



engro powergen qadirpur

# our footprint



Financial Information for the Quarter  
ended March 31, 2015



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## COMPANY INFORMATION

<b>Board of Directors</b>	Muhammad Aliuddin Ansari - Chairman Syed Mohammad Ali - 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>	Faryal Mazhar Habib
<b>Chief Financial Officer</b>	Atif Kaludi
<b>Corporate Audit Manager</b>	Jaseem Ahmed Khan
<b>Bankers / Development Finance Institution (DFI)</b>	Allied Bank Ltd. Bank Alfalah Ltd. Bank Al-Habib Ltd. Burj 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
<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
<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 Telephone: +92(21) 34380101-5 Fax: +92(21) 34380106
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engro powergen qadirpur

**DIRECTORS' REVIEW AND  
CONDENSED INTERIM  
FINANCIAL INFORMATION (UNAUDITED)  
AS AT MARCH 31, 2015**



**ENGRO POWERGEN QADIRPUR LIMITED**  
**DIRECTORS' REVIEW TO THE SHAREHOLDERS**  
**ON UNAUDITED CONDENSED INTERIM FINANCIAL INFORMATION**  
**AS AT MARCH 31, 2015**

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 quarter ended March 31, 2015.

**Market Review**

The power sector of Pakistan is primarily operated through the National Transmission and Dispatch Company (NTDC) which is responsible for electricity distribution across Pakistan except for Karachi which is supplied by K-Electric Limited.

Pakistan faces chronic electricity shortage due to demand growth, limited addition in generation capacity, high transmission & distribution losses and the persistent issue of circular debt. The current demand-supply deficit is around 5,000 MW at peak demand levels.

The Government of Pakistan (GOP) is undertaking various initiatives to resolve power crises in the Country. Liquefied natural gas (LNG) based power generating projects are among some of the initiatives being under taken by the GOP. However, low cost power producers including EPQL Plant are expected to remain on high priority list of the power purchaser.

**Operating Performance**

The EPQL Plant demonstrated a billable availability factor of 98.5% in the current quarter. It dispatched a total Net Electrical Output (NEO) of 365 GWh to the national grid with a load factor of 79% compared to 95% in Q1 2014, showing a decline of 16%. The decline in load factor was primarily on account of power purchaser's grid issues.

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.

Further, the Company continues to focus on Plant performance improvement initiatives to ensure its reliability and availability to the national grid and ensure maximum benefit for all stakeholders. Accordingly, the Company plans to undertake its first major turnaround activity (due after every 6 years) in April this year and is expected to complete the activity within the available allowance of 60 days under the Power Purchase Agreement.

**Financial Performance**

Sales revenue for the period was PKR 2,494 Mn compared to PKR 3,225 Mn in the same period last year. The decrease in sales revenue was mainly attributable to (i) a decline in load factor as explained above and (ii) the fact that GIDC is not being charged to the Company in the current quarter, as explained in detail in note 9.3 of these condensed interim financial information.

Gross profit for the period stood at PKR 607 Mn as compared to PKR 764 Mn in the same period last year. The decline was due to lower load factor and rupee appreciation in the current period as compared to Q1 2014.

Finance cost was lower than last year as a result of favorable working capital position and long term loan repayments. Other income reduced by PKR 37 Mn which mainly represented insurance claim recorded in Q1, 2014.

Overdue receivable from PEPCO stood at PKR 1,852 Mn as on March 31, 2015 vs PKR 1,210 Mn as on December 31, 2014. Similarly overdue payable to SNGPL on March 31, 2015 was PKR 329 Mn vs PKR 232 Mn as on December 31, 2014.

The Company earned a net profit of PKR 459 Mn for Q1, 2015 as compared to PKR 585 Mn in Q1, 2014. Earnings per share is of PKR 1.42 for Q1, 2015 as compared to PKR 1.81 in Q1, 2014.

**Near Term Outlook**

Despite the country's natural gas crisis, Qadirpur Power Plant is expected to continue receiving unhindered fuel supply. This is because the Plant runs on permeate gas which is likely to remain available in the next few years. Furthermore, the plant is expected to maintain a high dispatch rate due to its higher rank in PEPCO's merit order.



