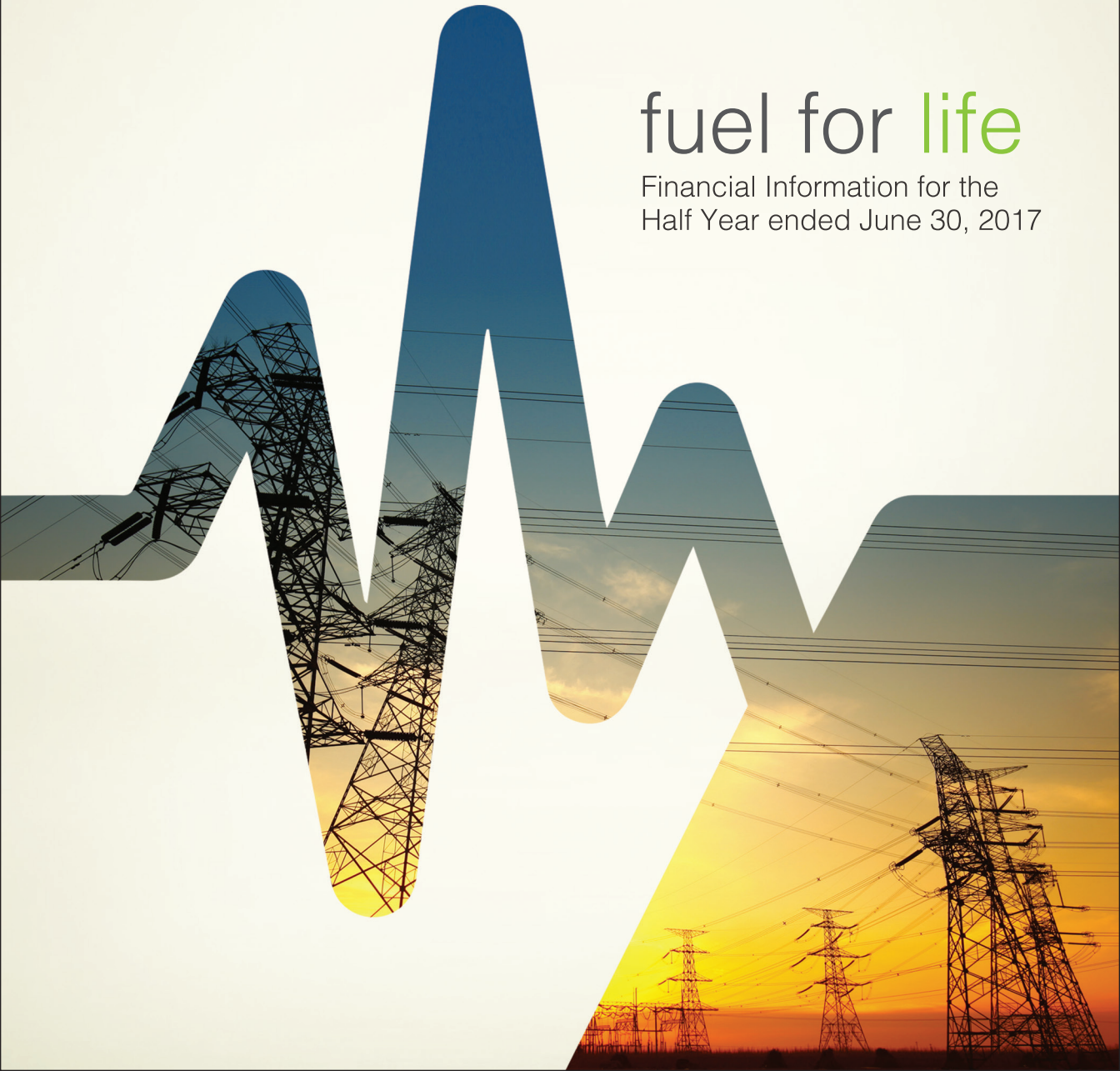




engro powergen qadirpur

fuel for life

Financial Information for the
Half Year ended June 30, 2017



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COMPANY INFORMATION

Board of Directors	Shamsuddin A. Shaikh - Chairman Shahab Qader - Chief Executive Officer Aliya Yusuf Husnain Moochhala Javed Akbar Mohsin Ali Mangi Shabbir Hashmi Shahid Hamid Pracha Vaqar Zakaria
Board Audit Committee	Javed Akber - Chairperson Shabbir Hashmi Aliya Yusuf
Chief Financial Officer	Sameer Amin
Corporate Audit Manager	Syed Zaib Zaman Shah
Company Secretary	Schaane Ansari
Bankers / Development Finance Institution (DFI)	Albaraka Bank Ltd. Allied Bank Ltd. Bank Alfalah 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
Auditors	A.F. Ferguson & Co., Chartered Accountants State Life Building No. 1-C I.I. Chundrigar Road Karachi-74000, Pakistan Tel: +92(21) 32426682-6 / 32426711-5 Fax: +92(21) 32415007 / 32427938
Registered Office	4th Floor, The Harbor Front Building, HC-3, Marine Drive, Block 4, Clifton, Karachi-75600, Pakistan UAN: +92-(21) 111-211-211 PABX: +92(21) 35297501-10
Plant	Engro Powergen Qadirpur Plant Site Deh Belo Sanghari Taluka, District Ghotki, Sindh
Share Registrar	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
Website	www.engropowergen.com





engro powergen qadirpur

**DIRECTORS' REVIEW AND
CONDENSED INTERIM
FINANCIAL INFORMATION (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2017**



ENGRO POWERGEN QADIRPUR LIMITED
DIRECTORS' REVIEW TO THE SHAREHOLDERS
ON UNAUDITED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE HALF YEAR ENDED JUNE 30, 2017

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, 2017.

Operating Performance

The Company dispatched a total Net Electrical Output (NEO) of 872 Gwh to the national grid with a load factor of 94% compared to 43% in 1H 2016. The load factor last year was lower primarily on account of power purchaser's (NTDC) transformer which caught fire and went out of operation thereby impacting power evacuation in the region in which our Plant operates.

The Company maintained its high level of commitment towards Health, Safety & Environment (HSE) standards.

Financial Performance

Sales revenue for the half year ended 30 June 2017 was PKR 6,152 Mn compared to PKR 4,715 Mn in the same period last year. Sales revenue last year was lower due to a decline in load factor as explained above with a corresponding decline in the cost of generation.

