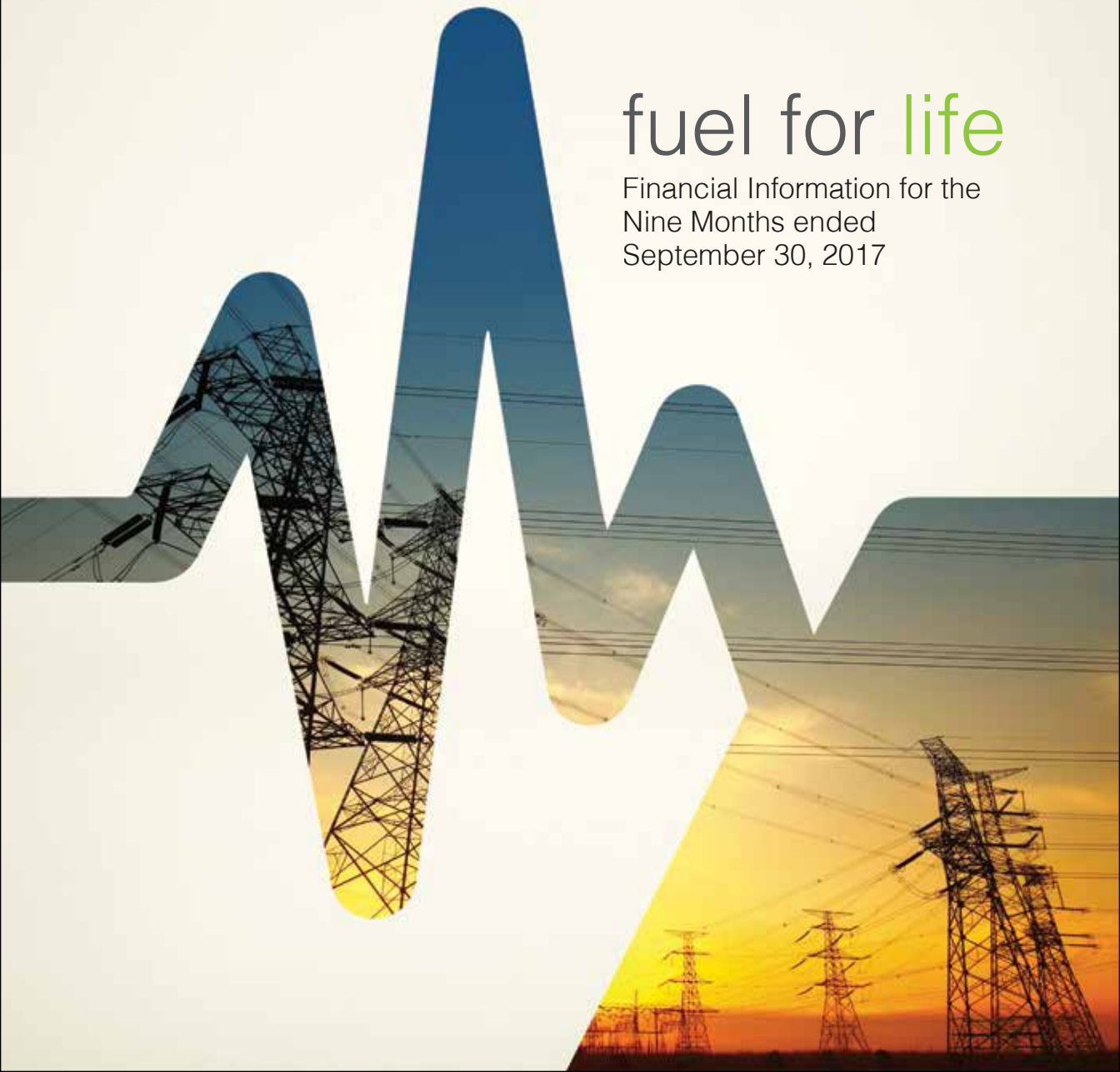




engro powergen qadirpur

fuel for life

Financial Information for the
Nine Months ended
September 30, 2017



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COMPANY INFORMATION

Board of Directors	Shamsuddin A. Shaikh - Chairman Shahab Qader - Chief Executive Officer Aliya Yusuf Hasnain 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 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	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 NINE MONTHS ENDED SEPTEMBER 30, 2017**



**ENGRO POWERGEN QADIRPUR LIMITED
DIRECTORS' REVIEW TO THE SHAREHOLDERS
ON UNAUDITED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE NINE MONTHS ENDED SEPTEMBER 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 nine months ended September 30, 2017.

