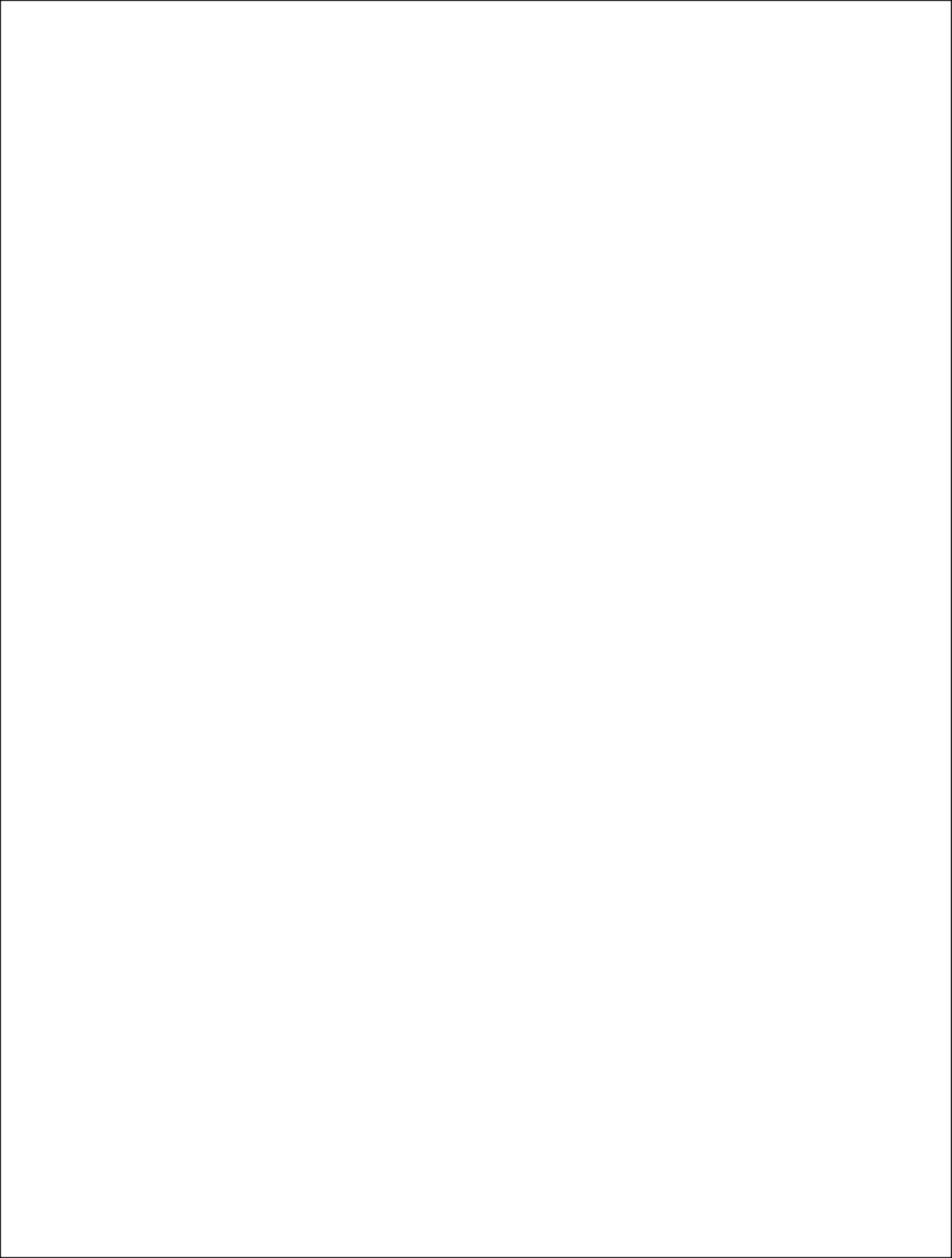




engro powergen qadirpur

power to you

Financial Information for the Quarter
and Nine Months ended September 30, 2016



CONTENTS

Company Information	02
Directors' Review on Unaudited Condensed Interim Financial Information	04
Unaudited Condensed Interim Financial Information	05
Directors' Review on Unaudited Condensed Interim Financial Information (in Urdu)	19



