



engro powergen qadirpur

power for the nation

Financial statements for the
Half Year ended June 30, 2018



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COMPANY INFORMATION

Board of Directors	Shamsuddin A. Shaikh - Chairman Shahab Qader - Chief Executive Officer Aliya Yusuf Hasnain Mochhala Javed Akbar Mohsin Ali Mangi Shabbir Hashmi Shahid Hamid Pracha Vaqar Zakaria
Board Audit Committee	Javed Akbar - Chairperson Shabbir Hashmi Aliya Yusuf
Chief Financial Officer	Unser Owais
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 MCB 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	16th Floor, The Harbor Front Building, HC-3, Marine Drive, Block 4, Clifton, Karachi-75600, Pakistan UAN: +92 (21) 111-211-211 PABX: +92 (21) 35297875-84
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 STATEMENTS (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2018**



**ENGRO POWERGEN QADIRPUR LIMITED
DIRECTORS' REVIEW TO THE SHAREHOLDERS
ON UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED JUNE 30, 2018**

The Directors of Engro Powergen Qadirpur Limited (EPQL) are pleased to present the unaudited financial statements and a review of the Company's performance for the half year ended June 30, 2018.

Operating Performance

The EPQL Plant demonstrated a billable availability factor of 99.8% in 1H 2018 compared to 100.8% in the same period last year. It dispatched a total Net Electrical Output (NEO) of 803 GWh to the national grid with a load factor of 87% compared to 94% in 1H 2017. The decline in load factor this year was primarily on account of gas supplier's compressor issues which resulted in supply disruptions.

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

Financial Performance

Sales revenue for the period was PKR 6,032 Mn compared to PKR 6,152 Mn in the same period last year. The decrease in sales revenue is mainly attributable 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 1,793 Mn as compared to PKR 1,682 Mn in the same period last year. This increase in gross profit is primarily on account of higher operations and maintenance cost absorption in 1H 2018 due to higher tariff indexation. Net finance cost for the period stood at PKR 109 Mn vs PKR 147 Mn in 1H 2017. The decrease in net financing cost is on account of higher interest income billed to the Power Purchaser on account of rising circular debt.

Overdue receivable from NTDC stood at PKR 4,756 Mn as on June 30, 2018 vs PKR 4,294 Mn as on December 31, 2017. Similarly overdue payable to SNGPL on June 30, 2018 was PKR 2,826 Mn vs PKR 1,716 Mn as on December 31, 2017.

The Company earned a net profit of PKR 1,590 Mn in 1H, 2018 as compared to PKR 1,546 Mn in 1H 2017. Earnings per share were of PKR 4.91 vs PKR 4.77 when compared to the same period last year.

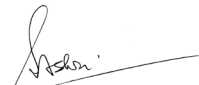
Near Term Outlook

The relatively low gas prices for IPPs coupled with the recent surge in global oil prices will help gas based power plants to rise in the merit order on account of their relatively lower input costs, higher efficiencies and better environmental parameters. We foresee circular debt to remain a challenge for the federal government and the energy sector in the near future unless concrete policy measures are taken to address the underlying causes.

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.



Shahab Qader
Chief Executive Officer



Shamsuddin A. Shaikh
Chairman

Karachi: August 08, 2018





INDEPENDENT AUDITORS' REVIEW REPORT

To the members of Engro Powergen Qadirpur Limited

Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Engro Powergen Qadirpur Limited as at June 30, 2018 and the related condensed interim statement of profit or loss, condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the financial statements for the half year then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

The figures of the condensed interim statement of profit or loss and condensed interim statement of profit or loss and other comprehensive income for the quarters ended June 30, 2018 and 2017 have not been reviewed, as we are required to review only the cumulative figures for the half year ended June 30, 2018.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements 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 interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor's report is Osama Kapadia.