Gross profit for the period stood at PKR 1,682 Mn as compared to PKR 1,411 Mn in the same period last year. This increase in gross profit is primarily as a result of higher load factor in 1H, 2017. The Company also recorded other income amounting to PKR 110 Mn in 1H 2017. This income mainly represents settlement of insurance claim with the insurance company for the business interruption loss incurred due to the power purchaser's transformer issue in 1H 2016. Finance cost for the period stood at PKR 147 Mn compared to PKR 179 Mn for the same period last year. The decrease in finance cost this year is attributable to lower markup on running finance facility and timely payments to the fuel supplier on account of gas charges.

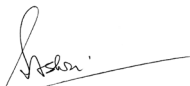
Overdue receivable from NTDC stood at PKR 2,841 Mn as on June 30, 2017 vs PKR 2,353 Mn as on December 31, 2016. Similarly overdue payable to SNGPL on June 30, 2017 was PKR 899 Mn vs PKR 597 Mn as on December 31, 2016.

The Company earned a net profit of PKR 1,546 Mn in 1H, 2017 as compared to PKR 1,245 Mn in 1H, 2016 for reasons mentioned above. Resultantly earnings per share are of PKR 4.77 in 1H, 2017 compared to PKR 3.84 in the same period last year. It may be noted that the Company's profitability is usually higher in first half of the financial year compared to the second half. This trend in profitability is attributable to a higher Period Weighting Factor (PWF) applicable to Company's Capacity Purchase Payments (CPP) in 1H vs 2H. The average PWF for 1H 2017 was 1.2 vs 0.8 for 2H 2017. It is pertinent to note that as per the PPA, the average PWF for the complete year has to be 1.0.

Near term Outlook

The Company's Plant at Qadirpur would continue to receive uninterrupted supply of permeate gas in 2017. Local gas based power plants would continue to be ranked higher on account of their lower fuel cost. Furthermore, with the resolution of power purchaser's transformer and grid capacity issues we observed significant improvement in dispatch and expect this trend to continue in the near future.

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.



Shamsuddin A. Shaikh
Chairman



Shahab Qader
Chief Executive Officer

Karachi: August 09, 2017



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, 2017 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, 2017 and 2016 have not been reviewed as we are required to review only the cumulative figures for the half year ended June 30, 2017.

