

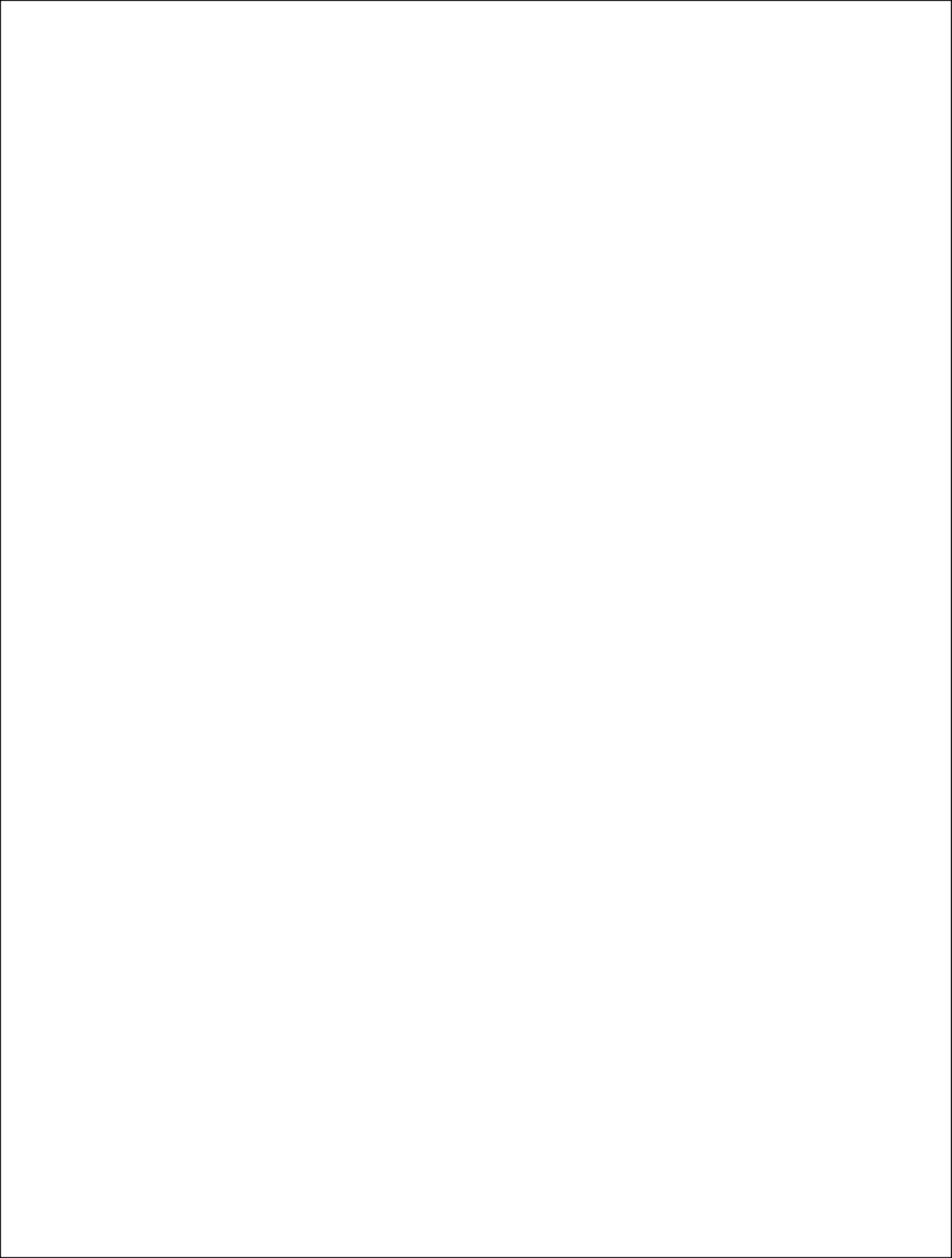


engro powergen qadirpur

power to you



Financial Information for the Half Year  
ended June 30, 2016



## CONTENTS

Company Information	02
Directors' Review on Unaudited Condensed Interim Financial Information	04
Auditors' Report to the Members on Review of Condensed Interim Financial Information	05
Unaudited Condensed Interim Financial Information	06
Directors' Review on Unaudited Condensed Interim Financial Information (in Urdu)	20



## COMPANY INFORMATION

<b>Board of Directors</b>	Khalid Siraj Subhani - Chairman Jahangir Piracha - Chief Executive Officer Aliya Yusuf Javed Akbar Ruhail Mohammad Shabbir Hashmi Shahid Hamid Pracha Vaqar Zakaria
<b>Board Audit Committee</b>	Aliya Yusuf - Chairperson Shabbir Hashmi Shahid Hamid Pracha
<b>Company Secretary</b>	Schaane Ansari
<b>Chief Financial Officer</b>	Farooq Barkat Ali
<b>Corporate Audit Manager</b>	Jaseem Ahmed Khan
<b>Bankers / Development Finance Institution (DFI)</b>	Allied Bank Ltd. Bank Alfalah Ltd. Burj Bank Ltd. Faysal Bank Ltd. Habibsons Bank Ltd. London National Bank of Pakistan NIB Bank Ltd. Pak Kuwait Investment Company (Pvt) Ltd. Soneri Bank Ltd. The Bank of Punjab
<b>Auditors</b>	A.F. Ferguson & Co. Chartered Accountants State Life Building No. 1-C, I.I. Chundrigar Road, Karachi-74000, Pakistan. Telephone: +92(21) 32426682-6 / 32426711-5 Fax: +92(21) 32415007 / 32427938
<b>Registered Office</b>	4th Floor, The Harbour Front Building, HC-3, Marine Drive, Block-4, Clifton, Karachi – 75600, Pakistan. UAN: +111-211-211 PABX: +92(21) 35297501-10
<b>Plant</b>	Engro Powergen Qadirpur Plant Site Deh Belo Sanghari Taluka, District Ghotki, Sindh
<b>Share Registrar</b>	FAMCO Associates (Private) Limited 8-F, Next to Hotel Faran, Nursery, Block 6, P.E.C.H.S., Shahra-e-Faisal, Karachi, Pakistan. Tel: +92(21) 34380101-5 Fax: +92(21) 34380106
<b>Website</b>	<a href="http://www.engropowergen.com">www.engropowergen.com</a>





engro powergen qadirpur

**DIRECTORS' REVIEW AND  
CONDENSED INTERIM  
FINANCIAL INFORMATION (UNAUDITED)  
FOR THE HALF YEAR ENDED JUNE 30, 2016**



**ENGRO POWERGEN QADIRPUR LIMITED**  
**DIRECTORS' REVIEW TO THE SHAREHOLDERS**  
**ON UNAUDITED CONDENSED INTERIM FINANCIAL INFORMATION**  
**FOR THE HALF YEAR ENDED JUNE 30, 2016**

The Directors of Engro Powergen Qadirpur Limited (EPQL) are pleased to present the unaudited financial information and a review of the Company's performance for the half year ended June 30, 2016.