Chartered Accountants

Karachi

Date: August 27, 2018

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 STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT JUNE 30, 2018

		Unaudited June 30, 2018	Audited December 31, 2017
		Rupees	
ASSETS	Note		
Non-current assets			
Property, plant and equipment	4	13,350,623	13,169,212
Intangible assets		72,136	77,044
Long term loans and advances		60,338	39,243
Long term deposits		2,574	2,491
		<u>13,485,671</u>	<u>13,287,990</u>
Current assets			
Inventories		890,728	881,182
Trade debts	5	5,965,665	5,571,570
Short term investments	6	49,863	50,000
Loans, advances, deposits, prepayments and other receivables		1,723,565	1,427,680
Taxes recoverable		65,727	64,731
Balances with banks	7	102,422	7,409
		<u>8,797,970</u>	<u>8,002,572</u>
TOTAL ASSETS		<u><u>22,283,641</u></u>	<u><u>21,290,562</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		14,641	(49,606)
Unappropriated profit		7,420,338	6,316,404
Total Equity		<u>10,980,938</u>	<u>9,812,757</u>
LIABILITIES			
Non-current liability			
Borrowings	8	1,908,260	2,819,315
Current liabilities			
Trade and other payables		4,505,756	3,346,430
Unclaimed dividend		24,117	20,528
Accrued interest / mark-up		32,736	30,942
Short term borrowings	9	2,478,958	3,208,672
Current portion of long term borrowings	8	2,352,876	2,051,918
		<u>9,394,443</u>	<u>8,658,490</u>
Total Liabilities		<u>11,302,703</u>	<u>11,477,805</u>
Contingencies and Commitments	10		
TOTAL EQUITY AND LIABILITIES		<u><u>22,283,641</u></u>	<u><u>21,290,562</u></u>

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



Unser Owais
Chief Financial Officer



Shahab Qader
Chief Executive Officer



Shamsuddin A. Shaikh
Chairman



(Amounts in thousand except for earnings per share)

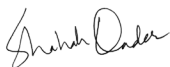
ENGRO POWERGEN QADIRPUR LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2018

	Note	Quarter ended		Half year ended	
		June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
Sales	11	3,189,649	3,172,188	6,032,422	6,151,505
Cost of sales		(2,151,083)	(2,183,900)	(4,239,735)	(4,469,508)
Gross profit		<u>1,038,566</u>	<u>988,288</u>	<u>1,792,687</u>	<u>1,681,997</u>
Administrative expenses		(49,522)	(44,734)	(94,176)	(96,465)
Other expenses		-	(948)	(407)	(1,875)
Other income	12	1,129	28	1,129	110,028
Profit from operations		<u>990,173</u>	<u>942,634</u>	<u>1,699,233</u>	<u>1,693,685</u>
Finance cost		(69,531)	(65,468)	(109,409)	(147,471)
Workers' profits participation fund and Workers' welfare fund	13	-	-	-	-
Profit before taxation		<u>920,642</u>	<u>877,166</u>	<u>1,589,824</u>	<u>1,546,214</u>
Taxation		(97)	(132)	(190)	(276)
Profit for the period		<u><u>920,545</u></u>	<u><u>877,034</u></u>	<u><u>1,589,634</u></u>	<u><u>1,545,938</u></u>
Earnings per share - basic and diluted	14	<u><u>2.84</u></u>	<u><u>2.71</u></u>	<u><u>4.91</u></u>	<u><u>4.77</u></u>

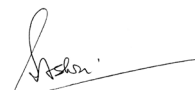
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Unser Owais
Chief Financial Officer



Shahab Qader
Chief Executive Officer



Shamsuddin A. Shaikh
Chairman



(Amounts in thousand)

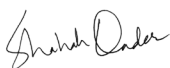
ENGRO POWERGEN QADIRPUR LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2018