**Muhammad Aliuddin Ansari**  
Chairman



**Syed Muhammad Ali**  
Chief Executive Officer

Karachi: April 21, 2015



(Amounts in thousand)

**ENGRO POWERGEN QADIRPUR LIMITED**  
**CONDENSED INTERIM BALANCE SHEET (UNAUDITED)**  
**AS AT MARCH 31, 2015**

		Unaudited March 31, 2015	Audited December 31, 2014
		Rupees	
<b>ASSETS</b>	<b>Note</b>		
<b>Non-current assets</b>			
Property, plant and equipment	4	14,172,544	14,217,020
Intangible assets		80,144	81,585
Long term deposits		2,491	2,491
Long term loans and advances		33,035	28,214
		14,288,214	14,329,310
<b>Current assets</b>			
Inventories		383,326	383,460
Stores and spares		410,963	386,426
Trade debts	5	2,231,097	2,192,805
Short term investments		6,000	56,000
Loans, advances, deposits, prepayments and other receivables	6	1,361,125	1,628,013
Taxes recoverable		53,383	49,915
Derivative financial instrument		1,505	-
Balances with banks		169,142	2,701
		4,616,541	4,699,320
<b>TOTAL ASSETS</b>		18,904,755	19,028,630
<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		(48,019)	(50,109)
Unappropriated profit		3,472,393	3,013,096
Remeasurement of retirement benefit obligation - Actuarial gain		373	373
<b>Total Equity</b>		6,970,706	6,509,319
<b>LIABILITIES</b>			
<b>Non-current liability</b>			
Borrowings	7	7,800,409	7,713,518
<b>Current liabilities</b>			
Creditors, accrued and other liabilities	8	1,238,908	1,355,368
Accrued interest / mark-up		137,479	27,149
Current portion of long term borrowings	7	1,475,409	1,459,451
Short term borrowings		1,280,683	1,961,029
Retirement and other service benefits obligations		1,161	2,796
		4,133,640	4,805,793
<b>Total Liabilities</b>		11,934,049	12,519,311
<b>Contingencies and Commitments</b>	9		
<b>TOTAL EQUITY AND LIABILITIES</b>		18,904,755	19,028,630

The annexed notes from 1 to 20 form an integral part of these condensed interim financial information.



**Muhammad Aliuddin Ansari**  
Chairman



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**Syed Muhammad Ali**  
Chief Executive Officer

(Amounts in thousand except for earnings per share)

**ENGRO POWERGEN QADIRPUR LIMITED**  
**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)**  
**FOR THE PERIOD ENDED MARCH 31, 2015**

	Note	Quarter ended	
		March 31, 2015	March 31, 2014
		Rupees	
Sales	10	2,494,253	3,225,384
Cost of sales	11	(1,886,820)	(2,461,496)
<b>Gross profit</b>		<u>607,433</u>	<u>763,888</u>
Administrative expenses	12	(43,508)	(34,642)
Other income / (expenses)	13	542	38,333
<b>Profit from operations</b>		<u>564,467</u>	<u>767,579</u>
Finance cost	14	(105,165)	(182,620)
Workers' profits participation fund and workers' welfare fund	15	-	-
<b>Profit for the period</b>		<u>459,302</u>	<u>584,959</u>
Taxation		(5)	-
<b>Profit for the period</b>		<u><u>459,297</u></u>	<u><u>584,959</u></u>
<b>Earnings per share</b> - basic and diluted	16	<u><u>1.42</u></u>	<u><u>1.81</u></u>

The annexed notes from 1 to 20 form an integral part of these condensed interim financial information.



**Muhammad Aliuddin Ansari**  
Chairman



**Syed Muhammad Ali**  
Chief Executive Officer





(Amounts in thousand)

ENGRO POWERGEN QADIRPUR LIMITED  
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)  
FOR THE PERIOD ENDED MARCH 31, 2015

	Quarter ended	
	March 31, 2015	March 31, 2014
	Rupees	
Profit for the period	459,297	584,959
Other comprehensive income / (loss):		
<i>Item that may be reclassified subsequently to profit or loss</i>		
- Hedging reserve - income / (loss) for the period	1,505	(29,766)
- Transfers to profit and loss	(585)	-
	920	(29,766)
<b>Total comprehensive income for the period</b>	<b>460,217</b>	<b>555,193</b>

The annexed notes from 1 to 20 form an integral part of these condensed interim financial information.