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, 2017 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 21, 2017

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

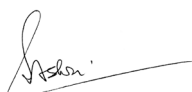


(Amounts in thousand)

ENGRO POWERGEN QADIRPUR LIMITED
CONDENSED INTERIM BALANCE SHEET
AS AT JUNE 30, 2017

		Unaudited June 30, 2017	Audited December 31, 2016
	Note	Rupees	
ASSETS			
Non-current assets			
Property, plant and equipment	4	13,206,348	13,524,720
Intangible assets		82,051	80,740
Long term loans and advances		46,415	39,412
Long term deposits		2,491	2,491
		<u>13,337,305</u>	<u>13,647,363</u>
Current assets			
Inventories		872,118	843,008
Trade debts	5	4,211,627	3,896,828
Short term investments	6	50,000	50,000
Loans, advances, deposits, prepayments and other receivables		1,561,177	1,552,910
Taxes recoverable		63,457	62,325
Balances with banks	7	125,904	39,623
		6,884,283	6,444,694
TOTAL ASSETS		<u><u>20,221,588</u></u>	<u><u>20,092,057</u></u>
EQUITY AND LIABILITIES			
Equity			
Share capital		3,238,000	3,238,000
Share premium		80,777	80,777
Maintenance reserve		227,182	227,182
Hedging reserve		(67,541)	(69,416)
Unappropriated profit		6,039,510	4,979,272
Remeasurement of retirement benefits obligation - Actuarial loss		(1,163)	(1,163)
Total Equity		<u>9,516,765</u>	<u>8,454,652</u>
LIABILITIES			
Non-current liability			
Borrowings	8	3,668,725	4,610,647
Current liabilities			
Trade and other payables		2,516,783	2,290,697
Accrued interest / mark-up		29,512	24,708
Short term borrowings	9	2,618,607	2,919,000
Current portion of long term borrowings	8	1,871,196	1,792,353
		7,036,098	7,026,758
Total Liabilities		10,704,823	11,637,405
Contingencies and Commitments	10		
TOTAL EQUITY AND LIABILITIES		<u><u>20,221,588</u></u>	<u><u>20,092,057</u></u>

The annexed notes from 1 to 21 form an integral part of this condensed interim financial information.



Shamsuddin A. Shaikh
Chairman



Shahab Qader
Chief Executive Officer

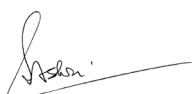


(Amounts in thousand except for earnings per share)

ENGRO POWERGEN QADIRPUR LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2017

	Note	Quarter ended		Half year ended	
		June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
Sales	11	3,172,188	3,205,375	6,151,505	4,714,618
Cost of sales		(2,183,900)	(2,309,273)	(4,469,508)	(3,303,705)
Gross profit		<u>988,288</u>	<u>896,102</u>	<u>1,681,997</u>	<u>1,410,913</u>
Administrative expenses		(44,734)	(36,911)	(96,465)	(85,040)
Other expenses		(948)	(1,024)	(1,875)	(1,850)
Other income	12	28	99,803	110,028	100,087
Profit from operations		<u>942,634</u>	<u>957,970</u>	<u>1,693,685</u>	<u>1,424,110</u>
Finance cost		(65,468)	(81,086)	(147,471)	(178,782)
Workers' profits participation fund and Workers' welfare fund	13	-	-	-	-
Profit before taxation		<u>877,166</u>	<u>876,884</u>	<u>1,546,214</u>	<u>1,245,328</u>
Taxation		(132)	(172)	(276)	(351)
Profit for the period		<u><u>877,034</u></u>	<u><u>876,712</u></u>	<u><u>1,545,938</u></u>	<u><u>1,244,977</u></u>
Earnings per share - basic and diluted	14	<u><u>2.71</u></u>	<u><u>2.71</u></u>	<u><u>4.77</u></u>	<u><u>3.84</u></u>

The annexed notes from 1 to 21 form an integral part of this condensed interim financial information.



Shamsuddin A. Shaikh
Chairman



Shahab Qader
Chief Executive Officer

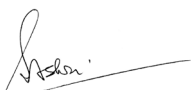


(Amounts in thousand)

ENGRO POWERGEN QADIRPUR LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2017

	Quarter ended		Half year ended	
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
	Rupees			
Profit for the period	877,034	876,712	1,545,938	1,244,977
Other comprehensive income / (loss) :				
Item that may be reclassified subsequently to profit or loss:				
- Hedging reserve - loss for the period	-	(6,705)	-	(12,483)
- Less: Transfers to profit or loss	948	1,008	1,875	1,834
	948	(5,697)	1,875	(10,649)
Item that will not be reclassified to profit or loss:				
- Remeasurement of retirement benefit obligation - Actuarial gain	-	52	-	52
Total comprehensive income for the period	877,982	871,067	1,547,813	1,234,380

The annexed notes from 1 to 21 form an integral part of this condensed interim financial information.