COMPANY INFORMATION

Board of Directors	Khalid Siraj Subhani - Chairman Jahangir Piracha - Chief Executive Officer Aliya Yusuf Javed Akbar Ruhail Mohammad Shabbir Hashmi Shahid Hamid Pracha Vaqar Zakaria
Board Audit Committee	Javed Akbar - Chairperson Shabbir Hashmi Aliya Yusuf
Company Secretary	Schaane Ansari
Chief Financial Officer	Farooq Barkat Ali
Corporate Audit Manager	Jaseem Ahmed Khan
Bankers / Development Finance Institution (DFI)	Allied Bank Ltd. Bank Alfalah Ltd. Burj Bank Ltd. Faysal Bank Ltd. Habibsons Bank Ltd. London National Bank of Pakistan NIB Bank Ltd. Pak Kuwait Investment Company (Pvt) Ltd. Soneri Bank Ltd. The Bank of Punjab
Auditors	A.F. Ferguson & Co. Chartered Accountants State Life Building No. 1-C, I.I. Chundrigar Road, Karachi-74000, Pakistan. Telephone: +92(21) 32426682-6 / 32426711-5 Fax: +92(21) 32415007 / 32427938
Registered Office	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
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, 2016**



ENGR0 POWERGEN QADIRPUR LIMITED
DIRECTORS' REVIEW TO THE SHAREHOLDERS
ON UNAUDITED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2016

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

Operating Performance

During the nine months ended September 30, 2016, the EPQL Plant demonstrated a billable availability factor of 100.2% compared to 99.6% during the same period last year. The Plant supplied a total Net Electrical Output (NEO) of 845 GWh to the national grid with a load factor of 60.2% compared to 73.9% in the same period last year. The decline in load factor was primarily on account of power purchaser's (NTDC's) auto transformer issue which caught fire and went out of operation on January 21, 2016. As reported earlier, this incident impacted power evacuation in the region in which our Plant operates. Following the incident, the Plant remained on standby mode until the completion of transformer repair and resumed its normal operations from April 29, 2016 onwards. The Plant was entitled to full Capacity Purchase Payments (CPP) throughout the period.

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

Financial Performance

Sales revenue for the period was PKR 8,107 Mn compared to PKR 9,921 Mn in the same period last year. The decrease in sales revenue was mainly attributable to a decline in load factor as explained above with a corresponding decline in the cost of generation.

Despite lower sales volume as mentioned above, the gross profit for the period stood at PKR 1,831 Mn compared to PKR 1,836 Mn in the same period last year. As explained in note 12.2 of condensed interim financial information for the half year ended June 30, 2016, the Company had been assigned a higher average Period Weighting Factor (PWF) of 1.2 on its Capacity Purchase Payments for first half of financial year 2016 as compared to same period last year in which average PWF was 1.0. This arrangement had generated a favorable timing difference of PKR 330 Mn which was reflected in the Company's gross profit for the first half. This was to be reversed in the remaining part of the year which carries an average PWF of 0.8 compared with average PWF of 1.0 for same period last year. Resultantly, the Company's gross profit in the third quarter due to this factor is lower by PKR 288 Mn in the third quarter of 2016. As per the PPA average PWF for a complete year has to be at 1.0. Hence, this does not impact the profitability of the Company on a full year basis.

Other income represents insurance income for settlement of repair expenditure along with business interruption loss suffered by the Company in 2014-15. Lower running finance costs and timely payments to the fuel supplier have helped to decrease the financial cost for the period to PKR 264 Mn compared to PKR 314 Mn for the same period last year.

Overdue receivable from NTDC stood at PKR 1,789 Mn as on September 30, 2016 vs PKR1,692 Mn as on December 31, 2015. Similarly, overdue payable to SNGPL on September 30, 2016 was PKR 640 Mn vs PKR 583 Mn as on December 31, 2015.

The Company earned a net profit of PKR 1,527 Mn for the nine months ended September 30, 2016 as compared to PKR 1,399 Mn in the same period last year for reasons mentioned above. Resultantly, earnings per share are of PKR 4.72 compared to PKR 4.32 for the same period last year.