**Muhammad Aliuddin Ansari**  
Chairman



**Syed Muhammad Ali**  
Chief Executive Officer



(Amounts in thousand)

**ENGRO POWERGEN QADIRPUR LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**  
**FOR THE PERIOD ENDED MARCH 31, 2015**

	Reserves						Total
	Capital			Revenue			
	Share capital	Share premium	Maintenance reserve	Unappropriated profit	Remeasurement of retirement benefit obligation - Actuarial gain	Hedging reserve	
			Rupees				
<b>Balance as at January 1, 2014 (audited)</b>	3,238,000	80,777	227,182	1,976,627	723	-	5,523,309
Total comprehensive income for the three months ended March 31, 2014	-	-	-	584,959	-	(29,766)	555,193
<b>Balance as at March 31, 2014 (unaudited)</b>	<u>3,238,000</u>	<u>80,777</u>	<u>227,182</u>	<u>2,561,586</u>	<u>723</u>	<u>(29,766)</u>	<u>6,078,502</u>
Total comprehensive income for the nine months ended December 31, 2014	-	-	-	1,435,862	-	(20,343)	1,415,519
Remeasurement of retirement benefit obligation - Actuarial gain	-	-	-	-	(350)	-	(350)
<b>Transactions with owners</b>							
1st Interim dividend @ Rs. 1.54 per share	-	-	-	(498,652)	-	-	(498,652)
2nd Interim dividend @ Rs. 1.50 per share	-	-	-	(485,700)	-	-	(485,700)
<b>Balance as at December 31, 2014 (audited)</b>	<u>3,238,000</u>	<u>80,777</u>	<u>227,182</u>	<u>3,013,096</u>	<u>373</u>	<u>(50,109)</u>	<u>6,509,319</u>
Total comprehensive income for the three months ended March 31, 2015	-	-	-	459,297	-	2,090	461,387
<b>Balance as at March 31, 2015 (unaudited)</b>	<u>3,238,000</u>	<u>80,777</u>	<u>227,182</u>	<u>3,472,393</u>	<u>373</u>	<u>(48,019)</u>	<u>6,970,706</u>

The annexed notes from 1 to 20 form an integral part of these condensed interim financial information.



**Muhammad Aliuddin Ansari**  
Chairman



**Syed Muhammad Ali**  
Chief Executive Officer



(Amounts in thousand)

**ENGRO POWERGEN QADIRPUR LIMITED**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)**  
**FOR THE PERIOD ENDED MARCH 31, 2015**

	Note	Quarter ended	
		March 31, 2015	March 31, 2014
		Rupees	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from / (utilised in) operations	17	851,020	(258,339)
Taxes paid		(3,473)	(1,523)
Long term loans and advances - net		(4,821)	(3,773)
Net cash generated from / (utilised in) operating activities		842,726	(263,635)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment - net		(34,902)	(78,080)
Sale proceed from disposal of property, plant and equipment		1,850	-
Net cash used in investing activities		(33,052)	(78,080)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Finance cost paid		(12,887)	(26,643)
Net increase / (decrease) in cash and cash equivalents		796,787	(368,358)
Cash and cash equivalents at beginning of the period		(1,902,328)	(664,795)
Cash and cash equivalents at end of the period		(1,105,541)	(1,033,153)

The annexed notes from 1 to 20 form an integral part of these condensed interim financial information.



**Muhammad Aliuddin Ansari**  
Chairman



**Syed Muhammad Ali**  
Chief Executive Officer



**ENGRO POWERGEN QADIRPUR LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)**  
**FOR THE PERIOD ENDED MARCH 31, 2015**

**1. LEGAL STATUS AND OPERATIONS**

**1.1** The Company was incorporated in Pakistan as an unlisted public company on February 28, 2006 under the Companies Ordinance, 1984. The Company is a subsidiary of Engro Powergen Limited which in turn is a wholly owned subsidiary of Engro Corporation Limited. The Company's registered office is located at 4th floor, Harbour Front Building, Plot Number HC-3, Block 4, Scheme Number 5, Clifton, Karachi. The Company was formally listed on the Karachi Stock Exchange on October 27, 2014 and on December 29, 2014 on the Islamabad Stock Exchange.