**Operating Performance**

The EPQL Plant demonstrated a billable availability factor of 100.1% in 1H 2016 compared to 99.2% during the same period last year. The Plant supplied a total Net Electrical Output (NEO) of 406 GWh to the national grid with a load factor of 43% compared to 66% in 1H 2015. The decline in load factor was primarily on account of power purchaser's (NTDC's) auto transformer issue which caught fire and went out of operation on January 21, 2016. As reported earlier, this incident impacted power evacuation in the region in which our Plant operates. Following the incident, the Plant remained on standby mode until the completion of transformer repair and resumed its normal operations from April 29, 2016 onwards. The Plant was entitled to full Capacity Purchase Payments (CPP) throughout the period.

The Company maintained its high level of commitment towards HSE (Health, Safety & Environment) standards. The Total Recordable Injury Rate (TRIR) for the period remained zero.

**Financial Performance**

Sales revenue for the period was PKR 4,715 Mn compared to PKR 6,681 Mn in the same period last year. The decrease in sales revenue was mainly attributable to a decline in load factor as explained above with a corresponding decline in the cost of generation.

Despite lower sales volume as mentioned above, the gross profit for the period increased to PKR 1,411 Mn compared to PKR 1,230 Mn in the same period last year. This increase in profitability is on account of a higher Period Weighting Factor (PWF) applicable to Company's CPP for 1H 2016 under the Power Purchase Agreement. This is the first time that the Company has been assigned a higher PWF in 1H 2016 (average PWF 1H 2016: 1.2 vs average PWF 1H 2015: 1.0). This arrangement has generated a favorable timing difference of PKR 330 Mn which is reflected in the Company's gross profits and will reverse in 2H 2016 which carries a lower average PWF of 0.8. Resultantly, the Company's profitability in 2H 2016 will be lower as compared to 1H 2016. It is pertinent to note that as per the PPA, the average PWF for the complete year has to be at 1.0.

Other income represents insurance income for settlement of repair expenditure along with business interruption loss suffered by the Company in 2014-15. Lower running finance costs and timely payments to the fuel supplier have helped to decrease the financial cost for the period to PKR 179 Mn in 1H 2016 compared to PKR 205 Mn for the same period last year.

Overdue receivable from NTDC stood at PKR 1,284 Mn as on June 30, 2016 vs PKR 1,692 Mn as on December 31, 2015. Similarly overdue payable to SNGPL on June 30, 2016 was PKR 485 Mn vs PKR 583 Mn as on December 31, 2015.

The Company earned a net profit of PKR 1,245 Mn for 1H 2016 as compared to PKR 951 Mn in 1H 2015 for reasons mentioned above. Resultantly earnings per share are of PKR 3.84 for 1H 2016 compared to PKR 2.94 for the same period last year.

**Dividend**

The Board of Directors of the Company in its meeting held on August 8, 2016 has declared an interim cash dividend of PKR 1.5 per share (15%).

**Near term Outlook**

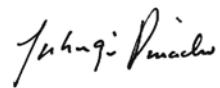
The Company's Plant at Qadirpur would continue to receive uninterrupted supply of permeate gas in 2016. Gas based power plants would continue to be ranked higher on account of their higher efficiencies and environmental parameters. Furthermore, with the rectification of the NTDC's auto transformer issue and up-gradation of Power Purchaser's grid, we expect to receive uninterrupted dispatch from the power purchaser in 2H 2016.

Going forward the Company will continue to maintain its focus on plant and equipment reliability and other performance improvement initiatives, thereby ensuring uninterrupted power supply to the national grid for the benefit of all stakeholders.



**Khalid Siraj Subhani**  
Chairman

Karachi: August 08, 2016



**Jahangir Piracha**  
Chief Executive Officer





**AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION**

**Introduction**

We have reviewed the accompanying condensed interim balance sheet of Engro Powergen Qadirpur Limited as at June 30, 2016 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows together with the notes forming part thereof (here-in-after referred to as the "condensed interim financial information") for the half year then ended. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

The figures of condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended June 30, 2016 and 2015 have not been reviewed as we are required to review only the cumulative figures for the half year ended June 30, 2016.

**Scope of Review**

We conducted our review in accordance with International Standard on Review Engagement 2410, "Review of Interim Financial Information Performed by Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as of and for the half year ended June 30, 2016 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

**Chartered Accountants  
Karachi  
Date: August 22, 2016**

**Engagement Partner: Waqas A. Sheikh**

.....  
*A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network  
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan  
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>*

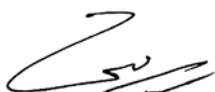
■ KARACHI ■ LAHORE ■ ISLAMABAD

(Amounts in thousand)

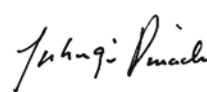
**ENGRO POWERGEN QADIRPUR LIMITED**  
**CONDENSED INTERIM BALANCE SHEET**  
**AS AT JUNE 30, 2016**