Near term Outlook

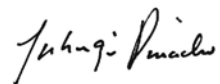
The Company's Plant at Qadirpur would continue to receive uninterrupted supply of permeate gas in 2016. Gas based power plants would continue to be ranked higher on account of their higher efficiencies and environmental parameters. Furthermore, with the rectification of the NTDC's auto transformer issue and up-gradation of power purchaser's grid, we expect to receive uninterrupted dispatch from the power purchaser in Q4 2016.

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



Khalid Siraj Subhani
Chairman

Karachi: October 21, 2016



Jahangir Piracha
Chief Executive Officer

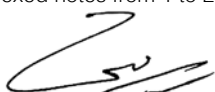


(Amounts in thousand)

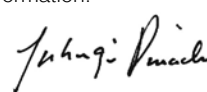
ENGRO POWERGEN QADIRPUR LIMITED
CONDENSED INTERIM BALANCE SHEET
AS AT SEPTEMBER 30, 2016

		Unaudited September 30, 2016	Audited December 31, 2015
	Note	Rupees	
ASSETS			
Non-current assets			
Property, plant and equipment	4	13,673,701	14,078,859
Intangible assets		80,099	83,381
Long term deposits		2,491	2,491
Long term loans and advances		39,752	34,674
		<u>13,796,043</u>	<u>14,199,405</u>
Current assets			
Inventories		381,520	382,085
Stores and spares		467,144	444,174
Trade debts	5	2,978,259	2,760,311
Short term investments	6	50,000	50,000
Loans, advances, deposits, prepayments and other receivables		1,729,109	1,646,424
Taxes recoverable		61,697	55,067
Balances with banks	7	45,686	14,153
		5,713,415	5,352,214
		<u>19,509,458</u>	<u>19,551,619</u>
TOTAL ASSETS			
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		(69,658)	(58,750)
Unappropriated profit		4,718,490	4,001,084
Remeasurement of retirement benefit obligation - Actuarial gain		581	477
		<u>8,195,372</u>	<u>7,488,770</u>
LIABILITIES			
Non-current liability			
Borrowings	8	5,520,575	6,394,878
Current liabilities			
Creditors, accrued and other liabilities		1,961,801	1,840,373
Provisions	9	51,193	3,810
Accrued interest / mark-up		93,714	35,165
Current portion of long term borrowings	8	1,719,288	1,650,776
Short term borrowings	10	1,961,924	2,136,842
Derivative financial instrument		1,240	-
Retirement and other service benefits obligations		4,351	1,005
		5,793,511	5,667,971
		<u>11,314,086</u>	<u>12,062,849</u>
Total Liabilities		<u>11,314,086</u>	<u>12,062,849</u>
Contingencies and Commitments	11		
TOTAL EQUITY AND LIABILITIES		<u>19,509,458</u>	<u>19,551,619</u>

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



Khalid Siraj Subhani
Chairman



Jahangir Piracha
Chief Executive Officer

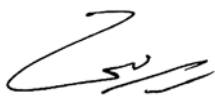


(Amounts in thousand except for earnings per share)

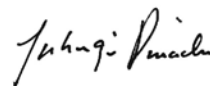
ENGRO POWERGEN QADIRPUR LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2016

	Note	Three months ended		Nine months ended	
		September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
Sales	12	3,391,581	3,239,852	8,106,199	9,920,947
Cost of sales		(2,971,500)	(2,634,059)	(6,275,205)	(8,084,867)
Gross profit	12.2	<u>420,081</u>	<u>605,793</u>	<u>1,830,994</u>	<u>1,836,080</u>
Administrative expenses		(51,475)	(47,985)	(136,515)	(122,947)
Other expenses		(1,763)	(656)	(2,831)	(2,090)
Other income	13	-	-	99,305	1,314
Profit from operations		<u>366,843</u>	<u>557,152</u>	<u>1,790,953</u>	<u>1,712,357</u>
Finance cost		(84,914)	(109,248)	(263,696)	(313,850)
Workers' profits participation fund and Workers' welfare fund	14	-	-	-	-
Profit before taxation		<u>281,929</u>	<u>447,904</u>	<u>1,527,257</u>	<u>1,398,507</u>
Taxation		-	(1)	(351)	(9)
Profit for the period		<u><u>281,929</u></u>	<u><u>447,903</u></u>	<u><u>1,526,906</u></u>	<u><u>1,398,498</u></u>
Earnings per share - basic and diluted	15	<u><u>0.87</u></u>	<u><u>1.38</u></u>	<u><u>4.72</u></u>	<u><u>4.32</u></u>

