



3rd Quarter Report

March 31, 2015 (un-audited)

**KOT ADDU POWER
COMPANY LIMITED**

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Board of Directors	Mr. Zafar Mahmood (Chairman) Mr. Aftab Mahmood Butt (Chief Executive) Syed Nizam Ahmad Shah, esq. Mr. Anwar-ul-Haq Mr. Tahir Mahmood Mr. Owais Shahid Mr. Aqeel Ahmed Nasir
Audit Committee	Syed Nizam Ahmad Shah, esq. (Chairman) Mr. Anwar-ul-Haq Mr. Tahir Mahmood Mr. Owais Shahid Mr. Aqeel Ahmed Nasir
HR Committee	Mr. Anwar-ul-Haq (Chairman) Mr. Owais Shahid Mr. Aftab Mahmood Butt
General Manager Finance / CFO	Mr. M. Mohtashim Aftab
Company Secretary	Mr. A. Anthony Rath
Auditors	A. F. Ferguson & Co. Chartered Accountants
Internal Auditors	Ernst & Young Ford Rhodes Sidat Hyder Chartered Accountants
Legal Advisor	Kabraji & Talibuddin
Bankers	Allied Bank Limited AlBaraka Bank (Pakistan) Limited Askari Bank Limited Bank Alfalah Limited BankIslami Pakistan Limited Burj Bank Limited Citibank, N.A. Dubai Islamic Bank Pakistan Limited Faysal Bank Limited Habib Bank Limited Habib Metropolitan Bank Limited MCB Bank Limited Meezan Bank Limited National Bank of Pakistan-IBD NIB Bank Limited Samba Bank Limited Standard Chartered Bank (Pakistan) Limited The Bank of Punjab United Bank Limited
Share Registrar	THK Associates (Private,) Limited Second Floor, State Life Building No. 3 Dr. Ziauddin Ahmed Road Karachi 75530, Pakistan Tel: +92 (0)21 111 000 322 Fax: +92 (0)21 3565 5595
Registered Office	House No. 4, Street No. 54-A F-7/4, Islamabad 44210, Pakistan
Corporate Office	5 B/3, Gulberg III, Lahore 54660, Pakistan Tel: +92 (0)42 3577 2912-16 Fax: +92 (0)42 3577 2922
Power Project	Kot Addu Power Complex, Kot Addu District Muzaffargarh, Punjab, Pakistan Tel: +92 (0)66 230 1047-9 Fax: +92 (0)66 230 1025
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Directors' Report

We present the financial statements (un-audited) for the period ended March 31, 2015.

For the nine month period, the Company's turnover was Rs. 74,736 Million (Rs. 82,834 Million in July '13 - March '14); and profit after tax was Rs. 7,122 Million. The ensuing earnings per share were Rs. 8.09 per share (Rs. 10 each) (Rs. 5.92 per share in the corresponding period of the previous year). Earning Before Interest Tax Depreciation & Amortization (EBITDA) for the nine months is Rs. 17,241 Million (compared to Rs. 12,429 Million in the corresponding period last year).

The Company's off-taker remains in payment default towards the Company. On March 31, 2015, the overdue amount from WAPDA was Rs. 53,689 Million. For details you may review Note 8 to the Financial Statements. The Company continues to pursue the off-taker and concerned Ministries in the Government of Pakistan for resolution of the matter.

During the third quarter (January 1 to March 31, 2015, the Power Plant generated 1,247 GWh of electricity (year to date generation level 4845 GWh) at a load factor of 43.1% (year to date load factor 54.9%) with an overall availability of 71.2% (year to date overall availability 84.0%). The fuel mix during the third quarter was 83.2% on Low Sulphur Furnace Oil (year to date LSFO fuel mix 90.6%); 11.3% on High Speed Diesel (year to date HSD fuel mix 3.9%); and 5.49% on Gas fuel mix (year to date Gas fuel mix 5.51%).

During the third quarter, combustion inspection of two gas turbines; hot gas path inspection of one gas turbine; and major overhaul on one steam turbine was carried out as per plan.

As previously intimated, the Punjab Power Development Board (PPDB) (on behalf of the Government of Punjab) issued a Letter of Interest (LoI) to the Company for one 660 MW coal based power project at Bhikki, District Sheikhupura. PPDB requested the Company to relocate the coal project from Bhikki to Muzaffargarh; and the Company's Board of Directors has consented to the proposed relocation and the Company will accordingly be conducting a feasibility study. Conducting of a feasibility study is no assurance/guarantee at this stage that the Company will be setting up the proposed power project.