**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 combine 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 of the Company 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 cases where requirements differ, the provisions of or directives issued under the Ordinance 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 of the Company for the year ended December 31, 2014.

The preparation of condensed interim financial information in conformity with the above requirements 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. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the condensed interim financial information are the same as those applied in the preparation of the financial statements for the year ended December 31, 2014.

**3. ACCOUNTING POLICIES**

**3.1** The significant accounting policies applied in the preparation of these condensed interim financial information are the same as those applied in the preparation of the financial statements for the year ended December 31, 2014.

**4. PROPERTY, PLANT AND EQUIPMENT**

Operating assets, at net book value (note 4.1)  
 Capital work-in-progress  
 Capital spares

	<b>Unaudited March 31, 2015</b>	<b>Audited December 31, 2014</b>
	Rupees	
	13,059,561	13,132,059
	96,086	63,510
	1,016,897	1,021,451
	<u>14,172,544</u>	<u>14,217,020</u>



(Amounts in thousand)

4.1 Major additions net off disposals to operating assets during the period / year were as follows:

	Rate of depreciation (%)	Unaudited March 31, 2015	Audited December 31, 2014
		Rupees	
Plant & machinery - including exchange loss / exchange (gain)	4 - 16	100,818	(375,104)
Buildings	2.5 - 8	-	2,222
Furniture, fixtures and equipments	15 - 25	1,767	2,908
		<u>102,585</u>	<u>(369,974)</u>

## 5 TRADE DEBTS - Secured

Considered good	<u>2,231,097</u>	<u>2,192,805</u>
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5.1 Trade debts including delayed payment charges (note 6), are secured by a guarantee from the Government of Pakistan under the Implementation Agreement and as such are considered good.

	Unaudited March 31, 2015	Audited December 31, 2014
	Rupees	

## 6 LOANS, ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES - Considered good

Loans and advances to employees - considered good	9,164	8,792
Advances and deposits	3,987	7,626
Prepayments	22,431	51,415
Delayed payment charges (note 5.1)	938,564	900,725
Sales tax refundable	3,288	-
Receivable from associated undertakings:		
- Engro Powergen Limited	3,733	11,401
- Engro Fertilizers Limited	221	-
- Engro Eximp Private Limited	10	-
- Engro Polymer & Chemicals Limited	53	53
- Engro Corporation Limited	677	-
- Engro Powergen Thar (Pvt.) Limited	15	-
- Sindh Engro Coal Mining Company Limited	1,474	-
Insurance claim receivable (note 13.1)	1,716	304,360
Reimbursable cost from NTDC in respect of :		
- Workers' profits participation fund	196,944	173,979
- Workers' welfare fund	178,848	169,662
	<u>1,361,125</u>	<u>1,628,013</u>



(Amounts in thousand)

	<b>Unaudited March 31, 2015</b>	<b>Audited December 31, 2014</b>
	<b>Rupees</b>	
<b>7 BORROWINGS - Secured</b>		
Long term borrowings	9,275,818	9,172,969
Less: Current portion shown under current liabilities	1,475,409	1,459,451
	<u>7,800,409</u>	<u>7,713,518</u>
<b>8 CREDITORS, ACCRUED AND OTHER LIABILITIES</b>		
Creditors	361,903	24,560
Accrued liabilities	666,194	1,039,178
Security deposits	1,321	1,936
Payable to associated undertakings:		
- Retirement benefit fund	3,856	3,733
- Sindh Engro Coal Mining Company Limited	-	682
- Engro Fertilizers Limited	-	92
- Engro Corporation Limited	-	275
Provision against sales tax recoverable	3,810	3,810
Provision for insurance settlement	-	84,976
Sales tax payable	-	7,118
Withholding tax payable	-	8,291
Workers' profits participation fund	22,965	11,055
Workers' welfare fund	178,859	169,662
	<u>1,238,908</u>	<u>1,355,368</u>
<b>9 CONTINGENCIES AND COMMITMENTS</b>		
Contingent liabilities - guarantees (note 9.1)	<u>2,496,126</u>	<u>2,496,126</u>
Commitments in respect of :		
- letter of credit in favour of Company's senior lenders	815,796	806,972
- others	148,154	121,928
	<u>963,950</u>	<u>928,900</u>