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



Khalid Siraj Subhani
Chairman



Jahangir Piracha
Chief Executive Officer

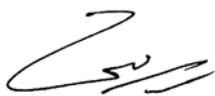


(Amounts in thousand)

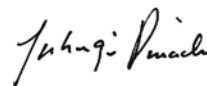
ENGRO POWERGEN QADIRPUR LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2016

	<u>Three months ended</u>		<u>Nine months ended</u>	
	<u>September 30, 2016</u>	<u>September 30, 2015</u>	<u>September 30, 2016</u>	<u>September 30, 2015</u>
	Rupees			
Profit for the period	281,929	447,903	1,526,906	1,398,498
Other comprehensive income / (loss) :				
Items that may be reclassified subsequently to profit and loss:				
- Hedging reserve - gain / (loss) for the period	(1,240)	666	(13,723)	(8,131)
- Less: Transfers to profit and loss	981	656	2,815	2,090
	(259)	1,322	(10,908)	(6,041)
Items that will not be reclassified to profit and loss:				
- Remeasurement of retirement benefit obligation - Actuarial gain	52	272	104	272
Total comprehensive income for the period	<u>281,722</u>	<u>449,497</u>	<u>1,516,102</u>	<u>1,392,729</u>

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



Khalid Siraj Subhani
Chairman



Jahangir Piracha
Chief Executive Officer



(Amounts in thousand)

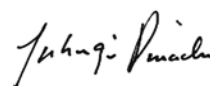
ENGR POWERGEN QADIRPUR LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2016

	Reserves						Total
	Capital			Revenue			
	Share capital	Share premium	Maintenance reserve	Unappropriated profit	Hedging reserve	Remeasurement of retirement benefit obligation - Actuarial gain	
	Rupees						
Balance as at January 1, 2015 (Audited)	3,238,000	80,777	227,182	3,013,096	(50,109)	373	6,509,319
Total comprehensive income for the nine months ended September 30, 2015	-	-	-	1,398,498	(6,041)	272	1,392,729
Transactions with owners							
1st Interim dividend for the year ended Decemeber 31, 2015 @ Rs. 1.50 per share	-	-	-	(485,700)	-	-	(485,700)
2nd Interim dividend for the year ended Decemeber 31, 2015 @ Rs. 1.00 per share	-	-	-	(323,800)	-	-	(323,800)
Balance as at September 30, 2015 (Unaudited)	3,238,000	80,777	227,182	3,602,094	(56,150)	645	7,092,548
Total comprehensive income for the three months ended December 31, 2015	-	-	-	398,990	(2,600)	(168)	396,222
Balance as at December 31, 2015 (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 @ Rs. 1.00 per share	-	-	-	(323,800)	-	-	(323,800)
1st interim dividend for the year ending December 31, 2016 @ Rs. 1.50 per share	-	-	-	(485,700)	-	-	(485,700)
Balance as at September 30, 2016 (Unaudited)	3,238,000	80,777	227,182	4,718,490	(69,658)	581	8,195,372

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



Khalid Siraj Subhani
Chairman



Jahangir Piracha
Chief Executive Officer

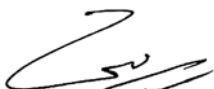


(Amounts in thousand)

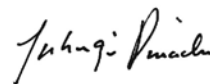
ENGRO POWERGEN QADIRPUR LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2016

		Nine months ended September 30, 2016	Nine months ended September 30, 2015
	Note	———— Rupees ————	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	16	2,210,761	2,229,621
Taxes paid		(6,981)	(4,204)
Long term loans and advances - net		(5,078)	(9,263)
Net cash generated from operating activities		<u>2,198,702</u>	<u>2,216,154</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment - net		(115,091)	(254,425)
Sale proceeds from disposal of property, plant and equipment		426	6,699
Purchase of intangible assets		(2,808)	(2,711)
Net cash utilised in investing activities		(117,473)	(250,437)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term borrowings		(817,885)	(731,328)
Finance cost paid		(247,393)	(246,903)
Dividends paid		(809,500)	(809,500)
Net cash utilised in financing activities		<u>(1,874,778)</u>	<u>(1,787,731)</u>
Net increase in cash and cash equivalents		206,451	177,986
Cash and cash equivalents at beginning of the period		(2,072,689)	(1,902,328)
Cash and cash equivalents at end of the period	17	<u>(1,866,238)</u>	<u>(1,724,342)</u>