		<b>Unaudited June 30, 2016</b>	<b>Audited December 31, 2015</b>
	<b>Note</b>	<b>Rupees</b>	
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	13,793,605	14,078,859
Intangible assets		82,168	83,381
Long term deposits		2,491	2,491
Long term loans and advances		42,069	34,674
		<u>13,920,333</u>	<u>14,199,405</u>
<b>Current assets</b>			
Inventories		381,520	382,085
Stores and spares		459,412	444,174
Trade debts	5	1,959,400	2,760,311
Short term investments	6	50,000	50,000
Loans, advances, deposits, prepayments and other receivables		1,887,515	1,646,424
Taxes recoverable		61,009	55,067
Balances with banks	7	320,978	14,153
		<u>5,119,834</u>	<u>5,352,214</u>
<b>TOTAL ASSETS</b>		<u>19,040,167</u>	<u>19,551,619</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		3,238,000	3,238,000
Share premium		80,777	80,777
Maintenance reserve		227,182	227,182
Hedging reserve		(69,399)	(58,750)
Unappropriated profit		4,922,261	4,001,084
Remeasurement of retirement benefit obligation - Actuarial gain		529	477
<b>Total equity</b>		<u>8,399,350</u>	<u>7,488,770</u>
<b>LIABILITIES</b>			
<b>Non-current liability</b>			
Borrowings	8	5,515,894	6,394,878
<b>Current liabilities</b>			
Creditors, accrued and other liabilities		1,712,866	1,840,373
Provisions	9	51,310	3,810
Accrued interest / mark-up		28,285	35,165
Current portion of long term borrowings	8	1,718,467	1,650,776
Short term borrowings	10	1,612,401	2,136,842
Retirement and other service benefits obligations		1,594	1,005
<b>Total Liabilities</b>		<u>10,640,817</u>	<u>12,062,849</u>
<b>Contingencies and Commitments</b>	11		
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>19,040,167</u>	<u>19,551,619</u>

The annexed notes from 1 to 22 form an integral part of these condensed interim financial information.



**Khalid Siraj Subhani**  
Chairman



**Jahangir Piracha**  
Chief Executive Officer





(Amounts in thousand except for earnings per share)

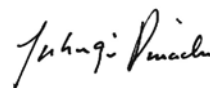
**ENGRO POWERGEN QADIRPUR LIMITED**  
**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT**  
**FOR THE HALF YEAR ENDED JUNE 30, 2016**

		<b>Unaudited Quarter ended June 30, 2016</b>	<b>Unaudited Quarter ended June 30, 2015</b>	<b>Unaudited Half year ended June 30, 2016</b>	<b>Unaudited Half year ended June 30, 2015</b>
	<b>Note</b>	<b>Rupees</b>			
Sales	12	3,205,375	4,186,842	4,714,618	6,681,095
Cost of sales		(2,309,273)	(3,563,988)	(3,303,705)	(5,450,808)
<b>Gross profit</b>	12.2	<u>896,102</u>	<u>622,854</u>	<u>1,410,913</u>	<u>1,230,287</u>
Administrative expenses		(36,911)	(31,454)	(85,040)	(74,962)
Other expenses		(1,024)	(940)	(1,850)	(1,434)
Other income	13	99,803	278	100,087	1,314
<b>Profit from operations</b>		<u>957,970</u>	<u>590,738</u>	<u>1,424,110</u>	<u>1,155,205</u>
Finance cost		(81,086)	(99,437)	(178,782)	(204,602)
Workers' profits participation fund and Workers' welfare fund	14	-	-	-	-
<b>Profit before taxation</b>		<u>876,884</u>	<u>491,301</u>	<u>1,245,328</u>	<u>950,603</u>
Taxation		(172)	(3)	(351)	(8)
<b>Profit for the period</b>		<u><u>876,712</u></u>	<u><u>491,298</u></u>	<u><u>1,244,977</u></u>	<u><u>950,595</u></u>
<b>Earnings per share - basic and diluted</b>	15	<u><u>2.71</u></u>	<u><u>1.52</u></u>	<u><u>3.84</u></u>	<u><u>2.94</u></u>

The annexed notes from 1 to 22 form an integral part of these condensed interim financial information.



**Khalid Siraj Subhani**  
Chairman



**Jahangir Piracha**  
Chief Executive Officer



(Amounts in thousand)

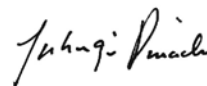
**ENGRO POWERGEN QADIRPUR LIMITED**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE HALF YEAR ENDED JUNE 30, 2016**

	Unaudited Quarter ended June 30, 2016	Unaudited Quarter ended June 30, 2015	Unaudited Half year ended June 30, 2016	Unaudited Half year ended June 30, 2015
	<b>Rupees</b>			
<b>Profit for the period</b>	876,712	491,298	1,244,977	950,595
<b>Other comprehensive income / (loss):</b>				
Item that may be reclassified subsequently to profit and loss:				
- Hedging reserve - loss for the period	(6,705)	(10,302)	(12,483)	(8,797)
- Less: Transfers to profit and loss	1,008	849	1,834	1,434
	(5,697)	(9,453)	(10,649)	(7,363)
Items that will not be reclassified to profit and loss:				
- Remeasurement of retirement benefit obligation - Actuarial gain	52	-	52	-
<b>Total comprehensive income for the period</b>	<u>871,067</u>	<u>481,845</u>	<u>1,234,380</u>	<u>943,232</u>

The annexed notes from 1 to 22 form an integral part of these condensed interim financial information.



**Khalid Siraj Subhani**  
Chairman



**Jahangir Piracha**  
Chief Executive Officer



(Amounts in thousand)

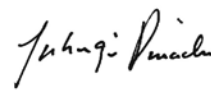
**ENGRO POWERGEN QADIRPUR LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**FOR THE HALF YEAR ENDED JUNE 30, 2016**

	Reserves						Total
	Capital			Revenue			
	Share capital	Share premium	Maintenance reserve	Unappropriated profit	Hedging reserve	Remeasurement of retirement benefit obligation - Actuarial gain	
	Rupees						
<b>Balance as at January 1, 2015 (Audited)</b>	3,238,000	80,777	227,182	3,013,096	(50,109)	373	6,509,319
Total comprehensive income for the half year ended June 30, 2015	-	-	-	950,595	(7,363)	-	943,232
<b>Transactions with owners</b>							
1st Interim dividend for the year ended Decemeber 31, 2015 @ Rs. 1.50 per share	-	-	-	(485,700)	-	-	(485,700)
<b>Balance as at June 30, 2015 (Unaudited)</b>	3,238,000	80,777	227,182	3,477,991	(57,472)	373	6,966,851
Total comprehensive income for the half year ended December 31, 2015	-	-	-	846,893	(1,278)	104	845,719
<b>Transactions with owners</b>							
2nd Interim dividend for the year ended Decemeber 31, 2015 @ Rs. 1.00 per share	-	-	-	(323,800)	-	-	(323,800)
<b>Balance as at December 31, 2015 (Audited)</b>	3,238,000	80,777	227,182	4,001,084	(58,750)	477	7,488,770
Total comprehensive income for the half year ended June 30, 2016	-	-	-	1,244,977	(10,649)	52	1,234,380
<b>Transactions with owners</b>							
Final dividend for the year ended December 31, 2015 @ Rs. 1.00 per share	-	-	-	(323,800)	-	-	(323,800)
<b>Balance as at June 30, 2016 (Unaudited)</b>	<u>3,238,000</u>	<u>80,777</u>	<u>227,182</u>	<u>4,922,261</u>	<u>(69,399)</u>	<u>529</u>	<u>8,399,350</u>

The annexed notes from 1 to 22 form an integral part of these condensed interim financial information.