Shamsuddin A. Shaikh
Chairman



Shahab Qader
Chief Executive Officer



(Amounts in thousand)

ENGRO POWERGEN QADIRPUR LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED JUNE 30, 2017

	Reserves						Total
	Capital			Revenue			
	Share capital	Share premium	Maintenance reserve	Unappropriated profit	Hedging reserve	Remeasurement of retirement benefit obligation - Actuarial gain / (loss)	
	Rupees						
Balance as at January 1, 2016 (Audited)	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
Transactions with owners							
Final dividend for the year ended December 31, 2015 @ Rs. 1.00 per share	-	-	-	(323,800)	-	-	(323,800)
Balance as at June 30, 2016 (Unaudited)	3,238,000	80,777	227,182	4,922,261	(69,399)	529	8,399,350
Total comprehensive income for the half year ended December 31, 2016	-	-	-	542,711	(17)	(1,692)	541,002
Transactions with owners							
1st interim dividend for the year ended December 31, 2016 @ Rs. 1.50 per share	-	-	-	(485,700)	-	-	(485,700)
Balance as at December 31, 2016 (Audited)	3,238,000	80,777	227,182	4,979,272	(69,416)	(1,163)	8,454,652
Total comprehensive income for the half year ended June 30, 2017	-	-	-	1,545,938	1,875	-	1,547,813
Transactions with owners							
Final dividend for the year ended December 31, 2016 @ Rs. 1.50 per share	-	-	-	(485,700)	-	-	(485,700)
Balance as at June 30, 2017 (Unaudited)	<u>3,238,000</u>	<u>80,777</u>	<u>227,182</u>	<u>6,039,510</u>	<u>(67,541)</u>	<u>(1,163)</u>	<u>9,516,765</u>

The annexed notes from 1 to 21 form an integral part of this condensed interim financial information.



Shamsuddin A. Shaikh
Chairman



Shahab Qader
Chief Executive Officer

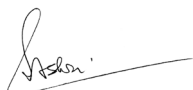


(Amounts in thousand)

ENGRO POWERGEN QADIRPUR LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2017

	Note	Half year ended	
		June 30, 2017	June 30, 2016
		Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	15	2,007,344	2,282,882
Taxes paid		(1,408)	(6,293)
Long term loans and advances - net		(7,003)	(7,395)
Net cash generated from operating activities		1,998,933	2,269,194
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment and intangibles		(41,705)	(80,940)
Sale proceeds from disposal of property, plant and equipment		1,110	75
Investments made during the period		(100,000)	(100,000)
Proceeds from encashment of short term investments		100,000	100,000
Net cash utilised in investing activities		(40,595)	(80,865)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of long term borrowing		(878,498)	(817,886)
Finance cost paid		(207,466)	(215,377)
Dividends paid		(485,700)	(323,800)
Net cash utilised in financing activities		(1,571,664)	(1,357,063)
Net increase in cash and cash equivalents		386,674	831,266
Cash and cash equivalents at beginning of the period		(2,829,377)	(2,072,689)
Cash and cash equivalents at end of the period	16	(2,442,703)	(1,241,423)

The annexed notes from 1 to 21 form an integral part of this condensed interim financial information.



Shamsuddin A. Shaikh
Chairman



Shahab Qader
Chief Executive Officer



ENGRO POWERGEN QADIRPUR LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2017

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, Marine Drive, Block 4, Scheme No.5, Clifton, Karachi and the Company's plant is located at Deh Belo Sanghari, Taluka, District Ghotki, Sindh.
- 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 therefrom 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 PPA 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 International Accounting Standard 34 - 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provision of or directives issued under the Ordinance, have been followed. The Companies Ordinance, 1984 has been repealed after the enactment of the Companies Act, 2017. However, as clarified by the Securities and Exchange Commission of Pakistan (SECP) vide its press release dated July 20, 2017, this condensed interim financial information has been prepared in accordance with the provisions of the repealed Companies Ordinance, 1984. 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 of the Company for the year ended December 31, 2016.

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 of the Company for the year ended December 31, 2016.

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, 2016.