Dispatches of the interim cash dividend of Rs. 4.00 per share (Rs. 10 each) were completed on April 10, 2015 to shareholders whose names appeared on the Company's Register of Members on March 13, 2015.

On behalf of the Board



Aftab Mahmood Butt
Chief Executive

Islamabad: April 22, 2015

Condensed Interim Balance Sheet

as at March 31, 2015 (Un-audited)

	Note	March 31, 2015 (Rupees in thousand)	June 30, 2014
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorised capital			
3,600,000,000 (June 30, 2014: 3,600,000,000)			
ordinary shares of Rs 10 each		36,000,000	36,000,000
Issued, subscribed and paid up capital			
880,253,228 (June 30, 2014: 880,253,228)			
ordinary shares of Rs 10 each		8,802,532	8,802,532
Capital reserve		444,451	444,451
Unappropriated profit		17,841,171	17,540,864
		27,088,154	26,787,847
NON-CURRENT LIABILITIES			
Long term finances	4	1,196,505	1,466,609
Liabilities against assets subject to finance lease		62,025	68,332
Deferred liabilities		3,226,025	3,602,025
		4,484,555	5,136,966
CURRENT LIABILITIES			
Current portion of long term liabilities		567,549	869,245
Finances under mark-up arrangements - secured		37,354,959	37,054,118
Trade and other payables	5	22,560,464	25,503,830
		60,482,972	63,427,193
CONTINGENCIES AND COMMITMENTS			
	6		
		92,055,681	95,352,006

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.



Aftab Mahmood Butt
Chief Executive

		March 31, 2015	June 30, 2014
	Note	(Rupees in thousand)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	14,377,990	15,755,465
Intangible assets		11,199	14,648
Assets subject to finance lease		82,425	90,934
Capital work-in-progress		768,046	80,060
Long term loans and deposits		40,242	53,120
		15,279,902	15,994,227
CURRENT ASSETS			
Stores and spares		4,140,849	3,912,837
Stock-in-trade		3,722,242	4,128,021
Trade debts	8	62,232,784	66,087,635
Loans, advances, deposits, prepayments and other receivables	9	5,726,200	1,898,851
Cash and bank balances		953,704	3,330,435
		76,775,779	79,357,779
		92,055,681	95,352,006



Syed Nizam Ahmad Shah
Director

Condensed Interim Profit and Loss Account

for the quarter and nine months ended March 31, 2015 (Un-audited)

	Note	Quarter ended		Nine months ended	
		March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
		(Rupees in thousand)		(Rupees in thousand)	
Sales		16,337,073	25,899,903	74,736,440	82,833,928
Cost of sales	10	(13,096,155)	(22,252,508)	(64,046,485)	(74,570,118)
Gross profit		3,240,918	3,647,395	10,689,955	8,263,810
Administrative expenses		(77,563)	(83,849)	(265,826)	(257,044)
Other operating expenses		-	-	(10,000)	(665)
Other income		1,380,766	1,245,621	5,221,089	2,819,528
Profit from operations		4,544,121	4,809,167	15,635,218	10,825,629
Finance cost		(1,161,021)	(1,332,926)	(5,266,494)	(3,098,248)
Profit before tax		3,383,100	3,476,241	10,368,724	7,727,381
Taxation		(1,094,058)	(1,105,832)	(3,246,454)	(2,513,120)
Profit for the period		2,289,042	2,370,409	7,122,270	5,214,261
Earnings per share					
- basic and diluted	Rupees	2.60	2.69	8.09	5.92

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.



Aftab Mahmood Butt
Chief Executive



Syed Nizam Ahmad Shah
Director

Condensed Interim Statement of Comprehensive Income

for the quarter and nine months ended March 31, 2015 (Un-audited)

	Quarter ended		Nine months ended	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
	(Rupees in thousand)		(Rupees in thousand)	
Profit for the period	2,289,042	2,370,409	7,122,270	5,214,261
- Items that will not be reclassified to profit or loss	-	-	-	-
- Items that may be reclassified subsequently to profit or loss	-	-	-	-
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	2,289,042	2,370,409	7,122,270	5,214,261

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.