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



Khalid Siraj Subhani
Chairman



Jahangir Piracha
Chief Executive Officer



ENGRO POWERGEN QADIRPUR LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2016

1. LEGAL STATUS AND OPERATIONS

- 1.1 Engro Powergen Qadirpur Limited (the Company), is a public listed company, incorporated in Pakistan, under the Companies Ordinance, 1984, and its shares are quoted on the Pakistan Stock Exchange Limited. The Company is a subsidiary of Engro Powergen Limited, which is a wholly owned subsidiary of Engro Corporation Limited. Engro Corporation Limited is a subsidiary of Dawood Hercules Corporation Limited (the Ultimate Parent Company). The Company's registered office is located at 4th floor, Harbour Front Building, Plot Number HC-3, 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 has a 217.3 MW combined cycle power plant and commenced commercial operations on March 27, 2010. The electricity generated is transmitted to the National Transmission and Despatch Company (NTDC) under the Power Purchase Agreement (PPA) dated October 26, 2007. This agreement is for a period of 25 years.

2. BASIS OF PREPARATION

This condensed interim financial information is unaudited and has been prepared in accordance with the requirements of the International Accounting Standard 34 - 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984 (the Ordinance). In case where requirements differ, the provisions of or directives issued under the Ordinance have been followed. This condensed interim financial information has, however, been subjected to limited scope review by the auditors, as required under the Code of Corporate Governance, and should be read in conjunction with the annual financial statements of the Company for the year ended December 31, 2015.

The preparation of this condensed interim financial information in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

During preparation of this condensed interim financial information, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty are the same as those that apply to the annual financial statements for the year ended December 31, 2015.

3. ACCOUNTING POLICIES

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



(Amounts in thousand)

	Unaudited September 30, 2016	Audited December 31, 2015
	Rupees	
4 PROPERTY, PLANT AND EQUIPMENT		
Operating assets, at net book value (notes 4.1 & 4.2)	12,500,809	13,633,967
Capital work-in-progress	154,167	100,499
Capital spares	1,018,725	344,393
	<u>13,673,701</u>	<u>14,078,859</u>

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

	Rate of depreciation (%)	Unaudited September 30, 2016	Audited December 31, 2015
		Rupees	
Plant & machinery - including capitalization of exchange loss / (gain)	4 - 16	41,683	571,640
Buildings and civil works	2.5 - 8	-	11,071
Furniture, fixtures and equipments	15 - 25	1,960	11,421
Vehicles	19 - 23	-	14,860
		<u>43,643</u>	<u>608,992</u>

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

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

	Unaudited September 30, 2016	Audited December 31, 2015
	Rupees	
5 TRADE DEBTS - secured		
Considered good	<u>2,978,259</u>	<u>2,760,311</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. 2,296,309 (December 31, 2015: Rs. 2,282,433) which is neither past due nor impaired; and
- Rs. 681,950 (December 31, 2015: Rs. 477,878) which is overdue but not impaired. The overdue receivables carry mark-up at the rate of KIBOR plus 4.5% per annum. These receivables are overdue by upto 6 months.



6 SHORT TERM INVESTMENTS**- Held to maturity**

Investment has been made in conventional Term Deposit Receipts. The rate of mark-up on this investment is 5.60 % (December 31, 2015: 6.50%) per annum.

<u>Unaudited September 30, 2016</u>	<u>Audited December 31, 2015</u>
Rupees	

7 BALANCES WITH BANKS

Deposit accounts:

- Foreign currency	2,810	2,811
- Local currency	42,876	11,342
	<u>45,686</u>	<u>14,153</u>

7.1 Foreign currency deposits carry return at the rate of 0.1% (December 31, 2015: 0.1%) per annum.

7.2 Local currency deposits carry return at the rate of 3.75% - 5% (December 31, 2015: 4% - 7%) per annum.

7.3 All bank balances are maintained under conventional banking system.

<u>Unaudited September 30, 2016</u>	<u>Audited December 31, 2015</u>
Rupees	

8. BORROWINGS, secured

Long term borrowings	7,239,863	8,045,654
Less: Current portion shown under current liabilities	1,719,288	1,650,776
	<u>5,520,575</u>	<u>6,394,878</u>

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

9. PROVISIONS

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

10. SHORT TERM BORROWINGS

The available facilities under mark-up arrangements aggregate to Rs. 4,400,000 (December 31, 2015: 4,400,000). These facilities carry mark-up at the rate of 3 months KIBOR plus 0.5% - 1.0% (December 31, 2015: 3 months KIBOR plus 0.8% - 1.5%).