(Amounts in thousand)

- 3.2 There are certain new International Financial Reporting Standards (IFRS), amendments to IFRS and interpretations that are mandatory for the financial year beginning on January 1, 2017. 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.
- 3.3 Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

	Unaudited June 30, 2017	Audited December 31, 2016
	Rupees	
4 PROPERTY, PLANT AND EQUIPMENT		
Operating assets, at net book value (notes 4.1, 4.2 and 4.3)	12,349,318	12,623,671
Capital work-in-progress	20,123	45,513
Capital spares	836,907	855,536
	<u>13,206,348</u>	<u>13,524,720</u>

- 4.1 Major additions to operating assets during the period / year were as follows:

	Rate of depreciation (%)	Unaudited June 30, 2017	Audited December 31, 2016
		Rupees	
Plant & machinery - including capitalisation of exchange loss / (gain)	4 - 16	35,624	134,815
Buildings & civil works	2.5 - 8	10,354	64,896
Furniture, fixtures and equipments	15 - 25	2,144	7,381
		<u>48,122</u>	<u>207,092</u>

- 4.2 During the period, assets costing Rs. 2,033 (December 31, 2016: Rs. 3,155), having net book value of Rs. 1,110 (December 31, 2016: Rs. 812) were disposed-off for Rs. 1,110 (December 31, 2016: Rs. 837).
- 4.3 Includes cost of capital spares transferred to operating assets amounting to Rs. 42,800 (2016: Nil) less net book value of those spares which were replaced and transferred to capital spares amounting to Nil (2016: Rs. 491,037).

(Amounts in thousand)

	Unaudited June 30, 2017	Audited December 31, 2016
	Rupees	
5 TRADE DEBTS - secured		
Considered good	4,211,627	3,896,828
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. 2,295,098 (December 31, 2016: Rs. 2,649,324) which are neither past due nor impaired; and		
- Rs. 1,916,529 (December 31, 2016: Rs. 1,247,504) which are 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 3 months.		

6 SHORT TERM INVESTMENTS

- Held to maturity

Investment has been made in conventional Term Deposit Receipt. The rate of mark-up on this investment is 3.95 % (December 31, 2016: 5.85%) per annum.

	Unaudited June 30, 2017	Audited December 31, 2016
	Rupees	
7 BALANCES WITH BANKS		
Current accounts:		
- Local currency	116,165	4,650
Deposit accounts:		
- Foreign currency (note 7.1)	2,825	3,196
- Local currency (note 7.2)	6,914	31,777
	<u>125,904</u>	<u>39,623</u>

7.1 Foreign currency deposits carry return at the rate of 0.1% (December 31, 2016: 0.1% - 1%) per annum.

7.2 Local currency deposits carry return at the rate of 3.75% (December 31, 2016: 3.75% - 5%) per annum.

7.3 Includes cheque in hand amounting to Rs. 42,232 (2016: Nil).

7.4 The Company maintains its bank balances under the conventional banking terms only.

(Amounts in thousand)

	Unaudited June 30, 2017	Audited December 31, 2016
	Rupees	
8. BORROWINGS - secured		
Long term borrowings	5,539,921	6,403,000
Less: Current portion shown under current liabilities	<u>1,871,196</u>	<u>1,792,353</u>
	<u><u>3,668,725</u></u>	<u><u>4,610,647</u></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, 2017, the outstanding balance of the borrowing was US\$ 53,019 (December 31, 2016: US\$ 61,394).

The borrowing is secured by an equitable mortgage on the immovable property and the hypothecation of current and future assets of the Company, except receivables from NTDC in respect of Energy Purchase Price. Further, the Company has also extended a letter of credit in favour of the senior lenders, as referred to in note 10.

9. SHORT TERM BORROWINGS

The available facilities under mark-up arrangements aggregate to Rs. 4,400,000 (December 31, 2016: 4,400,000). These facilities carry mark-up at the rate of 3 months KIBOR plus 0.5% - 1.0% (December 31, 2016: 3 months KIBOR plus 0.5% - 1.0%). The facilities are secured by (i) lien over Energy Purchase Price (EPP) account and charge over present and future receivables from the Power Purchaser in respect of EPP; and (ii) first charge over current assets of the Company and subordinated charge over present and future plant, machinery, equipments and other movable assets and immovable properties of the Company. The use of these facilities are restricted for payments of operations and maintenance cost of the Power Plant and payments to fuel suppliers against purchase of fuel.