Aftab Mahmood Butt
Chief Executive



Syed Nizam Ahmad Shah
Director

Condensed Interim Cash Flow Statement

for the nine months ended March 31, 2015 (Un-audited)

		Nine months ended	
		March 31, 2015	March 31, 2014
	Note	(Rupees in thousand)	
Cash flows from operating activities			
Cash generated from / (used in) operations	12	11,560,628	(13,082,306)
Finance cost paid		(5,634,428)	(3,511,113)
Taxes paid		(3,547,136)	(2,095,071)
Staff retirement benefits paid		(329,819)	(25,603)
Net cash generated from / (used in) operating activities		2,049,245	(18,714,093)
Cash flows from investing activities			
Fixed capital expenditure		(889,674)	(777,541)
Income on bank deposits received		14,274	16,370
Net decrease in long term loans and deposits		12,878	669
Proceeds from sale of property, plant and equipment		2,874	3,521
Net cash used in investing activities		(859,648)	(756,981)
Cash flows from financing activities			
Repayment of liabilities against assets subject to finance lease		(20,470)	(22,787)
Repayment of long term loans - unsecured		(270,104)	(350,703)
Repayment of long term loans - secured		(304,530)	(933,606)
Dividend paid		(3,272,065)	(3,937,503)
Net cash used in financing activities		(3,867,169)	(5,244,599)
Net decrease in cash and cash equivalents		(2,677,572)	(24,715,673)
Cash and cash equivalents at beginning of the period		(33,723,683)	(5,190,032)
Cash and cash equivalents at the end of the period	13	(36,401,255)	(29,905,705)

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.



Aftab Mahmood Butt
Chief Executive



Syed Nizam Ahmad Shah
Director

Condensed Interim Statement of Changes in Equity

for the nine months ended March 31, 2015 (Un-audited)

	Share Capital	Capital reserve	Un-appro- priated profit	Total
	(Rupees in thousand)			
Balance as at June 30, 2013	8,802,532	444,451	16,228,055	25,475,038
Total comprehensive income for the period	-	-	5,214,261	5,214,261
Final dividend for the year ended June 30, 2013 - Rs 4.50 per share	-	-	(3,961,140)	(3,961,140)
Interim dividend - Rs 2.75 per share	-	-	(2,420,696)	(2,420,696)
Balance as at March 31, 2014	8,802,532	444,451	15,060,480	24,307,463
Profit for the period	-	-	2,515,583	2,515,583
Other comprehensive loss for the period:				
- Re-measurement of net defined benefit obligation - net of tax	-	-	(35,199)	(35,199)
Total comprehensive income for the period	-	-	2,480,384	2,480,384
Balance as at June 30, 2014	8,802,532	444,451	17,540,864	26,787,847
Total comprehensive income for the period	-	-	7,122,270	7,122,270
Final dividend for the year ended June 30, 2014 - Rs 3.75 per share	-	-	(3,300,950)	(3,300,950)
Interim dividend - Rs 4.00 per share	-	-	(3,521,013)	(3,521,013)
Balance as at March 31, 2015	8,802,532	444,451	17,841,171	27,088,154

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.



Aftab Mahmood Butt
Chief Executive



Syed Nizam Ahmad Shah
Director

Notes to and forming part of the Condensed Interim Financial Information

for the quarter and nine months ended March 31, 2015 (Un-audited)

1. Legal status and nature of business

Kot Addu Power Company Limited ('the Company'), was incorporated in Pakistan on April 25, 1996 as a public limited company under the Companies Ordinance, 1984. The Company was listed on April 18, 2005 on the Karachi, Islamabad and Lahore Stock Exchanges. The principal activities of the Company are to own, operate and maintain a multi-fuel fired power station with fifteen generating units with a nameplate capacity of 1,600 MW in Kot Addu, District Muzaffargarh, Punjab, Pakistan and to sell the electricity produced therefrom to a single customer, the Pakistan Water and Power Development Authority (WAPDA) under a Power Purchase Agreement (PPA). This agreement is for a term of 25 years which commenced from June 1996.

2. Basis of preparation

This condensed interim financial information is un-audited and has been prepared in accordance with the requirements of the International Accounting Standard 34 - 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984. In case where the requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

This condensed interim financial information does not include all the information required for annual financial statements and therefore should be read in conjunction with the annual financial statements for the year ended June 30, 2014.

The accounting policies adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of preceding annual published financial statements of the Company for the year ended June 30, 2014.

