599,449	820,363
Closing book value	8,743,730	9,298,612
7.1.1 Cost of additions		
Buildings on freehold land	7,844	-
Plant and machinery	46,384	920,993
Office equipment	47	1,186
Furniture and fittings	-	595
Electric equipment and appliances	83	1,214
	54,357	923,988
7.1.2 Book value of disposals / derecognitions		
Plant and machinery		
- Cost	19,211	64,660
- Less: Accumulated depreciation	9,421	36,310
	9,790	28,350
7.2 Capital work-in-progress		
Plant and machinery	26,658	71,206
Others	6,625	-
	33,282	71,206

8. COST OF SALES

	Un-audited Nine Months Ended		Un-audited Quarter Ended	
	30 September 2017	30 September 2016	30 September 2017	30 September 2016
	(Rupees in thousand)		(Rupees in thousand)	
Fuel consumed	12,927,296	9,134,458	4,446,441	3,795,438
Operation and maintenance costs	445,132	298,359	113,828	98,589
Liquidated damages to WAPDA	90	729,814	27	30
Insurance cost	339,124	336,881	114,537	112,294
Depreciation	573,335	549,728	176,383	168,255
	14,284,977	11,049,240	4,851,216	4,174,606

	Un-audited Nine Months Ended	
	30 September 2017	30 September 2016
	(Rupees in thousand)	
9. CASH AND CASH EQUIVALENTS		
Cash in hand	-	-
Cash and bank balances	112,358	15,541
Short-term borrowings	(8,042,591)	(7,592,385)
	(7,930,233)	(7,576,844)

10. TRANSACTIONS WITH RELATED PARTIES

The related parties of the Company comprise of associated companies 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:

		(Un-audited) Nine Months Ended		(Un-audited) Quarter Ended	
		30 Sep. 2017	30 Sep. 2016	30 Sep. 2017	30 Sep. 2016
		(Rupees in thousand)		(Rupees in thousand)	
Relationship with the Company	**Nature of transaction**				
Associated companies	Insurance premium	393,038	416,527	132,708	156,191
	Share of expenses	273,678	239,932	92,676	80,656
	Flying Services	50,936	28,377	17,541	1,039
	share of rental income	1,267	1,267	421	427
	Dividend paid	184,112	249,961	(56,002)	-
	Insurance Claim	-	2,996,833	-	-
	Rent Expense	4,709	4,709	1,570	1,570
	Purchase of stores	58	897	58	672
	Markup paid	39,348	11,350	17,065	3,884
	Loan obtained	1,000,000	1,000,000	-	-
	Boarding and lodging	666	-	349	-
	Stores and spares transferred to	-	2,289	(4,026)	1,107
	Stores and spares transferred from	-	5,554	(19,521)	2,184
Key management personnel	Remuneration	16,400	14,708	3,973	3,928

10.1 The Company shares premises, employees and other common costs with its associated company, Lalpir Power Limited on fifty-fifty basis in accordance with "Shared Facilities Agreement".

11. 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 23 October 2017.

12. 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 2016.

13. CORRESPONDING FIGURES

In order to comply with 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 the balances of audited annual published 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.

14. GENERAL

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

CHIEF EXECUTIVE

DIRECTOR