**Khalid Siraj Subhani**  
Chairman



**Jahangir Piracha**  
Chief Executive Officer

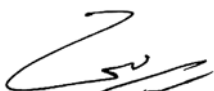


(Amounts in thousand)

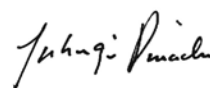
**ENGRO POWERGEN QADIRPUR LIMITED**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS**  
**FOR THE HALF YEAR ENDED JUNE 30, 2016**

	Note	Unaudited Half year ended June 30, 2016	Unaudited Half year ended June 30, 2015
		Rupees	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	16	2,282,882	1,320,709
Taxes paid		(6,293)	(3,289)
Long term loans and advances - net		(7,395)	(2,875)
Net cash generated from operating activities		2,269,194	1,314,545
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment and intangibles		(80,940)	(214,833)
Sale proceeds from disposal of property, plant and equipment		75	5,459
Investments made during the period		(100,000)	(50,000)
Proceeds from encashment of short term investments		100,000	50,000
Net cash utilised in investing activities		(80,865)	(209,374)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayments of long term borrowings		(817,886)	(731,328)
Finance cost paid		(215,377)	(215,304)
Dividends paid		(323,800)	(485,700)
Net cash utilised in financing activities		(1,357,063)	(1,432,332)
Net increase / (decrease) in cash and cash equivalents		831,266	(327,161)
Cash and cash equivalents at beginning of the period		(2,072,689)	(1,902,328)
Cash and cash equivalents at end of the period		(1,241,423)	(2,229,489)

The annexed notes from 1 to 22 form an integral part of these condensed interim financial information.



**Khalid Siraj Subhani**  
Chairman



**Jahangir Piracha**  
Chief Executive Officer



**ENGRO POWERGEN QADIRPUR LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)**  
**FOR THE HALF YEAR ENDED JUNE 30, 2016**

**1. LEGAL STATUS AND OPERATIONS**

- 1.1 Engro Powergen Qadirpur Limited (the Company), is a public listed company, incorporated in Pakistan, under the Companies Ordinance, 1984, and its shares are quoted on the Pakistan Stock Exchange Limited. The Company is a subsidiary of Engro Powergen Limited, which is a wholly owned subsidiary of Engro Corporation Limited. Engro Corporation Limited is a subsidiary of Dawood Hercules Corporation Limited (the Ultimate Parent Company). The Company's registered office is located at 4th floor, Harbour Front Building, Plot Number HC-3, Block 4, Scheme No. 5, Clifton, Karachi.
- 1.2 The Company was established with the primary objective to undertake the business of power generation and sale. The Company has a 217.3 MW combined cycle power plant and commenced commercial operations on March 27, 2010. The electricity generated is transmitted to the National Transmission and Despatch Company (NTDC) under the Power Purchase Agreement (PPA) dated October 26, 2007. This agreement is for a period of 25 years.

**2. BASIS OF PREPARATION**

This condensed interim financial information is unaudited 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 (the Ordinance). In case where requirements differ, the provisions of or directives issued under the Ordinance have been followed. This condensed interim financial information has, however, been subjected to limited scope review by the auditors, as required under the Code of Corporate Governance, and should be read in conjunction with the annual financial statements of the Company for the year ended December 31, 2015.

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 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 expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

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 are the same as those that apply to the annual financial statements for the year ended December 31, 2015.

**3. ACCOUNTING POLICIES**

- 3.1 The accounting policies applied and the methods of computation adopted in the preparation of this condensed interim financial information are consistent with those applied in the preparation of the annual financial statements for the year ended December 31, 2015.
- 3.1.1 There are certain new International Financial Reporting Standards (standards), amendments to published standards and interpretations that are mandatory for the financial year beginning on January 1, 2016. These are considered not to be relevant or to have any significant effect on the Company's financial reporting and operations and are, therefore, not disclosed in this condensed interim financial information.
- 3.1.2 Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.



(Amounts in thousand)

	<b>Unaudited June 30, 2016</b>	<b>Audited December 31, 2015</b>
	<b>Rupees</b>	
<b>4 PROPERTY, PLANT AND EQUIPMENT</b>		
Operating assets, at net book value (notes 4.1 & 4.2)	12,688,388	13,633,967
Capital work-in-progress	131,311	100,499
Capital spares	973,906	344,393
	<u>13,793,605</u>	<u>14,078,859</u>

4.1 Additions to operating assets, excluding transfers to and from capital spares, during the period / year were as follows:

	<b>Rate of depreciation  (%)</b>	<b>Unaudited June 30, 2016</b>	<b>Audited December 31, 2015</b>
		<b>Rupees</b>	
Plant & machinery - including capitalization of exchange loss/ (gain)	4 - 16	31,732	571,640
Buildings & civil works	2.5 - 8	-	11,071
Furniture, fixtures and equipments	15 - 25	5,133	11,421
Vehicles	19 - 23	-	14,860
		<u>36,865</u>	<u>608,992</u>

4.2 During the period, assets costing Rs. 104 (December 31, 2015: Rs. 40,179), having net book value of Rs. 50 (December 31, 2015: Rs. 20,197) was disposed off for Rs. 75 (December 31, 2015: Rs. 26,959).

4.3 Assets having net book value of Rs. 47,335 (December 31, 2015: Nil) have been written-off against the provision for impairment.