3. Income tax expense is recognised based on management's best estimate of the weighted average income tax rate expected for the full financial year.

4. Long term finances

Long term finances represent unsecured loan payable to associated undertaking amounting to Rs 1,737 million (June 30, 2014: Rs 2,007 million) out of which Rs 540 million (June 30, 2014: Rs 540 million) is included in current portion of long term liabilities. It carries a mark-up of 14% payable semi-annually.

5. Trade and other payables

Trade creditors include payable to Pakistan State Oil amounting to Rs Nil (June 30, 2014: Rs 7,049 million).

Notes to and forming part of the Condensed Interim Financial Information

for the quarter and nine months ended March 31, 2015 (Un-audited)

6. Contingencies and commitments

6.1 Contingencies

There has been no change in the status of the contingent liabilities disclosed as at June 30, 2014 except for the following:

- a) Income Tax Department carried out assessment for the Tax Years 2009, 2010 and 2011, based on which they created a demand of Rs 1,027 million. Subsequently, Commissioner Inland Revenue - Appeals [CIR(A)] decided certain issues in favor of the Company while remaining issues were remanded back to the Deputy Commissioner Inland Revenue (DCIR) for reconsideration. Both the Company and the Tax Department filed appeals with the Appellate Tribunal Inland Revenue (ATIR) against the CIR(A) orders. The Company received favorable order from ATIR on these issues. Subsequently, the Company received appeal effect orders amounting to Rs 676 million which were adjusted against advance tax liability for the Tax Year 2014. Tax Department has a right to file an appeal before the High Court against the ATIR decision.

For the Tax Year 2011, Income Tax Department has also selected Company in total audit under section 214(c) and carried out the assessment on which they created a demand of Rs 159 million. Subsequently, CIR(A) decided certain issues in favor of the Company and thereby reducing the demand to Rs 71 million. Being aggrieved, the Company has filed an appeal before ATIR which is pending for hearing.

For the Tax Year 2012, DCIR issued assessment order under section 122(5A) along with demand notice amounting to Rs 458 million which was later rectified to Rs 411 million. Subsequently, CIR(A) decided certain issues in favor of the Company and thereby reducing the demand to Rs 30 million. Both the Company and the Tax Department have filed appeals with ATIR against the CIR(A) order which are pending for hearing.

For the Tax Year 2013, DCIR issued assessment order under section 122(5A) along with demand notice amounting to Rs 203 million which was later rectified to Rs 199 million. Subsequently, CIR(A) decided certain issues in favor of the Company, some issues were upheld and others were remanded back to the DCIR. Appeal effect order was received from Additional Commissioner Inland Revenue (ACIR) reducing the demand to Rs 20 million. Being aggrieved, the Company has filed an appeal before ATIR which is pending for hearing.

The management is of the view that there are meritorious grounds available to defend the foregoing demands. Consequently no provision for such demands has been made in this condensed interim financial information.

Notes to and forming part of the Condensed Interim Financial Information

for the quarter and nine months ended March 31, 2015 (Un-audited)

- b) On the strength of an unfavorable decision by ATIR in the case of other Independent Power Producers, the Tax Department has issued a sales tax order against the Company for the financial period from June 2008 to June 2013 and created a demand of Rs 10,102 million by apportioning input sales tax between Capacity invoices and Energy Invoices and allowed input sales tax allocated to Energy invoices only. The refund claims of the Company during the period falling between the aforementioned period were also rejected by the Tax Authorities. Against the foregoing order, the Company filed an appeal before CIR(A) which was decided against the Company. However, CIR(A) instructed the Tax Department to rectify the demand by deleting the sales tax liability in respect of tax periods beyond 5 years, resulting in reduction of demand to the tune of 1,481 million. However, order to that effect from Tax Department is awaited. Being aggrieved, the Company filed an appeal before ATIR against the foregoing order of CIR(A) which is pending for fixation. Further, in response to the writ petition filed by the Company, Lahore High Court in its order dated January 14, 2015 stayed the recovery of tax demand till adjudication by ATIR.

The management is of the view that there are meritorious grounds available to defend the foregoing demands. Consequently no provision for such demands has been made in this condensed interim financial information.