Operating Performance

During the nine months ended September 2017, the EPQL Plant demonstrated a billable availability factor of 100.7% compared to 100.2% during the same period last year. The Plant supplied a total Net Electrical Output (NEO) of 1,314 GWh to the national grid with a load factor of 94% compared to 60.2% in the same period last year. The decline in load factor last year was primarily on account of power purchaser's (NTDC's) auto transformer issues. Subsequent to the resolution of the issue, the EPQL Plant received higher dispatch in the nine months ended September 30, 2017.

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

Financial Performance

Sales revenue for the period was PKR 8,799 Mn compared to PKR 8,106 Mn in the same period last year. The increase in sales revenue was mainly attributable to an increase in load factor as explained above. Subsequently, the gross profit for the period stood at PKR 2,096 Mn compared to PKR 1,831 Mn in the same period last year.

Other income represents insurance income for business interruption loss suffered by the Company in 2016 on account of power purchaser's (NTDC's) auto transformer issues. Lower running finance costs and timely payments to the fuel supplier have helped to decrease the financial cost for the period to PKR 213 Mn compared to PKR 264 Mn for the same period last year.

Overdue receivable from NTDC stood at PKR 3,223 Mn as on September 30, 2017 vs PKR 2,352 Mn as on December 31, 2016. Similarly, overdue payable to SNGPL on September 30, 2017 was PKR 817 Mn vs PKR 597 Mn as on December 31, 2016.

The Company earned a net profit of PKR 1,853 Mn for the nine months ended September 30, 2017 as compared to PKR 1,527 Mn in the same period last year for reasons mentioned above. Resultantly earnings per share are of PKR 5.72 compared to PKR 4.72 for the same period last year.

Near term Outlook

Gas based power plants would continue to be ranked higher on account of their higher efficiencies and environmental parameters. 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: October 23, 2017



(Amounts in thousand)

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

		Unaudited September 30, 2017	Audited December 31, 2016
	Note	Rupees	
ASSETS			
Non-current assets			
Property, plant and equipment	4	13,066,898	13,524,720
Intangible assets		79,498	80,740
Long term loans and advances		43,934	39,412
Long term deposits		2,491	2,491
		<u>13,192,821</u>	<u>13,647,363</u>
Current assets			
Inventories		881,430	843,008
Trade debts	5	4,164,103	3,896,828
Short term investments	6	50,000	50,000
Loans, advances, deposits, prepayments and other receivables		1,446,265	1,552,910
Taxes recoverable		63,800	62,325
Balances with banks	7	66,019	39,623
		<u>6,671,617</u>	<u>6,444,694</u>
TOTAL ASSETS		<u>19,864,438</u>	<u>20,092,057</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		(67,266)	(69,416)
Unappropriated profit		5,779,828	4,979,272
Remeasurement of retirement benefits obligation - Actuarial loss		(1,163)	(1,163)
Total Equity		<u>9,257,358</u>	<u>8,454,652</u>
LIABILITIES			
Non-current liability			
Borrowings	8	3,686,596	4,610,647
Current liabilities			
Trade and other payables		2,408,075	2,290,697
Accrued interest / mark-up		88,701	24,708
Short term borrowings	9	2,543,780	2,919,000
Current portion of long term borrowings	8	1,879,215	1,792,353
Derivative financial liability		713	-
		<u>6,920,484</u>	<u>7,026,758</u>
Total Liabilities		<u>10,607,080</u>	<u>11,637,405</u>
Contingencies and Commitments	10		
TOTAL EQUITY AND LIABILITIES		<u>19,864,438</u>	<u>20,092,057</u>

The annexed notes from 1 to 20 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 NINE MONTHS ENDED SEPTEMBER 30, 2017