(Amounts in thousand)

Unaudited September 30, 2016	Audited December 31, 2015
------------------------------------	---------------------------------

Rupees

11. CONTINGENCIES AND COMMITMENTS

11.1	Contingent liabilities - Guarantees in favour of Sui Northern Gas Pipelines Limited (SNGPL) in accordance with the terms of Gas Supply Agreement (GSA)	2,496,126	2,496,126
11.2	Commitments in respect of :		
	- letter of credit in favour of Company's senior lenders	840,262	840,663
	- others	29,888	50,078
		<u>870,150</u>	<u>890,741</u>

Unaudited Three months ended		Unaudited Nine months ended	
September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015

Rupees

12. SALES

Capacity purchase price	601,224	869,974	2,727,525	2,565,565
Energy purchase price (note 12.1)	2,790,357	2,369,878	5,378,674	7,355,382
	<u>3,391,581</u>	<u>3,239,852</u>	<u>8,106,199</u>	<u>9,920,947</u>

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

12.2 As explained in note 12.2 of condensed interim financial information for the half year ended June 30, 2016, the Company had been assigned a higher average Period Weighting Factor (PWF) of 1.2 on its Capacity Purchase Payments for first half of financial year 2016 as compared to same period last year in which average PWF was 1.0. This arrangement had generated a favorable timing difference of Rs. 330,000 which was reflected in the Company's gross profit for the first half. This favourable difference was to be reversed in the remaining part of the year which carries an average PWF of 0.8 compared with average PWF of 1.0 for same period last year. Resultantly, the Company's gross profit due to this factor is lower by Rs. 288,000 in the third quarter of 2016. As per the Power Purchase Agreement, average PWF for a complete year has to be at 1.0. Hence, this does not impact the profitability of the Company on a full year basis.



(Amounts in thousand)

	Unaudited Three months ended		Unaudited Nine months ended	
	September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
	Rupees			
13 OTHER INCOME				
Financial assets:				
Gain on redemption of investments	-	-	542	248
Exchange gain	-	-	-	30
Non- financial assets:				
Insurance claim				
- net of deductible (note 13.1)	-	-	98,738	-
Gain on disposal of fixed assets	-	-	25	1,036
	<u>-</u>	<u>-</u>	<u>99,305</u>	<u>1,314</u>

- 13.1 In 2014, the Company carried out a nozzle tips modification exercise on its Plant subsequent to which some parts were damaged. The cost of repair of such damage and business interruption loss is covered under the Company's insurance policy. During the period, the insurance company principally agreed and made a partial payment of Rs. 84,187 for settlement of repair expenditure of the damaged parts alongwith the business interruption loss suffered by the Company. Accordingly, the Company has recorded insurance claim of Rs. 98,738, being virtually certain of receipt of the remaining claim amounting to Rs. 14,551.

	Unaudited Three months ended		Unaudited Nine months ended	
	September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
	Rupees			
14 WORKERS' PROFITS PARTICIPATION FUND AND WORKERS' WELFARE FUND				
Provision for				
- Workers' profits participation fund	14,097	22,395	76,363	69,925
- Workers' welfare fund	5,638	8,958	30,545	27,970
	<u>19,735</u>	<u>31,353</u>	<u>106,908</u>	<u>97,895</u>
Less:				
Recoverable from NTDC	(19,735)	(31,353)	(106,908)	(97,895)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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



(Amounts in thousand except for earnings per share)

15. EARNINGS PER SHARE

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

	Unaudited Three months ended		Unaudited Nine months ended	
	September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
	Rupees			
Profit for the period	281,929	447,903	1,526,906	1,398,498
	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	0.87	1.38	4.72	4.32