	Quarter ended		Half year ended	
	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
Profit for the period	920,545	877,034	1,589,634	1,545,938
Other comprehensive income / (loss) :				
Item that may be reclassified subsequently to profit or loss:				
Hedging reserve - gain for the period	46,379	-	64,679	-
Less: Transfers to profit or loss	(839)	948	(432)	1,875
	45,540	948	64,247	1,875
Total comprehensive income for the period	<u>966,085</u>	<u>877,982</u>	<u>1,653,881</u>	<u>1,547,813</u>

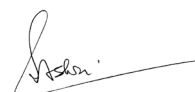
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Unser Owais
Chief Financial Officer



Shahab Qader
Chief Executive Officer



Shamsuddin A. Shaikh
Chairman



(Amounts in thousand)

ENGRO POWERGEN QADIRPUR LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED JUNE 30, 2018

	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, 2017 (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)	3,238,000	80,777	227,182	6,039,510	(67,541)	(1,163)	9,516,765
Total comprehensive income for the half year ended December 31, 2017	-	-	-	844,707	17,935	-	862,642
Transfer of actuarial loss on previous retirement benefit plan	-	-	-	(1,163)	-	1,163	-
Transactions with owners							
1st interim dividend for the year ended December 31, 2017 @ Rs. 1.75 per share	-	-	-	(566,650)	-	-	(566,650)
Balance as at December 31, 2017 (Audited)	3,238,000	80,777	227,182	6,316,404	(49,606)	-	9,812,757
Total comprehensive income for the half year ended June 30, 2018	-	-	-	1,589,634	64,247	-	1,653,881
Transactions with owners							
Final dividend for the year ended December 31, 2017 @ Rs. 1.50 per share	-	-	-	(485,700)	-	-	(485,700)
Balance as at June 30, 2018 (Unaudited)	<u>3,238,000</u>	<u>80,777</u>	<u>227,182</u>	<u>7,420,338</u>	<u>14,641</u>	<u>-</u>	<u>10,980,938</u>

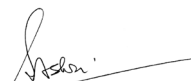
The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.



Unser Owais
Chief Financial Officer



Shahab Qader
Chief Executive Officer



Shamsuddin A. Shaikh
Chairman



(Amounts in thousand)

ENGRO POWERGEN QADIRPUR LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2018

	Note	Half year ended	
		June 30, 2018	June 30, 2017
		Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	15	2,656,575	2,003,492
Taxes paid		(1,186)	(1,408)
Long term loans, advances and deposits - net		(21,178)	(7,003)
Net cash generated from operating activities		2,634,211	1,995,081
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment / intangible assets		(74,214)	(41,705)
Sale proceeds from disposal of property, plant and equipment		-	1,110
Net cash utilised in investing activities		(74,214)	(40,595)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of long term borrowing		(1,040,218)	(878,498)
Finance cost paid		(213,078)	(207,466)
Dividends paid		(482,111)	(481,848)
Net cash utilised in financing activities		(1,735,407)	(1,567,812)
Net increase in cash and cash equivalents		824,590	386,674
Cash and cash equivalents at beginning of the period		(3,151,263)	(2,829,377)
Cash and cash equivalents at end of the period	16	(2,326,673)	(2,442,703)


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



Unser Owais
Chief Financial Officer



Shahab Qader
Chief Executive Officer



Shamsuddin A. Shaikh
Chairman



ENGRO POWERGEN QADIRPUR LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2018

1. LEGAL STATUS AND OPERATIONS

- 1.1 Engro Powergen Qadirpur Limited (the Company), is a public listed company, incorporated in Pakistan, under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017), and its shares are quoted on the Pakistan Stock Exchange Limited. The Company is a subsidiary of Engro Energy 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 16th floor, Harbour Front Building, Plot Number HC-3, Marine Drive, 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 owns a 217.3 MW combined cycle power plant located in District of Ghotki, Sindh 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

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard 34, 'Interim Financial Reporting', (IAS 34), issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017, and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

The cumulative figures for the half year ended June 30, 2018 presented in these condensed interim financial statements have been subjected to limited scope review by the auditors, as required under section 237 of the Companies Act, 2017. These condensed interim financial statements do not include all the information required for annual financial statements and therefore should be read in conjunction with the audited annual financial statements of the Company for the year ended December 31, 2017.