	Note	Quarter ended		Nine months ended	
		September 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016
Sales	11	2,647,320	3,391,581	8,798,825	8,106,199
Cost of sales		(2,233,784)	(2,971,500)	(6,703,292)	(6,275,205)
Gross profit		<u>413,536</u>	<u>420,081</u>	<u>2,095,533</u>	<u>1,830,994</u>
Administrative expenses		(40,427)	(51,475)	(136,892)	(136,515)
Other expenses		(988)	(1,763)	(2,863)	(2,831)
Other income	12	-	-	110,028	99,305
Profit from operations		<u>372,121</u>	<u>366,843</u>	<u>2,065,806</u>	<u>1,790,953</u>
Finance cost		(65,049)	(84,914)	(212,520)	(263,696)
Workers' profits participation fund and Workers' welfare fund	13	-	-	-	-
Profit before taxation		<u>307,072</u>	<u>281,929</u>	<u>1,853,286</u>	<u>1,527,257</u>
Taxation		(104)	-	(380)	(351)
Profit for the period		<u><u>306,968</u></u>	<u><u>281,929</u></u>	<u><u>1,852,906</u></u>	<u><u>1,526,906</u></u>
Earnings per share - basic and diluted	14	<u><u>0.95</u></u>	<u><u>0.87</u></u>	<u><u>5.72</u></u>	<u><u>4.72</u></u>

The annexed notes from 1 to 20 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 NINE MONTHS ENDED SEPTEMBER 30, 2017

	<u>Quarter ended</u>		<u>Nine months ended</u>	
	<u>September 30, 2017</u>	<u>September 30, 2016</u>	<u>September 30, 2017</u>	<u>September 30, 2016</u>
	Rupees			
Profit for the period	306,968	281,929	1,852,906	1,526,906
Other comprehensive income / (loss) :				
Item that may be reclassified subsequently to profit or loss:				
Hedging reserve - loss for the period	(713)	(1,240)	(713)	(13,723)
Less: Transfers to profit or loss	988	981	2,863	2,815
	275	(259)	2,150	(10,908)
Item that will not be reclassified to profit or loss:				
- Remeasurement of retirement benefit obligation - Actuarial gain	-	52	-	104
Total comprehensive income for the period	<u>307,243</u>	<u>281,722</u>	<u>1,855,056</u>	<u>1,516,102</u>

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



Shamsuddin A. Shaikh
Chairman



Shahab Qader
Chief Executive Officer

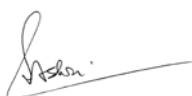


(Amounts in thousand)

ENGRO POWERGEN QADIRPUR LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED SEPTEMBER 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 nine months ended September 30, 2016	-	-	-	1,526,906	(10,908)	104	1,516,102
Transactions with owners							
Final dividend for the year ended December 31, 2015 @ Re. 1.00 per share	-	-	-	(323,800)	-	-	(323,800)
1st interim dividend for the year ended December 31, 2016 @ Rs. 1.50 per share	-	-	-	(485,700)	-	-	(485,700)
Balance as at September 30, 2016 (Unaudited)	<u>3,238,000</u>	<u>80,777</u>	<u>227,182</u>	<u>4,718,490</u>	<u>(69,658)</u>	<u>581</u>	<u>8,195,372</u>
Total comprehensive income for the three months ended December 31, 2016	-	-	-	260,782	242	(1,744)	259,280
Balance as at December 31, 2016 (Audited)	<u>3,238,000</u>	<u>80,777</u>	<u>227,182</u>	<u>4,979,272</u>	<u>(69,416)</u>	<u>(1,163)</u>	<u>8,454,652</u>
Total comprehensive income for the nine months ended September 30, 2017	-	-	-	1,852,906	2,150	-	1,855,056
Transactions with owners							
Final dividend for the year ended December 31, 2016 @ Rs. 1.50 per share	-	-	-	(485,700)	-	-	(485,700)
1st interim dividend for the year ending December 31, 2017 @ Rs. 1.75 per share	-	-	-	(566,650)	-	-	(566,650)
Balance as at September 30, 2017 (Unaudited)	<u>3,238,000</u>	<u>80,777</u>	<u>227,182</u>	<u>5,779,828</u>	<u>(67,266)</u>	<u>(1,163)</u>	<u>9,257,358</u>

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



Shamsuddin A. Shaikh
Chairman



Shahab Qader
Chief Executive Officer

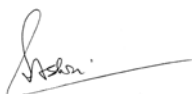


ENGRO POWERGEN QADIRPUR LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2017

(Amounts in thousand)