16. CASH GENERATED FROM OPERATIONS

	Unaudited Nine months ended	
	September 30, 2016	September 30, 2015
	Rupees	
Profit before taxation	1,527,257	1,398,507
Adjustment for non-cash charges and other items:		
- Depreciation and amortization	525,549	542,654
- Reclassification of cash flow hedge to profit or loss	2,815	2,090
- Gain on disposal of property, plant and equipment	(25)	(1,036)
- Finance cost	305,942	355,104
Working capital changes (note 16.1)	(150,777)	(67,698)
	<u>2,210,761</u>	<u>2,229,621</u>

16.1 Working capital changes

Decrease/(Increase) in current assets:

Inventory and stores & spares - net	(22,405)	(47,822)
Trade debts	(217,948)	(772,001)
Loans, advances, deposits, prepayments and other receivables - net	(82,685)	(15,395)
	<u>(323,038)</u>	<u>(835,218)</u>

(Decrease)/Increase in current liabilities:

Creditors, accrued expenses and other liabilities	168,811	768,009
Retirement and other service benefits	3,450	(489)
	<u>(150,777)</u>	<u>(67,698)</u>

17. CASH AND CASH EQUIVALENTS

Balances with banks	45,686	409,162
Short term investments	50,000	50,000
Short term borrowings	(1,961,924)	(2,183,504)
	<u>(1,866,238)</u>	<u>(1,724,342)</u>



18 FINANCIAL MANAGEMENT AND FINANCIAL INSTRUMENTS**18.1 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.

18.2 Fair value estimation

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

19 TRANSACTIONS WITH RELATED PARTIES

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

		Unaudited Nine months ended	
		September 30, 2016	September 30, 2015
		Rupees	
Nature of relationship	Nature of transactions		
Holding Company	Purchase of services	82,039	47,525
	Services rendered	104,291	56,004
	Payment of dividend	557,625	557,625
	Contribution for Corporate Social Responsibility	6,702	5,860
Associated undertakings	Purchase of services	68,150	40,946
	Services rendered	33,582	20,935
	Contribution for CSR activities	5,000	4,000
Key management personnel	Managerial remuneration	57,315	55,423
	Retirement benefit schemes	5,702	4,347
Staff retirement benefits	Managed and operated by the Company		
	- Gratuity fund	1,005	2,237
	Managed and operated by Engro Corporation Limited		
	- Gratuity fund	11,878	8,125
	- Provident fund	40,822	32,285
	- Pension fund	2,451	1,463

20. CORRESPONDING FIGURES

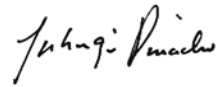
In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the condensed interim balance sheet has been compared with the balances of annual financial statements of preceding financial year, whereas the condensed interim profit and loss account,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

21. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on October 21, 2016 by the Board of Directors of the Company.



Khalid Siraj Subhani
Chairman



Jahangir Piracha
Chief Executive Officer



پریڈونگ فیکٹر 1.0 تھا۔ تیسرا سال 2016ء کی تیسری سہ ماہی میں کمپنی کا مجموعی منافع اس فیکٹر کی وجہ سے پچھلے سال کے مقابلے 288 ملین روپے سے کم ہے۔ یہاں یہ جاننا ضروری ہے کہ پاور پراجیکٹ انگریمنٹ کے تحت پورے سال کا اوسط پریڈونگ فیکٹر 1.0 ہونا چاہیے۔ لہذا یہ سالانہ بنیاد پر کمپنی کے منافع کو اثر انداز نہیں کرے گا۔

کمپنی کی دیگر آمدن میں انشورنس آمدن شامل ہے جو سیٹلٹ کی مدد میں کمپنی کو وصول ہوئی۔ یہ آمدن 15-2014ء میں کمپنی کی کاروباری سرگرمیوں میں نقصان اور مرمت کے اخراجات کے عوض حاصل ہوئی۔ رنگ فانس کی کم لاگت اور فیول سپلائر کو وقت پر ادائیگیوں کی بدولت، فنانسل لاگت کو کم کرنے میں مدد ملی۔ فنانسل اخراجات زیر جائزہ سہ ماہی میں پچھلے سال کی اسی مدت کی رقم 314 ملین روپے کے مقابلے میں گھٹ کر 264 ملین روپے رہ گئے۔