The preparation of these condensed interim financial statements in conformity with the approved accounting and reporting 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 these condensed interim financial statements, 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 were applied to the financial statements for the year ended December 31, 2017.



3. ACCOUNTING POLICIES

- 3.1 The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of the annual financial statements for the year ended December 31, 2017.
- 3.2 There are certain amendments to published International Financial Reporting Standards and interpretations that are mandatory for the financial year beginning on January 1, 2018. 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 statements. Further, third and fourth schedules to the Companies Act, 2017 will be applicable to the Company for the first time in the preparation of annual financial statements for the year ending December 31, 2018 which have added / amended certain disclosure requirements.
- 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, 2018	Audited December 31, 2017
	Rupees	
4. PROPERTY, PLANT AND EQUIPMENT		
Operating assets, at net book value (note 4.1)	12,366,264	12,220,553
Capital work-in-progress	49,764	15,420
Capital spares	934,595	933,239
	<u>13,350,623</u>	<u>13,169,212</u>

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

	Rate of depreciation (%)	Unaudited June 30, 2018	Audited December 31, 2017
		Rupees	
Plant & machinery - including capitalisation of exchange loss / (gain)	4 - 16	502,046	300,057
Leasehold land	-	26,938	-
Buildings & civil works	2.5 - 8	-	19,754
Furniture, fixtures and equipments	15 - 25	137	21,005
		<u>529,121</u>	<u>340,816</u>

5. TRADE DEBTS - Secured

- | | | |
|-----------------|------------------|------------------|
| Considered good | <u>5,965,665</u> | <u>5,571,570</u> |
|-----------------|------------------|------------------|
- 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. 2,174,496 (December 31, 2017: Rs. 2,104,915) which are neither past due nor impaired; and
 - Rs. 3,791,169 (December 31, 2017: Rs. 3,466,655) which are overdue but not impaired. The overdue receivables carry mark-up at the rate of KIBOR plus 4.5% per annum. The ageing of overdue receivables is as follows.



(Amounts in thousand)

	Unaudited June 30, 2018	Audited December 31, 2017
	Rupees	
- Upto 3 months	3,068,473	2,763,461
- 3 to 6 months	722,696	703,194
	<u>3,791,169</u>	<u>3,466,655</u>

6. SHORT TERM INVESTMENTS

- Held to maturity

Investments have been made in conventional Treasury Bills as compared to prior year where investments was made in the Term Deposit Receipts. The rate of mark-up on this investment is 6.4% (December 31, 2017: 3.95%) per annum.

	Unaudited June 30, 2018	Audited December 31, 2017
	Rupees	

7. BALANCES WITH BANKS

Current accounts:

- Local currency (note 7.1)

92,148

917

Deposit accounts:

- Foreign currency (note 7.2)

3,264

2,969

- Local currency (note 7.3)

7,010

3,523

102,422

7,409

- 7.1 This include payorders in hand amounting to Rs. 3,670 (December 31, 2017: Nil)
- 7.2 Foreign currency deposits carry return at the rate of 0.2% (December 31, 2017: 0.5%) per annum.
- 7.3 Local currency deposits carry return at the rate of 4.50% (December 31, 2017: 3.75%) per annum.
- 7.4 The Company maintains its bank balances under the conventional banking terms only.

(Amounts in thousand)

	Unaudited June 30, 2018	Audited December 31, 2017
	Rupees	
8. BORROWINGS - secured		
Long term borrowings	4,261,136	4,871,233
Less: Current portion shown under current liabilities	<u>2,352,876</u>	<u>2,051,918</u>
	<u>1,908,260</u>	<u>2,819,315</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, 2018, the outstanding balance of the borrowing was US\$ 35,198 (December 31, 2017: US\$ 44,292).