	<b>Unaudited June 30, 2016</b>	<b>Audited December 31, 2015</b>
	<b>Rupees</b>	
<b>4.4 Capital spares</b>		
Balance at beginning of the year	344,393	1,021,451
Transfers		
- from operating assets	667,755	87,842
- to operating assets	(38,242)	(764,900)
Balance at end of the year	<u>973,906</u>	<u>344,393</u>



(Amounts in thousand)

	<b>Unaudited June 30, 2016</b>	<b>Audited December 31, 2015</b>
	<b>Rupees</b>	
<b>5 TRADE DEBTS - secured</b>		
Considered good	1,959,400	2,760,311
5.1 Trade debts, including delayed payment charges, are secured by a guarantee from the Government of Pakistan under the Implementation Agreement and as such are considered good.		
5.2 Trade debts include:		
- Rs. 1,746,950 (December 31, 2015: Rs. 2,282,433) which is neither past due nor impaired; and		
- Rs. 212,450 (December 31, 2015: Rs. 477,878) which is overdue but not impaired. The overdue receivables carry mark-up at the rate of KIBOR plus 4.5% per annum. These receivables are overdue by upto 6 months.		

## 6 SHORT TERM INVESTMENTS

### - Held to maturity

Investment has been made in conventional Term Deposit Receipts. The rate of mark-up on this investment is 5.15% (December 31, 2015: 6.50%) per annum.

	<b>Unaudited June 30, 2016</b>	<b>Audited December 31, 2015</b>
	<b>Rupees</b>	
<b>7 BALANCES WITH BANKS</b>		
Deposit accounts:		
- Foreign currency	2,810	2,811
- Local currency	318,168	11,342
	<u>320,978</u>	<u>14,153</u>

- 7.1 Foreign currency deposits carry return at the rate of 0.1% (December 31, 2015: 0.1%) per annum.
- 7.2 Local currency deposits carry return at the rate of 4% - 5% (December 31, 2015: 4% - 7%) per annum.
- 7.3 All bank balances are maintained under conventional banking system.



(Amounts in thousand)

	<b>Unaudited June 30, 2016</b>	<b>Audited December 31, 2015</b>
	Rupees	
<b>8. BORROWINGS - secured</b>		
Long term borrowings	7,234,361	8,045,654
Less: Current portion shown under current liabilities	<u>1,718,467</u>	<u>1,650,776</u>
	<u>5,515,894</u>	<u>6,394,878</u>

8.1 The Company entered into a financing agreement with a consortium comprising of international financial institutions amounting to US\$ 144,000. The finance carries markup at the rate of six months LIBOR plus 3% payable semi-annually over a period of twelve years. The principal is repayable in twenty semi-annual instalments commencing from December 15, 2010. As at June 30, 2016, the outstanding balance of the borrowing was US\$ 69,432 (December 31, 2015: US\$ 77,146).

#### 9. PROVISIONS

This represents provisions recognised on prudence basis in respect of certain claims raised against the Company. The Company, however, is confident of favourable outcome against these claims.

#### 10. SHORT TERM BORROWINGS

The available facilities under mark-up arrangements aggregate to Rs. 4,400,000 (December 31, 2015: 4,400,000). These facilities carry mark-up at the rate of 3 months KIBOR plus 0.7% - 1.0% (December 31, 2015: 3 months KIBOR plus 0.8% - 1.5%).

	<b>Unaudited June 30, 2016</b>	<b>Audited December 31, 2015</b>
	Rupees	
<b>11. CONTINGENCIES AND COMMITMENTS</b>		
11.1 Contingent liabilities - Guarantees in favour of Sui Northern Gas Pipelines Limited (SNGPL) in accordance with the terms of Gas Supply Agreement (GSA)	<u>2,496,126</u>	<u>2,496,126</u>
11.2 Commitments in respect of :		
- letter of credit in favour of Company's senior lenders	839,861	840,663
- others	<u>56,240</u>	<u>50,078</u>
	<u>896,101</u>	<u>890,741</u>





(Amounts in thousand)

	Unaudited Quarter ended June 30, 2016	Unaudited Quarter ended June 30, 2015	Unaudited Half year ended June 30, 2016	Unaudited Half year ended June 30, 2015
--	---	---	---	---

---

Rupees

**12. SALES**

Capacity purchase price	1,255,198	852,651	2,126,301	1,695,591
Energy purchase price (note 12.1)	1,950,177	3,334,191	2,588,317	4,985,504
	<u>3,205,375</u>	<u>4,186,842</u>	<u>4,714,618</u>	<u>6,681,095</u>

12.1 On January 21, 2016, auto transformer T-3: 500/ 200 KV/ 450 MVA at Guddu (the transformer) of National Transmission And Despatch Company (NTDC) caught fire and went out of operation. Resultantly, power evacuation in the entire region, where the Company's power plant is situated, was affected. The plant remained under standby mode due to the load evacuation constraints until the repair work on the transformer was completed and the plant resumed its routine operations on April 29, 2016.

12.2 Despite the decrease in sales during the period due to the reasons mentioned in above note 12.1, there is an increase in gross profit which is due to the fact that the Company has been assigned a higher average Period Weighting Factor (PWF) of 1.2 on its Capacity Purchase Payments in first half of financial year 2016 as compared to same period last year in which average PWF was 1.0. This arrangement has generated a favorable timing difference which is reflected in the Company's gross profit for the current period and will reverse in second half of 2016 which will carry an average PWF of 0.8. Resultantly, the Company's profitability in second half of 2016 will be lower as compared to first half of 2016. As per the PPA average PWF for a complete year has to be at 1.0. The increase in gross profit due to this higher PWF of 1.2 amounts to Rs. 330,000.

	Unaudited Quarter ended June 30, 2016	Unaudited Quarter ended June 30, 2015	Unaudited Half year ended June 30, 2016	Unaudited Half year ended June 30, 2015
--	---	---	---	---

---

Rupees

**13. OTHER INCOME****Financial assets:**

Profit on short term investments	258	248	542	248
Exchange gain	-	30	-	30

**Non-financial assets:**

Insurance claim - net of deductible (note 13.1)	99,520	-	99,520	-
Gain on disposal of operating assets	25	-	25	1,036
	<u>99,803</u>	<u>278</u>	<u>100,087</u>	<u>1,314</u>

13.1 In 2014, the Company carried out a nozzle tips modification exercise on its Plant subsequent to which some parts were damaged. The cost of repair of such damage and business interruption loss is covered under the Company's insurance policy. During the period, the insurance company principally agreed and made a partial payment of Rs. 78,148 for settlement of repair expenditure of the damaged parts alongwith the business interruption loss suffered by the Company. Accordingly, the Company has recorded insurance claim of Rs. 99,148, being virtually certain of receipt of the remaining claim amounting to Rs. 21,000.