(Amounts in thousand)

- 9.1** Represents bank guarantee given to Sui Northern Gas Pipelines Limited (SNGPL) representing an amount equivalent to three months contractual quantities of gas in accordance with the terms of Gas Supply Agreement between the Company and the SNGPL.
- 9.2** A Corporate Guarantee amounting to USD 10,000 has been issued by Engro Corporation Limited in favour of the Company's bank to secure the repayment of foreign loan installment to its senior lenders.
- 9.3** Gas Infrastructure Development Cess (GIDC), which was enacted under the GIDC Act, 2011 on December 15, 2011, was not charged during 2013 by SNGPL, subsequent to the decision of the Peshawar High Court, which had declared the levy of GIDC as unconstitutional. However, on December 30, 2013 the Honourable Supreme Court suspended the earlier decision of the Peshawar High Court. As a result, SNGPL had invoiced to the Company the entire GIDC for the year ended December 31, 2013 amounting to Rs. 1,462,315 during 2014.

The Company filed a writ petition against imposition of GIDC before the Lahore High Court, based on which interim relief was granted for the period till December 31, 2013. Accordingly, SNGPL charged GIDC on invoices for the period from January 2014 to July 2014. The Company had also included GIDC in invoices raised by it for the period January 2014 to July 2014, which had also been accepted by the NTDC.

On August 22, 2014, the Honourable Supreme Court, declared the entire levy of GIDC as unconstitutional against which review petition of the Federal Government is pending. Later, on September 24, 2014, the President of Pakistan promulgated GIDC Ordinance, 2014, which overrides the previous judgements of any court and levied the cess as per GIDC Act, 2011. Further, in the current quarter GIDC Ordinance was also adopted by the National Assembly of Pakistan.

In October 2014, the Company filed a writ petition before the Lahore High Court against the demand of SNGPL to restrain it from taking any coercive measures against the Company for recoveries and has obtained stay on the same. Accordingly, SNGPL has included GIDC amounting to Rs. 2,473,122 in its invoice, for the period from January 2013 to date, excluding the period from January 2014 to July 2014, but is not claiming the same and showing it as a set aside amount. Based on advice of the legal advisor, the Company is of the view that the ultimate decision of this matter will be in its favour. However, GIDC, if charged, will be recovered by the Company as pass-through item from NTDC under the approved tariff.

	Quarter ended	
	March 31, 2015	March 31, 2014
	Rupees	
Capacity purchase price	842,940	858,278
Energy purchase price	1,651,313	2,367,106
	<u>2,494,253</u>	<u>3,225,384</u>

## 10 SALES



(Amounts in thousand)

	Quarter ended	
	March 31, 2015	March 31, 2014
	Rupees	
<b>11 COST OF SALES</b>		
Gas and fuel oil consumed	1,525,365	2,133,474
Salaries, wages and staff welfare	96,201	80,913
Insurance	37,862	32,488
Travelling expenses	1,542	2,495
Depreciation and amortization	177,508	177,865
Repairs and maintenance	7,398	3,963
Legal, professional and other services	3,752	3,639
Purchased services	3,228	3,370
Stores and spares consumed	12,802	7,075
Security related expenses	8,661	7,045
Communication and other office expenses	12,502	9,169
	<u>1,886,820</u>	<u>2,461,496</u>
<b>12 ADMINISTRATIVE EXPENSES</b>		
Salaries, wages and staff welfare	18,640	13,086
Travelling expenses	1,139	842
Purchased services	7,995	6,944
Donations and contributions for corporate social responsibilities	6,568	4,924
Legal and professional services	3,988	4,862
Depreciation and amortization	3,406	2,496
Communication and other office expenses	1,772	1,488
	<u>43,508</u>	<u>34,642</u>
<b>13 OTHER (INCOME) / EXPENSES</b>		
Provision for insurance settlement (note 13.1)	-	105,591
Exchange loss	-	193
Insurance claim - net of deductible (note 13.1)	-	(144,117)
Gain on disposal of fixed assets	(1,127)	-
Reclassification of hedge to profit and loss	585	-
	<u>(542)</u>	<u>(38,333)</u>