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 these mark-up arrangements aggregates to Rs. 4,400,000 (2017: Rs. 4,400,000). The facilities carry mark-up at the rate of 3 months KIBOR plus 0.0% - 0.5% (2017: 3 months KIBOR plus 0.0% - 0.5%). 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, 2018	Audited December 31, 2017
	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)	975,426	886,386
- others	<u>34,322</u>	<u>51,666</u>
	<u>1,009,748</u>	<u>938,052</u>



(Amounts in thousand)

	Unaudited		Unaudited	
	Quarter ended	Quarter ended	Half year ended	Half year ended
	June 30,	June 30,	June 30,	June 30,
	2018	2017	2018	2017
	Rupees			
11. SALES				
Capacity purchase price	1,391,992	1,282,155	2,320,440	2,158,145
Energy purchase price (note 11.1)	1,797,657	1,890,033	3,711,982	3,993,360
	<u>3,189,649</u>	<u>3,172,188</u>	<u>6,032,422</u>	<u>6,151,505</u>

11.1 Energy purchase price is net of sales tax of Rs. 631,037 (2017: Rs. 678,871) for current period's sales invoices.

	Unaudited		Unaudited	
	Quarter ended	Quarter ended	Half year ended	Half year ended
	June 30,	June 30,	June 30,	June 30,
	2018	2017	2018	2017
	Rupees			
12. OTHER INCOME				
Financial assets:				
Exchange gain	290	28	290	28
Reclassification of hedge to profit or loss	839	-	839	-
Non - financial assets:				
Insurance claim - net of deductible (note 12.1)	-	-	-	110,000
	<u>1,129</u>	<u>28</u>	<u>1,129</u>	<u>110,028</u>

12.1 Last year, insurance claim pertained to auto transformer incident at Guddu in 2016 due to which the plant was on standby mode till the completion of repair work. During the completion of repair work, the Company's Energy Purchase Payments (EPP) were affected against which the Company had lodged a Business Interruption claim with the insurers. The Company received Rs. 110,000 in the last year in this respect.

(Amounts in thousand except for earnings per share)

	Unaudited		Unaudited	
	Quarter ended		Half year ended	
	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
	Rupees			
13. WORKERS' PROFIT				
PARTICIPATION FUND AND				
WORKERS' WELFARE FUND				
Provision for				
- Workers' profits participation fund (note 13.1)	46,039	43,859	79,491	77,311
- Workers' welfare fund (note 13.2)	-	-	-	-
	46,039	43,859	79,491	77,311
Less:				
Recoverable from NTDC	(46,039)	(43,859)	(79,491)	(77,311)
	<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 effect the Company's overall profitability as this is recoverable from NTDC as a pass through item under Schedule I Part IV of the Power Purchase Agreement (PPA).

13.2 The Honorable Supreme Court (HSC) through order dated November 10, 2016 annulled the amendments made in the Workers' Welfare Fund Ordinance, 1971 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 Company, Sindh Workers' Welfare Fund Act, 2014 is applicable, under which exempt income, i.e. income from power supply operations is not subject to Workers' welfare fund. Accordingly, no provision for Worker welfare fund has been recognised from 2016 and onwards; however, provisions in respect of prior periods, made under the Federal Workers' Welfare Fund Ordinance, 1971 have been retained.

14. EARNINGS PER SHARE

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

	Unaudited		Unaudited	
	Quarter ended		Half year ended	
	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
	Rupees			
Profit for the period	<u>920,545</u>	<u>877,034</u>	<u>1,589,634</u>	<u>1,545,938</u>
	Number of shares			
Weighted average number of ordinary shares (in thousand)	<u>323,800</u>	<u>323,800</u>	<u>323,800</u>	<u>323,800</u>
	Rupees			
Earnings per share - basic and diluted	<u>2.84</u>	<u>2.71</u>	<u>4.91</u>	<u>4.77</u>

(Amounts in thousand)