	Note	Nine months ended	
		September 30, 2017	September 30, 2016
		Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	15	2,641,711	2,210,761
Taxes paid		(1,855)	(6,981)
Long term loans and advances - net		(4,522)	(5,078)
Net cash generated from operating activities		2,635,334	2,198,702
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment / intangibles		(62,148)	(117,899)
Sale proceeds from disposal of property, plant and equipment		1,110	426
Investments made during the period		(150,000)	(150,000)
Proceeds from encashment of short term investments		150,000	150,000
Net cash utilised in investing activities		(61,038)	(117,473)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of long term borrowing		(878,498)	(817,885)
Finance cost paid		(241,832)	(247,393)
Dividends paid		(1,052,350)	(809,500)
Net cash utilised in financing activities		(2,172,680)	(1,874,778)
Net increase in cash and cash equivalents		401,616	206,451
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	(2,427,761)	(1,866,238)

The annexed notes from 1 to 20 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 NINE MONTHS ENDED SEPTEMBER 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 circular dated October 4, 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.
- 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.



(Amounts in thousand)

	Unaudited September 30, 2017	Audited December 31, 2016
	Rupees	
4. PROPERTY, PLANT AND EQUIPMENT		
Operating assets, at net book value (notes 4.1 and 4.2)	12,197,147	12,623,671
Capital work-in-progress	25,683	45,513
Capital spares	844,068	855,536
	<u>13,066,898</u>	<u>13,524,720</u>

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

	Rate of depreciation (%)	Unaudited September 30, 2017	Audited December 31, 2016
		Rupees	
Plant & machinery - including capitalisation of exchange loss / (gain)	4 - 16	49,138	134,815
Buildings & civil works	2.5 - 8	2,138	64,896
Furniture, fixtures and equipments	15 - 25	5,277	7,381
		<u>56,553</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).

	Unaudited September 30, 2017	Audited December 31, 2016
	Rupees	
5. TRADE DEBTS - Secured		
Considered good	<u>4,164,103</u>	<u>3,896,828</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. 1,830,346 (December 31, 2016: Rs. 2,649,324) which are neither past due nor impaired; and
- Rs. 2,333,757 (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.



(Amounts in thousand)

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 4.05% (December 31, 2016: 5.85%) per annum.

	Unaudited September 30, 2017	Audited December 31, 2016
	<u>Rupees</u>	<u>Rupees</u>

7. BALANCES WITH BANKS

Current accounts:

- Local currency

56,331

4,650

Deposit accounts:

- Foreign currency (note 7.1)

2,825

3,196

- Local currency (note 7.2)

6,863

31,777

66,019

39,623

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

	Unaudited September 30, 2017	Audited December 31, 2016
	<u>Rupees</u>	<u>Rupees</u>

8. BORROWINGS - Secured

Long term borrowings

5,565,811

6,403,000

Less: Current portion shown under current liabilities

1,879,215

1,792,353

3,686,596

4,610,647

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 September 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.

(Amounts in thousand)

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% - 0.5% (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 September 30, 2017	Audited December 31, 2016
	<u>Rupees</u>	
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)	845,877	840,663
- others	<u>33,518</u>	<u>59,095</u>
	<u>879,395</u>	<u>899,758</u>

Unaudited Quarter ended		Unaudited Nine months ended	
September 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016
<u>Rupees</u>			

11. SALES

Capacity purchase price	609,015	601,224	2,767,160	2,727,525
Energy purchase price (note 11.1)	<u>2,038,305</u>	<u>2,790,357</u>	<u>6,031,665</u>	<u>5,378,674</u>
	<u>2,647,320</u>	<u>3,391,581</u>	<u>8,798,825</u>	<u>8,106,199</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.



(Amounts in thousand)

Unaudited Quarter ended		Unaudited Nine months ended	
September 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016
Rupees			

12. OTHER INCOME**Financial assets:**

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

Non - financial assets:

Insurance claim - net of deductible (note 12.1)	-	-	110,000	98,738
Gain on disposal of operating assets	-	-	-	25
	<u>-</u>	<u>-</u>	<u>110,028</u>	<u>99,305</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. The insurers principally agreed to settle the BI loss suffered by the Company and, accordingly, the Company has received Rs. 110,000 in this respect.