	Unaudited June 30, 2017	Audited December 31, 2016
	Rupees	
10. CONTINGENCIES AND COMMITMENTS		
10.1 Contingent liabilities - Guarantee in favour of Sui Northern Gas Pipelines Limited in accordance with the terms of Gas Supply Agreement (GSA)	<u>2,496,126</u>	<u>2,496,126</u>
10.2 Commitments in respect of :		
- letter of credit in favour of senior lenders (note 8.1)	842,267	840,663
- others	<u>31,033</u>	<u>59,095</u>
	<u><u>873,300</u></u>	<u><u>899,758</u></u>



(Amounts in thousand)

Unaudited Quarter ended		Unaudited Half year ended	
June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016

Rupees

11. SALES

Capacity purchase price	1,282,155	1,255,198	2,158,145	2,126,301
Energy purchase price (note 11.1)	1,890,033	1,950,177	3,993,360	2,588,317
	<u>3,172,188</u>	<u>3,205,375</u>	<u>6,151,505</u>	<u>4,714,618</u>

- 11.1 Last year, on January 21, 2016, auto transformer T-3: 500/ 200 KV/ 450 MVA of NTDC at Guddu 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 till completion of repair work on the transformer and resumption of operations on April 29, 2016 which affected Energy Purchase Payments (EPP) during first half of 2016. However, the plant was entitled to full Capacity Purchase Payments (CPP) throughout the period.

Unaudited Quarter ended		Unaudited Half year ended	
June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016

Rupees

12. OTHER INCOME

Financial assets:

Gain on redemption of investments	-	258	-	542
Exchange gain	28	-	28	-

Non- financial assets:

Insurance claim - net of deductible (note 12.1)	-	99,520	110,000	99,520
Gain on disposal of operating assets	-	25	-	25
	<u>28</u>	<u>99,803</u>	<u>110,028</u>	<u>100,087</u>

- 12.1 As explained in note 11.1 above, due to the NTDC's auto transformer incident at Guddu in 2016, the plant was on standby mode till the completion of repair work due to which the Company's Energy Purchase Payments (EPP) were affected. The Company had lodged a Business Interruption (BI) claim against this with the insurers. During the current period, the insurers have principally agreed to settle the BI loss suffered by the Company and, accordingly, the Company has recorded a receivable of Rs. 110,000 in this respect, against which Rs. 45,045 have been received to the balance sheet date.

(Amounts in thousand except for earnings per share)

	Unaudited Quarter ended		Unaudited Half year ended	
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
13. WORKERS' PROFIT PARTICIPATION FUND AND WORKERS' WELFARE FUND	Rupees			
Provision for				
- Workers' profits participation fund	43,859	43,858	77,311	62,266
- Workers' welfare fund	-	17,544	-	24,907
	43,859	61,402	77,311	87,173
Less:				
Recoverable from NTDC	(43,859)	(61,402)	(77,311)	(87,173)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

13.1 The Company is required to pay 5% of its profit to the Workers' profits participation fund. However, such payment will not affect the Company's overall profitability as this payment is recoverable from NTDC as pass through item under the terms of the Power Purchase Agreement (PPA).

13.2 Last year, the Honorable Supreme Court of Pakistan (the Court) through order dated November 10, 2016 had annulled the amendments made in the Workers' Welfare Fund Ordinance (the Ordinance) through Finance Acts of 2006 and 2008 and restored the original Ordinance under which Workers' Welfare Fund is not applicable on the income of the Company. Further, in case of the Company, the Sindh Workers' Welfare Fund Act 2014 has become applicable, under which income exempt from taxation, i.e. income from power supply operations is not subject to Workers' Welfare Fund. Accordingly, no provision for Workers' Welfare Fund has been made for the current period, however, provisions in respect of prior periods, made under the Federal Workers' Welfare Fund Ordinance have been retained as the income tax authorities have filed a review petition against the aforementioned order of the Court and the matter is not yet decided.