	Unaudited	
	Half year ended	
	June 30, 2018	June 30, 2017
	Rupees	
15. CASH GENERATED FROM OPERATIONS		
Profit before taxation	1,589,824	1,546,214
Adjustment for non-cash charges and other items:		
- Depreciation	383,542	364,165
- Amortisation	8,969	8,910
- Reclassification of cash flow hedge to profit or loss	(432)	1,875
- Finance cost	214,872	212,270
Working capital changes (note 15.1)	459,800	(129,942)
	<u>2,656,575</u>	<u>2,003,492</u>
15.1 Working capital changes		
Decrease / (Increase) in current assets:		
Inventories	(9,546)	(29,110)
Trade debts	(394,095)	(314,799)
Loans, advances, deposits, prepayments and other receivables - net	(295,885)	(8,267)
	(699,526)	(352,176)
(Decrease) / Increase in current liabilities:		
Trade and other payables	1,159,326	222,234
	<u>459,800</u>	<u>(129,942)</u>
16. CASH AND CASH EQUIVALENTS		
Balances with banks	102,422	125,904
Short term borrowings	(2,478,958)	(2,618,607)
Short term investments	49,863	50,000
	<u>(2,326,673)</u>	<u>(2,442,703)</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 these condensed interim financial statements 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 these condensed interim financial statements 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 these condensed interim financial statements, are as follows:

Nature of relationship	Nature of transactions	Unaudited	
		Half year ended	
		June 30, 2018	June 30, 2017
Holding Company	Purchase of services	63,922	149,718
	Services rendered	14,337	38,715
	Contribution for Corporate Social Responsibility (CSR) activities	2,647	4,350
	Dividend paid	334,575	334,575
Associated companies	Purchase of services	48,032	39,122
	Services rendered	23,915	5,919
Key management personnel	Managerial remuneration	16,463	33,114
	Retirement benefit schemes	1,329	4,043
Staff retirement benefits	Managed and operated by the Company		
	- Gratuity fund	-	2,492
	Managed and operated by Engro Corporation Limited		
	- Gratuity fund	7,035	8,420
	- Provident fund	21,672	29,191
- Pension fund	489	1,042	

19. CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the condensed interim statement of financial position has been compared with the balances of annual financial statements of preceding financial year, whereas the condensed interim statement of profit or loss, condensed interim statement of profit or loss and other 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.

20. DATE OF AUTHORISATION FOR ISSUE

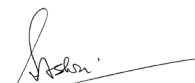
These condensed interim financial statements were authorised for issue on August 08, 2018 by the Board of Directors of the Company.



Unser Owais
Chief Financial Officer



Shahab Qader
Chief Executive Officer



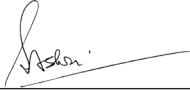
Shamsuddin A. Shaikh
Chairman



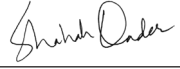
اگلی میعاد کا منظر نامہ

IPPs کے لیے نسبتاً کم قیمت گیس اور اس کے ساتھ ساتھ عالمی تیل کی قیمتوں میں حالیہ اضافے کی بدولت گیس پر چلنے والے پاور پلانٹس کو اپنی نسبتاً کم خام مال کی لاگت، اعلیٰ تر کارکردگی اور بہتر ماحولیاتی پیمانوں کے باعث استحقاقی حکم نامے میں ترقی پانے میں مدد ملے گی۔ ہمیں خدشہ ہے کہ گردش قرضہ مستقبل قریب میں وفاقی حکومت اور توانائی کے شعبے کے لیے مسائل کا باعث رہے گا، سوائے اس کے کہ ضمنی اسباب کے حل کے لیے مضبوط پالیسی اقدامات اختیار کیے جائیں۔

مستقبل کی جانب پیش قدمی کرتے ہوئے، کمپنی اپنی توجہ پلانٹ اور ایکویپمنٹ کی اعتباریت اور کارکردگی میں بہتری کے دیگر اقدامات پر مرکوز رکھے گی، جس کے نتیجے میں تمام اسٹیک ہولڈرز کے فائدے کے لیے قومی گروتھ کو غیر منقطع بجلی کی فراہمی کو یقینی بنایا جائے گا۔