(Amounts in thousand)

- 13.1** In October 2013, the plant was shut down due to breakdown in a machinery which was critical to the operations of plant. After a series of repair activities the plant operations were resumed on December 27, 2013. The cost of new equipment, repair expenditure due to machinery breakdown and loss of profit due to business interruption were covered under the Company's insurance policy. The insurance company principally agreed to reimburse cost of new equipment, settlement of repairs expenditure and business interruption loss suffered by the Company upon submission of the claim alongwith necessary supports. The Company filed claim alongwith supporting documents with insurance company which has been fully settled subsequent to period end.

	Quarter ended	
	March 31, 2015	March 31, 2014
	Rupees	
<b>14 FINANCE COST</b>		
Interest / markup on		
- long term borrowings	77,953	87,622
- short term borrowings	45,264	30,800
Financial charges	20,242	82,139
	143,459	200,561
Less:		
Interest income on bank deposits	(456)	(3,296)
Delayed payment charges	(37,838)	(14,645)
	105,165	182,620
<b>15 WORKERS' PROFITS PARTICIPATION FUND AND WORKERS' WELFARE FUND</b>		
Provision for		
- Workers' profits participation fund	22,965	29,248
- Workers' welfare fund	9,186	11,699
	32,151	40,947
Recoverable from NTDC	(32,151)	(40,947)
	-	-

- 15.1** The Company is required to pay 5% of its profit to the Workers' profits participation fund and 2% of its profit 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.



(Amounts in thousand except for earnings per share)

	Quarter ended	
	March 31, 2015	March 31, 2014
<b>16 EARNINGS PER SHARE</b>	<b>Rupees</b>	
Profit for the period	459,297	584,959
	<b>Number of Shares</b>	
Weighted average number of ordinary shares (In thousand)	323,800	323,800
Earning per share - basic and diluted	1.42	1.81
<b>17 CASH GENERATED FROM OPERATIONS</b>		
Profit for the period - before tax	459,302	584,959
<b>Adjustment for non-cash charges and other items:</b>		
- Depreciation and amortization	180,914	180,361
- Front end fee amortisation	2,031	2,031
- Reclassification of hedge to profit and loss	585	-
- Gain on disposal of property, plant and equipment	(1,127)	-
- Finance cost	123,217	118,422
<b>Working capital changes (note 17.1)</b>	86,098	(1,144,112)
	851,020	(258,339)
<b>17.1 Working capital changes</b>		
Decrease/(increase) in current assets:		
Inventory including stores and spares - net	(24,403)	(55,983)
Trade debts	(38,292)	(2,325,914)
Loans, advances, deposits, short term prepayments and other receivables	266,888	547,439
	204,193	(1,834,458)
Increase/(decrease) in current liabilities :		
Creditors, accrued expenses and other liabilities	(116,460)	690,996
Retirement and other service benefits	(1,635)	(650)
	86,098	(1,144,112)



(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	Quarter ended	
		March 31, 2015	March 31, 2014
Holding Company	Purchase of services	15,546	13,607
	Services rendered	16,680	14,666
	Payment for CSR activities	1,953	1,680
Associated undertakings	Purchase of services	14,394	12,657
	Services rendered	4,391	3,124
	Payment for CSR activities	4,000	3,500
Key management personnel	Managerial remuneration	17,749	15,850
	Retirement benefit schemes	1,457	1,016
Staff retirement benefits		12,383	7,934

## 19 NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

The Board of Directors of the Company in its meeting held on April 21, 2015 proposed an interim dividend of Rs. 1.5 per share for the quarter year ended March 31, 2015 amounting to Rs. 485,700. This condensed interim financial information does not reflect the dividend payable.

## 20 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on April 21, 2015 by the Board of Directors of the Company.



**Muhammad Aliuddin Ansari**  
Chairman



**Syed Muhammad Ali**  
Chief Executive Officer



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