14. EARNINGS PER SHARE

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

	Unaudited Quarter ended		Unaudited Half year ended	
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
	Rupees			
Profit for the period	877,034	876,712	1,545,938	1,244,977
	Number of shares			
Weighted average number of ordinary shares (In thousand)	323,800	323,800	323,800	323,800
	Rupees			
Earning per share - basic and diluted	2.71	2.71	4.77	3.84

(Amounts in thousand)

	Unaudited	
	Half year ended	
	June 30, 2017	June 30, 2016
	Rupees	
15. CASH GENERATED FROM OPERATIONS		
Profit before taxation	1,546,214	1,245,328
Adjustment for non-cash charges and other items:		
- Depreciation	364,165	357,445
- Amortisation	8,910	4,022
- Reclassification of cash flow hedge to profit and loss	1,875	1,834
- Gain on disposal of property, plant and equipment	-	(25)
- Finance cost	212,270	208,497
Working capital changes (note 15.1)	(126,090)	465,781
	<u>2,007,344</u>	<u>2,282,882</u>
15.1 Working capital changes		
(Increase) / Decrease in current assets:		
Inventories	(29,110)	(14,673)
Trade debts	(314,799)	800,911
Loans, advances, deposits, prepayments and other receivables - net	(8,267)	(241,091)
	<u>(352,176)</u>	<u>545,147</u>
(Decrease) / Increase in current liabilities:		
Trade and other payables	226,086	(79,955)
Retirement and other service benefits	-	589
	<u>(126,090)</u>	<u>465,781</u>
16. CASH AND CASH EQUIVALENTS		
Balances with banks	125,904	320,978
Short term running finance	(2,618,607)	(1,612,401)
Short term investments	50,000	50,000
	<u>(2,442,703)</u>	<u>(1,241,423)</u>

17. FINANCIAL MANAGEMENT AND FINANCIAL INSTRUMENTS

17.1 Financial risk factors

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.

17.2 Fair value estimation

The carrying value of all financial assets and liabilities reflected in this condensed interim financial information approximate their fair values.



(Amounts in thousand)

18. 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	
		June 30, 2017	June 30, 2016
		Rupees	
Holding Company	Purchase of services	36,212	50,678
	Services rendered	115,697	70,224
	Contribution for Corporate Social Responsibility (CSR) activities	4,350	4,468
Associated undertakings	Purchase of services	39,122	52,129
	Services rendered	5,919	29,044
Key management personnel	Managerial remuneration	33,114	34,544
	Retirement benefit schemes	4,043	3,637
Staff retirement benefits	Managed and operated by the Company		
	- Gratuity fund	2,492	1,005
	Managed and operated by Engro Corporation Limited		
	- Gratuity fund	8,420	7,997
	- Provident fund	29,191	26,293
- Pension fund	1,042	1,778	

19. NON-ADJUSTING EVENT AFTER BALANCE SHEET DATE

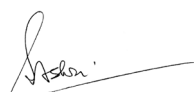
The Board of Directors in its meeting held on August 9, 2017 have declared an interim cash dividend of Rs. 1.75 per share amounting to Rs. 566,650.

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 9, 2017 the Board of Directors of the Company.



Shamsuddin A. Shaikh
Chairman



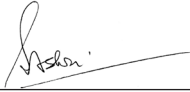
Shahab Qader
Chief Executive Officer



مستقبل قریب کا منظر نامہ:

کمپنی کے قادر پور میں قائم پلانٹ کو 2017ء میں بھی بلا تعطل گیس کی فراہمی برقرار رہے گی۔ اپنی کم لاگت کی بنا پر گیس سے چلنے والے پلانٹس درجہ بندیوں میں اعلیٰ رہیں گے۔ مزید برآں، این ٹی ڈی سی کے آؤٹرا سفارمر کے آپریشنل ہو جانے کے بعد اور گرڈ کی گنجائش میں اضافے کے بعد ہم نے ترسیل میں واضح بہتری دیکھی اور امید ہے یہ ٹرانینڈ مستقبل قریب میں بھی جاری رہے گا۔

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۔



چیئر مین
مئس الدین شیخ



چیف ایگزیکٹو
شہاب قادر
19 اگست 2017ء



اینگر و پاور جن قادر پور لمیٹڈ

حصص یافتگان کے لئے کمپنی ڈائریکٹرز کی جانب سے 30 جون 2017ء تک اختتام پزیر ششماہی کا جائزہ

اینگر و پاور جن قادر پور لمیٹڈ (EPQL) کے ڈائریکٹرز مسرت سے 30 جون 2017ء کو اختتام پزیر ہونے والی ششماہی تک کمپنی کی کارکردگی کا جائزہ اور غیر آڈٹ شدہ مالیاتی معلومات پیش کرتے ہیں۔