چیئرمین
عس الدین شیخ



چیف ایگزیکٹو
شہاب قادر

18 اگست، 2018



اینگرو پاور جن قادر پور لمیٹڈ شیر ہولڈرز کے لیے ڈائریکٹرز کا جائزہ برائے نصف سال ختمہ 30 جون 2018

اینگرو پاور جن قادر پور لمیٹڈ (EPQL) کے ڈائریکٹرز انتہائی مسرت کے ساتھ غیر آڈٹ شدہ مالیاتی معلومات اور کمپنی کی کارکردگی کا جائزہ برائے نصف سال ختمہ 30 جون 2018، پیش کر رہے ہیں۔

عملی کاروباری کارکردگی

EPQL پلانٹ نے 2018 کی پہلی ششماہی میں 99.8 فیصد کا دستیاب قابل بل فیکٹر ظاہر کیا جو کہ گزشتہ سال اسی مدت کے دوران 100.8 فیصد تھا۔ اس نے 2017 کی پہلی ششماہی میں 94 فیصد کے مقابلے میں اس مرتبہ 87 فیصد کے لوڈ فیکٹر کے ساتھ قومی گز کو 803 GWh کی مجموعی خالص برقی پیداوار (NEO) کی ترسیل کی۔ اس سال لوڈ فیکٹر میں کمی کی بنیادی وجہ گیس فراہم کنندہ کے کپریٹر کے مسائل تھے، جس کے باعث گیس کی فراہمی میں خلل پیدا ہوا۔

کمپنی نے صحت، تحفظ اور ماحول (HSE) کے اسٹینڈرڈز کے حوالے سے اپنی انتہائی درجے کی وابستگی برقرار رکھی۔

مالیاتی کارکردگی

مذکورہ ششماہی میں سیلز کی آمدنی 6,032 ملین روپے رہی جو کہ گزشتہ سال اسی مدت کے دوران 6,152 ملین روپے تھی۔ سیلز کی آمدنی میں کمی کی بڑی وجہ اوپر بیان کردہ لوڈ فیکٹر اور اس کے ساتھ ساتھ پیداواری لاگت میں آنے والی کمی تھی۔

اس ششماہی میں مجموعی منافع 1,793 ملین روپے رہا جو کہ گزشتہ سال اسی مدت کے دوران 1,682 ملین روپے تھا۔ مجموعی منافع میں اضافے کی بنیادی وجہ نرخ ناموں میں اضافے کے باعث 2018 کی پہلی ششماہی میں آپریشنز اور مینٹیننس پر آنے والی زیادہ لاگت تھی۔ خالص مالیاتی لاگت، 2017 کی پہلی ششماہی کے 147 ملین روپے کے مقابلے میں 109 ملین روپے رہی۔ خالص مالیاتی لاگت میں کمی کی وجہ، بڑھتے ہوئے گردش قرضے کے باعث پاور پریچرز پر عائد کی جانے والی زیادہ سودی آمدنی تھی۔

NTDC سے زائد المیعا دوصولیائی 30 جون، 2018 کو 4,756 ملین روپے رہی جو کہ 31 دسمبر 2017 کو 4,294 ملین روپے تھی۔ اسی طرح SNGPL کو زائد المیعا دوصولیائی، 31 دسمبر 2017 کو 1,716 ملین روپے کے مقابلے میں 30 جون، 2018 کو 2,826 ملین روپے تھی۔

کمپنی نے 2018 کی پہلی ششماہی میں 1,590 ملین روپے کا خالص منافع حاصل کیا جو کہ 2017 کی پہلی ششماہی میں 1,546 ملین روپے تھا۔ فی شیر آمدنیاں، گزشتہ سال کی اسی مدت کے دوران 4.77 روپے کے مقابلے میں 4.91 روپے رہیں۔



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