Unaudited Quarter ended		Unaudited Nine months ended	
September 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016
Rupees			

**13. WORKERS' PROFITS PARTICIPATION
FUND AND WORKERS' WELFARE FUND**

Provision for				
- Workers' profits participation fund	15,353	14,097	92,664	76,363
- Workers' welfare fund	-	5,638	-	30,545
	15,353	19,735	92,664	106,908
Less:				
Recoverable from NTDC	(15,353)	(19,735)	(92,664)	(106,908)
	<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.



(Amounts in thousand except for earnings per share)

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 Nine months ended	
	September 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016
	Rupees			
Profit for the period	306,968	281,929	1,852,906	1,526,906
	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	0.95	0.87	5.72	4.72

15. CASH GENERATED FROM OPERATIONS

	Unaudited Nine months ended	
	September 30, 2017	September 30, 2016
	Rupees	
Profit before taxation	1,853,286	1,527,257
Adjustment for non-cash charges and other items:		
- Depreciation	547,917	519,459
- Amortisation	13,494	6,090
- Reclassification of cash flow hedge to profit and loss	2,863	2,815
- Gain on disposal of property, plant and equipment	-	(25)
- Finance cost	305,825	305,942
Working capital changes (note 15.1)	(81,674)	(150,777)
	<u>2,641,711</u>	<u>2,210,761</u>

15.1 Working capital changes

(Decrease) / Increase in current assets:

Inventories & stores and spares	(38,422)	(22,405)
Trade debts	(267,275)	(217,948)
Loans, advances, deposits, prepayments and other receivables - net	106,645	(82,685)
	(199,052)	(323,038)

(Decrease) / Increase in current liabilities:

Trade and other payables	117,378	168,811
Retirement and other service benefits	-	3,450
	(81,674)	(150,777)

16. CASH AND CASH EQUIVALENTS

Balances with banks	66,019	45,686
Short term running finance	(2,543,780)	(1,961,924)
Short term investments	50,000	50,000
	<u>(2,427,761)</u>	<u>(1,866,238)</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.

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:

		Unaudited	
		Nine months ended	
		September 30, 2017	September 30, 2016
		Rupees	
Nature of relationship	Nature of transactions		
Holding Company	Purchase of services	55,199	82,039
	Services rendered	139,618	104,291
	Contribution for Corporate Social Responsibility (CSR) activities	6,525	6,702
Associated undertakings	Purchase of services	54,119	68,150
	Services rendered	14,201	33,582
	Contribution for CSR activities	5,400	5,000
Key management	Managerial remuneration	51,036	57,315
	Retirement benefit schemes	4,720	5,702
Staff retirement benefits	Managed and operated by the Company		
	- Gratuity fund	2,492	1,005
	Managed and operated by Engro Corporation Limited		
	- Gratuity fund	14,402	11,878
	- Provident fund	43,649	40,822
	- Pension fund	1,320	2,451

19. CORRESPONDING FIGURES

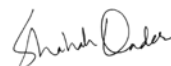
In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the condensed interim balance sheet has been compared with the balances of annual financial statements of preceding financial year, whereas the condensed interim profit and loss account,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

20. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on October 23, 2017 by the Board of Directors of the Company.



Shamsuddin A. Shaikh
Chairman

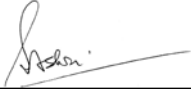


Shahab Qader
Chief Executive Officer

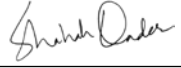


مستقبل قریب کا منظر نامہ:-

گیس سے چلنے والے پائپس اپنے استعداد اور ماحولیاتی پیرامیٹرز کی وجہ سے اعلیٰ درجہ بندی پر رہیں گے۔ مستقبل میں بھی کمپنی پائپ کی دیکھ بھال اور ایجوکیشن (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
مشس الدین شیخ



چیف ایگزیکٹو
شہاب قادر

۲۰۱۷ اکتوبر، ۲۰۱۷



اینٹروپاورجن قادر پور لمیٹڈ

حصص یافتگان کے لئے کمپنی ڈائریکٹرز کا جائزہ اختتام سہ ماہی 30 ستمبر 2017ء

اینٹروپاورجن قادر پور لمیٹڈ کے ڈائریکٹرز 30 ستمبر 2017ء کو اختتام پذیر ہونے والی سال کی تیسری سہ ماہی پر کمپنی کی غیر آڈٹ شدہ مالیاتی معلومات اور کمپنی کی کارکردگی کا جائزہ پیش کرنے پر مسرت محسوس کرتے ہیں۔