- c) The Company has a 'Long Term Supply Agreement' (LTSA) with one of the Original Equipment Manufacturers (OEM) for the supply of spares to the Company. According to the terms of LTSA, the Company has availed discount amounting to Rs 1,981 million up to March 31, 2015 (June 30, 2014: Rs 1,747 million). This discount is contingent upon the Company procuring at least a specified amount of spares from the OEM during the tenure of LTSA. Inability of the Company to achieve the desired level of purchases would result in payment of compensation fee amounting to Rs 99 million (June 30, 2014: Rs 262 million) to the OEM out of the discount recognised up to March 31, 2015. The management of the Company feels that the minimum specified level of purchases will be achieved during the contractual period and no compensation fee would be payable to the OEM, consequently no provision for compensation fee as referred above has been made in this condensed interim financial information.
- d) WAPDA has raised invoices for liquidated damages to the Company for the years ended June 30, 2009 through 2014 (after taking into account forced outage allowance stipulated under the terms of Power Purchase Agreement) on account of short supply of electricity by the Company, which was due to cash flow constraints of the Company as a result of default by WAPDA in making timely payments. Liquidated damages invoiced to the Company amount to Rs 22,939 million (June 30, 2014: Rs 20,571 million). Estimated amount of liquidated damages (including un-invoiced liquidated damages till March 31, 2015) are not expected to exceed Rs 25,950 million as at March 31, 2015 (June 30, 2014: 22,773 million) based on the best estimate of the management of the Company.

Notes to and forming part of the Condensed Interim Financial Information

for the quarter and nine months ended March 31, 2015 (Un-audited)

The Company disputes and rejects any claim on account of liquidated damages raised by WAPDA on the premise that its failure to dispatch electricity was due to WAPDA's non-payment of dues on timely basis to the Company and consequential inability of the Company to make timely payments to its fuel supplier (PSO) that resulted in inadequate level of electricity production owing to shortage of fuel. In this regard, the Company has initiated the dispute resolution procedures specified in the Power Purchase Agreement.

According to legal advice available with the Company, there are adequate grounds to defend any claim by WAPDA for such liquidated damages since these conditions were imposed on the Company due to circumstances beyond its control. The ultimate outcome of the matter cannot presently be determined, and consequently, no provision for such liquidated damages has been made in this condensed interim financial information.

(e) The Company has provided bank guarantees in favor of following:

- Sui Northern Gas Pipelines Limited on account of payment of dues against gas sales etc., amounting to Rs 46.5 million (June 30, 2014: Rs 46.4 million); and
- Punjab Power Development Board on account of Coal Project amounting to Rs 65 million (June 30, 2014: Rs 65 million).

6.2 Commitments

- (a) Contracts for capital expenditure Rs 200 million (June 30, 2014: Rs 1,131 million).
- (b) Letters of credit other than for capital expenditure Rs 302 million (June 30, 2014: Rs 317 million).

	Note	March 31, 2015 (Rupees in thousand)	June 30, 2014
7. Property, plant and equipment			
Opening Net Book Value (NBV)		15,755,465	17,090,199
Add: Additions / transfers during the period	7.1	205,681	774,557
		15,961,146	17,864,756
Less: Disposals during the period (at NBV)		2,207	2,774
Depreciation charged during the period		1,580,949	2,106,517
		1,583,156	2,109,291
		14,377,990	15,755,465

Notes to and forming part of the Condensed Interim Financial Information
for the quarter and nine months ended March 31, 2015 (Un-audited)

		March 31, 2015	June 30, 2014
Note		(Rupees in thousand)	
7.1	Following is the detail of additions / transfers during the period		
	Additions:		
	Land	-	54,488
	Buildings on freehold land	3,790	10,945
	Plant and machinery	1,250	-
	Gas turbine blading	179,089	670,143
	Auxiliary plant and machinery	7,507	8,008
	Fixtures and fittings	185	-
	Office equipment	12,085	25,743
		203,906	769,327
	Transfers:		
	Vehicles	1,775	5,230
		205,681	774,557

8. Trade debts

Trade debts	8.1	62,379,557	66,234,408
Less: Provision for doubtful debts		146,773	146,773
		62,232,784	66,087,635

8.1 These are considered good except Rs 147 million (June 30, 2014: Rs 147 million) which are considered doubtful. Trade debts include an overdue amount of Rs 53,689 million (June 30, 2014: Rs 50,779 million) receivable from WAPDA. The trade debts are secured by a guarantee from the Government of Pakistan under the Facilitation Agreement. These are in the normal course of business and are interest free, however, a penal mark-up of SBP discount rate plus 4 percent per annum is charged in case the amounts are not paid within due dates.