(Amounts in thousand except for earnings per share)

	Unaudited Quarter ended June 30, 2016	Unaudited Quarter ended June 30, 2015	Unaudited Half year ended June 30, 2016	Unaudited Half year ended June 30, 2015
<b>14. WORKERS' PROFIT</b>	<b>Rupees</b>			
<b>PARTICIPATION FUND AND WORKERS' WELFARE FUND</b>				
Provision for				
- Workers' profits participation fund	43,858	24,565	62,266	47,530
- Workers' welfare fund	17,544	9,826	24,907	19,012
	<u>61,402</u>	<u>34,391</u>	<u>87,173</u>	<u>66,542</u>
Less:				
Recoverable from National Transmission & Despatch Company (NTDC)	(61,402)	(34,391)	(87,173)	(66,542)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

- 14.1 The Company is required to pay / contribute 5% of its profit to the Workers' profits participation fund and 2% of its profits to the Workers' welfare fund. However, such payment will not affect the Company's overall profitability as these are recoverable from NTDC as pass through items under the terms of the Power Purchase Agreement (PPA). The Company is currently contesting the applicability of Workers' welfare fund on its income at the Sindh High Court and Appellate Tribunal Inland Revenue.

#### 15. EARNINGS PER SHARE

There is no dilutive effect on the basic earnings per share of the Company, which is based on:

	Unaudited Quarter ended June 30, 2016	Unaudited Quarter ended June 30, 2015	Unaudited Half year ended June 30, 2016	Unaudited Half year ended June 30, 2015
	<b>Rupees</b>			
Profit for the period	<u>876,712</u>	<u>491,298</u>	<u>1,244,977</u>	<u>950,595</u>
	<b>Number of shares</b>			
Weighted average number of ordinary shares (In thousand)	<u>323,800</u>	<u>323,800</u>	<u>323,800</u>	<u>323,800</u>
	<b>Rupees</b>			
Earning per share - basic and diluted	<u>2.71</u>	<u>1.52</u>	<u>3.84</u>	<u>2.94</u>

(Amounts in thousand)

	Unaudited Half year ended June 30, 2016	Unaudited Half year ended June 30, 2015
	Rupees	
<b>16. CASH GENERATED FROM OPERATIONS</b>		
Profit before taxation	1,245,328	950,603
Adjustment for non-cash charges and other items:		
- Depreciation and amortization	361,467	356,469
- Reclassification of cash flow hedge to profit and loss	1,834	1,434
- Gain on disposal of property, plant and equipment	(25)	(1,036)
- Finance cost	208,497	231,600
Working capital changes (note 16.1)	465,781	(218,361)
	<u>2,282,882</u>	<u>1,320,709</u>
<b>16.1 Working capital changes</b>		
Decrease/(increase) in current assets:		
Inventory and stores & spares - net	(14,673)	(28,312)
Trade debts	800,911	(2,805,884)
Loans, advances, deposits, prepayments and other receivables - net	(241,091)	163,972
	<u>545,147</u>	<u>(2,670,224)</u>
(Decrease)/increase in current liabilities:		
Creditors, accrued expenses and other liabilities	(79,955)	2,453,276
Retirement and other service benefits	589	(1,413)
	<u>465,781</u>	<u>(218,361)</u>
<b>17. CASH AND CASH EQUIVALENTS</b>		
Balances with banks	320,978	65,107
Short term running finance	(1,612,401)	(2,350,596)
Short term investments	50,000	56,000
	<u>(1,241,423)</u>	<u>(2,229,489)</u>
<b>18. FINANCIAL MANAGEMENT AND FINANCIAL INSTRUMENTS</b>		
18.1 The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk.		
There have been no changes in the risk management policies during the period, consequently this condensed interim financial information does not include all the financial risk management information and disclosures required in the annual financial statements.		
18.2 <b>Fair value estimation</b>		
The carrying value of all financial assets and liabilities reflected in this condensed interim financial information approximate their fair values.		



(Amounts in thousand)

## 19. TRANSACTIONS WITH RELATED PARTIES

Details of transactions with related parties during the period, other than those which have been disclosed elsewhere in this condensed interim financial information, are as follows:

Nature of relationship	Nature of transactions	Unaudited	Unaudited
		Half year ended June 30, 2016	Half year ended June 30, 2015
		Rupees	
<b>Holding Company</b>	Purchase of services	50,678	30,787
	Services rendered	70,224	34,982
	Contribution for Corporate Social Responsibility (CSR) activities	4,468	3,907
<b>Associated undertakings</b>	Purchase of services	52,129	20,748
	Services rendered	29,044	9,404
	Contribution for CSR activities	-	4,000
<b>Key management personnel</b>	Managerial remuneration	34,544	36,391
	Retirement benefit schemes	3,637	2,930
<b>Staff retirement benefits</b>	Managed and operated by the Company		
	- Gratuity fund	1,005	2,237
	Managed and operated by Engro Corporation Limited		
	- Gratuity fund	7,997	4,956
	- Provident fund	26,293	19,806
- Pension fund	1,778	745	

## 20. CORRESPONDING FIGURES


In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the condensed interim balance sheet has been compared with the balances of annual financial statements of preceding financial year, whereas the condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows have been compared with the balances of comparable period of immediately preceding financial year.

## 21. DATE OF AUTHORISATION FOR ISSUE

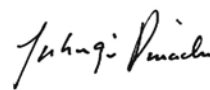
This condensed interim financial information was authorised for issue on August 8, 2016 by the Board of Directors of the Company.

## 22. NON-ADJUSTING EVENT AFTER BALANCE SHEET DATE

The Board of Directors in its meeting held on August 8, 2016 have declared an interim cash dividend of Rs. 1.5 per share amounting to Rs. 485,700.