آپریٹنگ کارکردگی:-

ستمبر 2017ء کو مکمل ہونے والی مالی سال کے پہلے 9 مہینوں میں EPQL پلانٹ نے 100.7 فیصد بٹنگ کے قابل فیکٹر کی دستیابی کو یقینی بنایا جبکہ گذشتہ سال 2016ء کی اسی مدت میں پلانٹ نے 100.2 فیصد بٹنگ کے قابل فیکٹر کی دستیابی کی تھی۔ پلانٹ نے نیشنل گرڈ میں 1,314 گریگا واٹ کی نیٹ ایکٹوکل آؤٹ پٹ (NEO) شامل کی جس کا لوڈ فیکٹر 94 فیصد رہا جبکہ گذشتہ اسی مدت میں لوڈ فیکٹر 60.2 فیصد رہا تھا۔ لوڈ فیکٹر میں کمی کی بنیادی وجہ خریدار (NTDC) کے آؤٹرائسفا رمر سے جڑے معاملات تھے۔ ان معاملات کے حل ہونے کے بعد EPQL کے پلانٹ نے 30 ستمبر 2017ء کو مکمل ہونے والے مالی سال کے پہلے 9 مہینوں میں زیادہ تر تیل برقرار رکھی۔

کمپنی نے زیر جائزہ سہ ماہی کے دوران ایچ ایس ای کے معیار (صحت، سہولتی اور ماحولیات) کے ساتھ اعلیٰ سطح کی وابستگی کو برقرار رکھا۔

مالیاتی کارکردگی:-

زیر جائزہ مدت کے دوران فروخت آمدن 8,799 ملین روپے ریکارڈ کی گئی جبکہ گذشتہ مالی سال کی اسی مدت میں کمپنی کی فروخت آمدن 8,106 ملین روپے تھی۔ فروخت آمدن میں اضافے کی وجہ لوڈ فیکٹر رہا، جو اوپر بیان کیا گیا ہے۔ اس کے نتیجے میں کمپنی کا مجموعی منافع پچھلے سال کی اسی مدت کے مجموعی منافع 1,831 ملین روپے سے بڑھ کر اس سال کی زیر جائزہ مدت میں 2,096 ملین روپے ہو گیا۔

کمپنی کے کھاتوں میں موجود دیگر آمدن سے مراد نقصان کے بے رقم ہے جو سال 2016ء میں خریدار (NTDC) کے آؤٹرائسفا رمر میں خرابی ہو جانے کی وجہ سے کمپنی کے آپریشنز کو ہونے والے نقصان کی مدد میں کمپنی کو وصول ہوئی۔ فنانشل لاگت میں کمی اور ایندھن کی ترسیل کرنے والوں کو وقت پر ادائیگی کی بدولت فنانشل اخراجات زبردت میں پچھلے سال کی لاگت 264 ملین روپے کے مقابلہ میں گھٹ کر 213 ملین روپے رہ گئی۔

این ٹی ڈی سی (NTDC) سے وصولیائی 30 ستمبر 2017ء تک 3,223 ملین روپے رہی جبکہ 31 دسمبر 2016ء یہ وصولیائی 2,352 ملین روپے تھی۔ اسی طرح SNGPL کو واجب الادا رقم 30 ستمبر 2017ء پر 817 ملین روپے رہی جبکہ 31 دسمبر 2016ء کو واجب الادا رقم 597 ملین روپے رہی۔

کمپنی کا نیٹ منافع سال 2017ء کے پہلے 9 مہینوں کے اختتام تک 1,853 ملین روپے ریکارڈ کیا گیا جبکہ گذشتہ سال 2016ء کی پہلے نو مہینوں میں کمپنی کا نیٹ منافع 1,527 ملین تھا جس کی وجوہات اوپر بیان کی جا چکی ہیں۔ نتیجتاً فی شیئر آمدنی 2017ء کی پہلی سہ ماہی کے اختتام پر 5.72 روپے رہی جبکہ پچھلے سال کی اسی مدت میں فی شیئر آمدن 4.72 روپے رہی تھی۔



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