9. Loans, advances, deposits, prepayments and other receivables

Loans, advances, deposits include advance paid to Pakistan State Oil amounting to Rs 3,936 million (June 30, 2014: Rs Nil).

Notes to and forming part of the Condensed Interim Financial Information
for the quarter and nine months ended March 31, 2015 (Un-audited)

	Quarter ended		Nine months ended	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
	(Rupees in thousand)		(Rupees in thousand)	
10. Cost of sales				
Fuel cost	11,865,409	21,294,321	60,716,539	69,688,362
Salaries, wages and benefits	300,308	246,026	1,089,506	877,696
Plant maintenance	36,603	61,053	184,518	253,492
Gas turbines overhauls	119,713	31,258	229,326	1,094,807
Repair and renewals	260,112	95,895	294,732	1,098,480
Depreciation on property, plant and equipment	515,784	523,015	1,556,024	1,554,387
Amortisation on intangible assets	940	940	3,449	2,894
Reversal of provision for store obsolescence	(2,714)	-	(27,609)	-
	<u>13,096,155</u>	<u>22,252,508</u>	<u>64,046,485</u>	<u>74,570,118</u>

	Nine months ended	
	March 31, 2015	March 31, 2014
	(Rupees in thousand)	

11. Transactions with related parties

Relationship with the Company Nature of transaction

i. Associated undertakings	Purchase of services	2,241	485
	Sale of electricity	74,736,440	82,833,928
	Interest expense	201,514	272,455
	Interest income on late payments	5,119,554	2,747,406
ii. Post retirement benefit plans	Expense charged	182,555	135,385
iii. Key management personnel	Compensation	161,545	142,298

All transactions with related parties have been carried out on mutually agreed terms and conditions.

Notes to and forming part of the Condensed Interim Financial Information

for the quarter and nine months ended March 31, 2015 (Un-audited)

	March 31, 2015	June 30, 2014
	(Rupees in thousand)	
Period end balances		
Associated Undertakings		
Receivable from related parties	62,991,259	66,909,225
Payable to related parties	2,411,532	2,553,566

These are in the normal course of business and interest free except for long term finances referred to in note 4.

	March 31, 2015	March 31, 2014
	(Rupees in thousand)	
12. Cash generated from operations		
Profit before tax	10,368,724	7,727,381
Adjustments for:		
- Depreciation on property, plant and equipment	1,580,949	1,579,513
- Amortisation on intangible assets	3,449	2,894
- Depreciation on assets subject to finance lease	21,514	21,045
- Write-down of property, plant and equipment	25	665
- Profit on disposal of property, plant and equipment	(692)	(2,766)
- Income on bank deposits	(14,274)	(16,370)
- Reversal of provision for store obsolescence	(27,609)	-
- Advances written off	-	78
- Staff retirement benefits accrued	153,603	114,089
- Finance cost	5,266,494	3,098,248
Profit before working capital changes	17,352,183	12,524,777
Effect on cash flow due to working capital changes		
(Increase) / decrease in current assets		
- Stores and spares	(200,403)	121,612
- Stock-in-trade	405,779	932,709
- Trade debts	3,854,851	(29,307,633)
- Loans, advances, deposits, prepayments and other receivables	(3,827,351)	385,235
(Decrease) / increase in trade and other payables	(6,024,431)	2,260,994
	(5,791,555)	(25,607,083)
Cash generated from / (used in) operations	11,560,628	(13,082,306)

Notes to and forming part of the Condensed Interim Financial Information

for the quarter and nine months ended March 31, 2015 (Un-audited)

	March 31, 2015	March 31, 2014
	(Rupees in thousand)	
13. Cash and cash equivalents		
Cash and bank balances	953,704	389,289
Finances under mark-up arrangements - secured	(37,354,959)	(30,294,994)
	<u>(36,401,255)</u>	<u>(29,905,705)</u>

14. Date of authorisation for issue

This condensed interim financial information was authorised for issue on April 22, 2015 by the Board of Directors of the Company.

15. 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 the balances of annual audited financial statements of preceding financial year, whereas, the condensed interim profit and loss account, condensed interim statement of comprehensive income and 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 purposes of comparison. However, no significant re-arrangements have been made.



Aftab Mahmood Butt
Chief Executive



Syed Nizam Ahmad Shah
Director