**Khalid Siraj Subhani**  
Chairman



**Jahangir Piracha**  
Chief Executive Officer



کمپنی کی دیگر آمدن میں انشورنس آمدن شامل ہے جو سیٹلمنٹ کی مد میں کمپنی کو وصول ہوئی۔ یہ آمدن 15-2014 میں کمپنی کی کاروباری سرگرمیوں میں نقصان اور مرمت کے اخراجات کے عوض حاصل ہوئی۔ رنگ فانس کی کم لاگت اور فیول سپلائر کو وقت پر ادائیگیوں کی بدولت فنانشل لاگت کو کم کرنے میں مدد ملی۔ فنانشل اخراجات زیر جائزہ ششماہی میں پچھلے سال کی پہلی ششماہی کی لاگت 205 ملین روپے کے مقابلہ میں گھٹ کر 179 ملین روپے رہ گئے۔

NTDC سے وصولیاتی رقم 30 جون 2016 تک 1,284 ملین روپے رہی جبکہ 31 دسمبر 2015 پر یہ وصولیاتی رقم 1,692 ملین روپے تھی۔ اسی طرح SNGPL کو واجب الادا رقم 30 جون 2016 پر 485 ملین روپے رہی جبکہ 31 دسمبر 2015 پر واجب الادا رقم 583 ملین روپے رہی۔

اوپر بیان و جو بات کی بناء پر کمپنی کا کل منافع پچھلے سال کی اسی مدت کے منافع 951 ملین روپے سے بڑھ کر 1,245 ملین روپے ہو گیا۔ نتیجاً فی ششماہی آمدنی 2016 کی پہلی ششماہی کے اختتام پر 2.94 روپے سے بڑھ کر زیر جائزہ ششماہی میں 3.84 روپے رہی۔

ڈیوڈنڈ

8 اگست 2016 کو منعقدہ کمپنی مینٹنگ میں اینگری و پاور جن قادر پور لمیٹڈ کے بورڈ آف ڈائریکٹرز نے 1.5 روپے فی شیئر (15 فیصد) عبوری کیش ڈیوڈنڈ کا اعلان کیا۔

مستقبل قریب کا آؤٹ لک

کمپنی کے قادر پور میں قائم پلانٹ کو 2016 میں بھی بلا تعطل گیس کی فراہمی برقرار رہے گی۔ گیس سے چلنے والے پلانٹس اپنے استعداد کار اور ماحولیاتی پیرامیٹرز کی وجہ سے اعلیٰ درجہ بندی پر رہیں گے مزید برآں، ہم، NTDC کے آؤٹرانسفا مر کے آپریشنل ہو جانے کے بعد اور گرڈ کی گنجائش میں اضافے کے بعد امید رکھتے ہیں کہ پلانٹ سے بجلی کی فراہمی بلا تعطل جاری رہے گی اور دوسری ششماہی میں خریدار کو بجلی ڈسپینچ کی جاتی رہے گی۔

مستقبل میں بھی کمپنی پلانٹ کی دیکھ بھال اور ایکویپمنٹ (آلات) کو قابل اعتماد رکھنے اور کارکردگی میں بہتری کے اقدامات پر توجہ رکھے گی تاکہ نیشنل گرڈ میں بلا تعطل بجلی شامل کی جاسکے اور تمام اسٹیک ہولڈرز کو فائدہ ہو۔



خالد سراج سبحانی  
چیرمین



جہانگیر پراچہ  
چیف ایگزیکٹو آفیسر

8 اگست 2016



اینگرو پاور جن قادر پور لمیٹڈ

ڈائریکٹرز کا جائزہ

شیر ہولڈرز کے لئے کمپنی ڈائریکٹرز کی جانب سے 30 جون 2016 کو ختم ہونے والی ششماہی کی عبوری مالیاتی معلومات کا جائزہ

اینگرو پاور جن قادر پور لمیٹڈ (EPQL) کے ڈائریکٹرز 30 جون 2016 کو اختتام پزیر ہونے والی ششماہی میں کمپنی کی کارکردگی کا جائزہ اور غیر آڈٹ شدہ فنانشل انفارمیشن مسرت سے پیش کرتے ہیں۔