آپریٹنگ کارکردگی

پلانٹ نے زیر جائزہ ششماہی کے دوران پیش گز میں کل نیٹ الیکٹرک پک اپ 872 گیگا واٹ شامل کی جس کا لوڈ فیکٹر 94 فیصد رہا جبکہ پچھلے سال کی اسی مدت کے دوران لوڈ فیکٹر 43 فیصد تھا۔ لوڈ فیکٹر میں کمی کی بنیادی وجہ پیدار (این ٹی ڈی سی) کے گز کی گنجائش سے جڑے معاملات تھے کیونکہ پچھلے سال این ٹی ڈی سی کے آؤٹ رائٹس میں آگ لگ گئی تھی اور یہ غیر آپریٹبل ہو گیا تھا اس کی وجہ سے بجلی کی ڈسٹری بیوٹن کا مکمل پورے ریجن میں متاثر ہوا جہاں ہمارا پلانٹ آپریٹ کرتا 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۔

مالیاتی کارکردگی:

زیر جائزہ مدت کے دوران فروخت آمدن 6,152 ملین روپے ریکارڈ کی گئی جبکہ گزشتہ مالیاتی سال کی اسی مدت میں کمپنی کی فروخت آمدن 4,715 ملین روپے تھی۔ پچھلے سال فروخت آمدنی میں کمی کی بنیادی وجہ لوڈ فیکٹر میں کمی تھی جسکی وجہ اوپر بیان کی گئی ہے۔

کمپنی کا مجموعی منافع زیر جائزہ مدت کے دوران 1,682 ملین روپے ریکارڈ کیا گیا جبکہ پچھلے سال کی اسی مدت میں کمپنی کا مجموعی منافع 1,411 ملین روپے رہا تھا۔ اضافے کی بنیادی وجہ موجودہ سال کی پہلی سہ ماہی میں لوڈ فیکٹر میں اضافہ تھا۔ کمپنی نے موجودہ سہ ماہی میں دیگر آمدن 110 ملین روپے ریکارڈ کی۔ یہ آمدن کمپنی کو انشورنس کی مدد میں وصول ہوئی۔ یہ انشورنس کلیم کمپنی کو 2016ء کی پہلی سہ ماہی میں پاور پراجیکٹرز کے ٹرانسفا رمر میں آگ لگنے کی وجہ سے کاروباری سرگرمیوں میں نقصان کے عوض حاصل ہوئی۔ کمپنی کے فنانشل اخراجات زیر جائزہ ششماہی میں پچھلے سال کی پہلی ششماہی کی لاگت 179 ملین روپے کے مقابلہ میں گھٹ کر 147 ملین روپے رہ گئے۔ رنگ فنانس کی کم لاگت اور فیول سپلائی کو وقت پر ادائیگیوں کی بدولت فنانشل لاگت کو کم کرنے میں مدد ملی۔

این ٹی ڈی سی سے وصولیائی رقم 30 جون 2017ء تک 2,841 ملین روپے رہی جبکہ 31 دسمبر 2016ء پر یہ وصولیائی رقم 2,353 ملین روپے تھی۔ اس طرح SNGPL کو واجب الادا رقم 30 جون 2017ء پر 899 ملین روپے رہی جبکہ 31 دسمبر 2016ء پر واجب الادا رقم 597 ملین روپے تھی۔

سال 2017ء کی پہلی ششماہی تک کمپنی کا کل منافع پچھلے سال کی اسی مدت کے منافع 1,245 ملین روپے سے بڑھ کر 1,546 ملین روپے ہو گیا۔ نیچانی خمیر آمدنی 2016ء کی پہلی ششماہی کے اختتام پر دیئے جانے والے 3.84 روپے سے بڑھ کر زیر جائزہ ششماہی میں 4.77 روپے رہی۔ یہ بھی دیکھا گیا کہ کمپنی کا منافع موجودہ سال کی پہلی سہ ماہی میں زیادہ رہا جبکہ دوسری سہ ماہی میں نسبتاً کم رہے گا۔ منافع کی اس شرح کی وجہ پیئرڈ وینٹج فیکٹر (PWF) ہے جو کمپنی کے کپسٹی پریزیورنٹ (CPP) پر لاگو ہوتا ہے۔ سال 2017ء کی پہلی سہ ماہی میں اوسط PWF 1.2 رہا جو کہ پچھلے سال کی اسی سہ ماہی میں 0.8 تھا۔ یہاں یہ جاننا ضروری ہے کہ پاور پراجیکٹرز اگر سینٹ کے تحت پورے سال کا اوسط PWF 1.0 ہونا چاہیے۔



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