آپریٹنگ کارکردگی

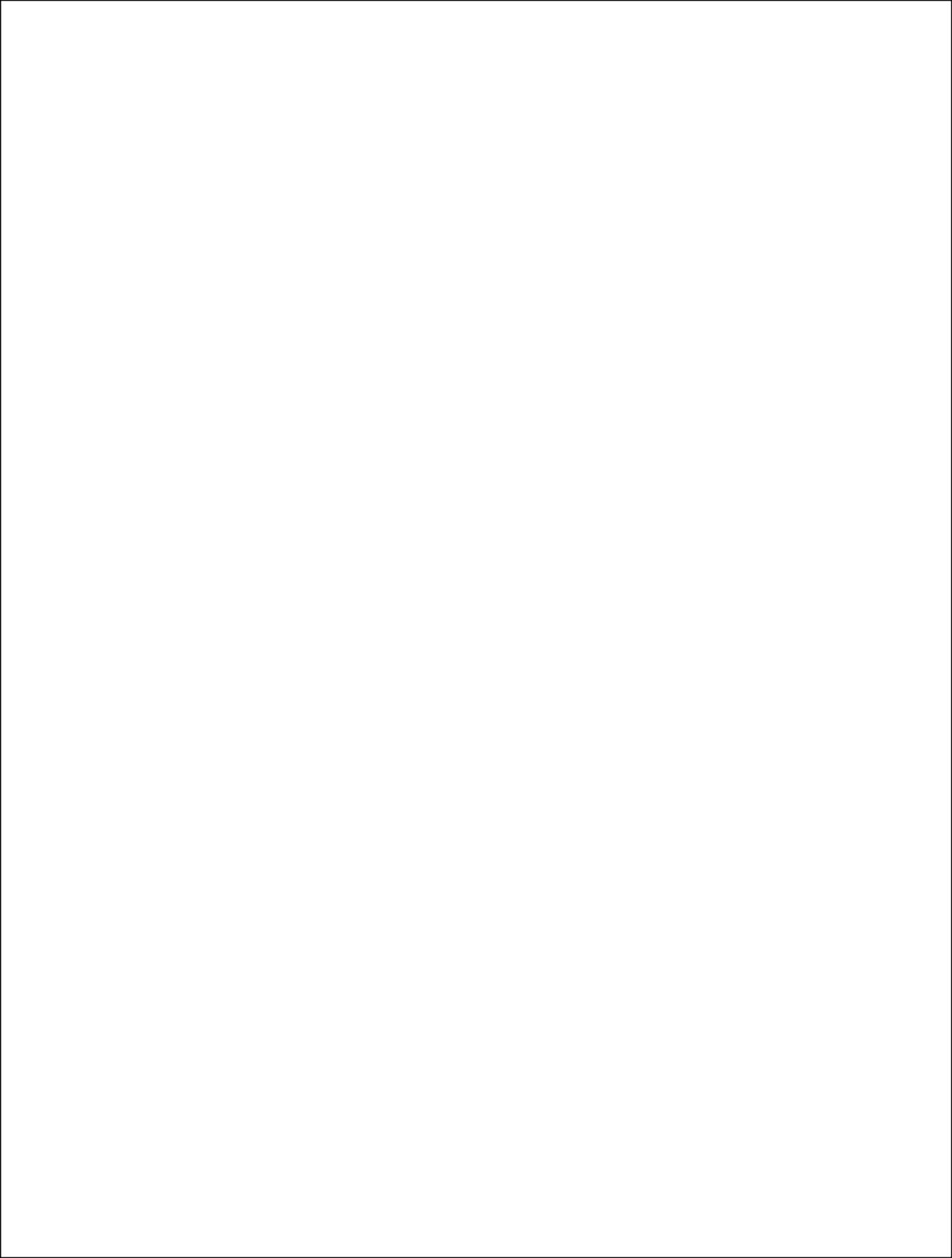
EPQL پلانٹ نے زیر جائزہ ششماہی میں 100.1 فیصد قابل بلنگ بجلی کی دستیابی کو یقینی بنایا جبکہ گزشتہ سال کی اسی مدت کے دوران پلانٹ نے 99.2 فیصد کی قابل بلنگ بجلی کی دستیابی کا مظاہرہ کیا۔ پلانٹ نے زیر جائزہ ششماہی کے دوران نیشنل گرڈ میں کل نیٹ ایکٹریٹیو پاور 406 گیگا واٹ شامل کی جس کا لوڈ فیٹر 43 فیصد رہا جبکہ پچھلے سال کی اسی مدت کے دوران لوڈ فیٹر 66 فیصد تھا۔ لوڈ فیٹر میں کمی کی بنیادی وجہ خریدار این ڈی سی (NTDC) کے گرڈ کی گنجائش سے جڑے معاملات تھے۔ 21 جنوری 2016 کو NTDC کے آڈیٹرانسفارمر میں آگ لگ گئی تھی اور یہ غیر آپریشنل ہو گیا۔ جیسا پہلے بھی بتایا جا چکا ہے کہ اس کی وجہ سے بجلی کی ڈسٹری بیوشن کا عمل پورے رجن میں متاثر ہوا جہاں ہمارا پلانٹ آپریٹ کرتا ہے۔ پلانٹ اس واقعہ کے بعد سے پیش تیار (سٹینڈ بائی) موڈ پر رہا۔ اس دوران NTDC کے ٹرانسفارمر کی مرمت کا کام جاری رہا اور اس کے بعد ہمارے پلانٹ نے بجلی کی رسد کا دوبارہ آغاز 29 اپریل 2016 سے کر دیا۔ اس دوران کمپنی کی سیٹیلیٹ پر چیز میمنٹ (CPP) کی وصولی کا پورا حق رکھتی ہے۔

کمپنی نے زیر جائزہ ششماہی کے دوران ایچ ایس ای کے معیار (صحت، سیفٹی اور ماحولیات) کے ساتھ اعلیٰ سطح کی وابستگی کو برقرار رکھا۔ زیر جائزہ مدت کے دوران کل ریکارڈڈ چوٹ کی شرح (TRIR) صفر رہی۔

مالیاتی کارکردگی

زیر جائزہ مدت کے دوران فروخت آمدن 4,715 ملین روپے ریکارڈ کی گئی۔ گزشتہ مالیاتی سال کی اسی مدت میں کمپنی کی فروخت آمدن 6,816 ملین روپے تھی۔ فروخت آمدنی میں کمی کی بنیادی وجہ لوڈ فیٹر میں کمی تھی جس کی وجہ اوپر بیان کی گئی ہے اور اسی مناسبت سے پیداواری خرچہ میں کمی بھی ہوئی۔ باوجود کہ فروخت آمدن پچھلے سال کی اسی مدت کے مقابلہ میں کم رہی تاہم کمپنی کا مجموعی منافع پچھلی ششماہی کے مجموعی منافع 1,230 ملین روپے سے بڑھ کر اس سال کی پہلی ششماہی میں 1,411 ملین روپے ریکارڈ کیا گیا۔ پاور پر چیز ایگریمنٹ کے تحت کمپنی کے پہلے ششماہی میں CPP پر پیریڈ وینٹج فیکٹر (PWF) لاگو ہوتا ہے جو منافع میں بڑھوتی کی وجہ ہے۔ یہ پہلی مرتبہ ہے کہ کمپنی کو پچھلے سال کی پہلی ششماہی کے مقابلہ میں ہائے PWF تفویض کیا گیا (اوسط PWF 2016: 1.2: 1H 2015 PWF 1.0: 1H)۔ اس وجہ سے کمپنی کو 330 ملین روپے کا سازگار ٹائمنگ ڈیفرنس ملا جو کمپنی کے مجموعی منافع میں شامل ہے۔ یہ سال کی آخری ششماہی میں ریورس ہو جائے گا جس میں پیریڈ وینٹج فیکٹر 0.8 ہوگا۔ اس کے نتیجے میں کمپنی کا منافع سال 2016 کی دوسری ششماہی میں زیر جائزہ ششماہی کے مقابلے میں کم ہوگا۔ یہاں یہ جاننا ضروری ہے کہ پاور پر چیز ایگریمنٹ کے تحت پورے سال کا اوسط PWF 1.0 ہونا چاہیے۔





**Head Office:** 4th Floor, The Harbour Front Building,  
HC-3, Marine Drive, Block 4, Scheme-5, Clifton,  
Karachi-75600, Pakistan.

**UAN:** +111-211-211 **PABX:** +92-21-35297501-10

**Fax:** +92-21-35296018

**Website:** [www.engropowergen.com](http://www.engropowergen.com)