NTDC سے وصولیاتی رقم 30 ستمبر 2016 تک 1,789 ملین روپے رہی جبکہ 31 دسمبر 2015ء تک وصولیاتی رقم 1,692 ملین روپے تھی۔ اس طرح SNGPL کو واجب الادا رقم 30 ستمبر 2016ء تک 640 ملین روپے رہی جبکہ 31 دسمبر 2015ء تک واجب الادا رقم 583 ملین روپے تھی۔

اوپر بیان وجوہات کی بناء پر کمپنی کا کل منافع 30 ستمبر 2016ء کو مکمل ہونے والے نو مہینوں میں 1,527 ملین روپے رہا، پچھلے سال کی اسی مدت میں کمپنی کا مجموعی منافع 1,399 ملین روپے تھا۔ تیسرا فی شیئر آمدنی 2016ء کی تیسری سہ ماہی کے اختتام پر 4.72 روپے رہی، گزشتہ اسی مدت میں فی شیئر آمدنی 4.32 روپے تھی۔

مستقبل قریب آؤٹ لک:-

کمپنی کے قادر پور میں قائم پلانٹ کو 2016ء میں بھی بلا قفلگیس کی فراہمی برقرار رہے گی۔ گیس سے چلنے والے پلانٹس اپنے استعداد کار اور ماحولیاتی پیرامیٹرز کی وجہ سے اعلیٰ درجہ بندی پر رہیں گے مزید برآں، ہم NTDC کے آؤٹرائسٹارمر کے آپریشنل ہوجانے کے بعد اور گرڈ کی گنجائش میں اضافے کے بعد امید رکھتے ہیں کہ پلانٹ سے بجلی کی فراہمی بلا قفل جاری رہے گی اور چونکہ سہ ماہی میں بھی خریدار کو بجلی ڈسپچ کی جاتی رہے گی۔

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



خالد سراج سبحانی
چیرمین



جہانگیر پراچہ
چیف ایگزیکٹو آفیسر
اکتوبر 2016ء



اینٹرو پاور جن قادر پور لمیٹڈ

ڈائریکٹرز کا جائزہ

شئیر ہولڈرز کے لئے کمپنی ڈائریکٹرز کی جانب سے 30 ستمبر 2016ء کو اختتام پزیر تیسری سہ ماہی کی عبوری مالیاتی معلومات کا جائزہ

اینٹرو پاور جن قادر پور لمیٹڈ (EPQL) کے ڈائریکٹرز 30 ستمبر 2016ء کو اختتام پزیر ہونے والی سہ ماہی میں کمپنی کی کارکردگی کا جائزہ اور غیر آڈٹ شدہ مالیاتی گوشوارے مسرت سے پیش کرتے ہیں۔

آپریٹنگ کارکردگی

EPQL پلانٹ نے زیر جائزہ سہ ماہی میں 100.2 فیصد قابل بیلگ بجلی کی دستیابی کو یقینی بنایا جبکہ گزشتہ سال کی اسی مدت کے دوران پلانٹ نے 99.6 فیصد کی قابل بیلگ بجلی کی دستیابی کا مظاہرہ کیا۔ پلانٹ نے زیر جائزہ مدت کے دوران بیشل گروڈ میں کل نیٹ الیکٹریکل آؤٹ پٹ 845 گیگا واٹ شامل کی جس کا لوڈ فیکٹر 60.2 فیصد رہا جبکہ پچھلے سال کی اسی مدت کے دوران لوڈ فیکٹر 73.9 فیصد تھا۔ لوڈ فیکٹر میں کمی کی بنیادی وجہ خریدار NTDC کے گروڈ کی گنجائش سے جڑے معاملات تھے۔ 21 جنوری 2016ء کو NTDC کے آؤ ٹرانسفارمر میں آگ لگ گئی تھی اور یہ غیر آپریٹبل ہو گیا۔ جیسا پہلے بھی بتایا جا چکا ہے کہ اس کی وجہ سے بجلی کی ڈسٹری بیوشن کا عمل پورے ریجن میں متاثر ہوا جہاں ہمارا پلانٹ آہیٹ کرتا ہے۔ پلانٹ اس واقعہ کے بعد سے پیش تیار (سٹینڈ بائی) موڈ پر رہا۔ جب کہ NTDC کے ٹرانسفارمر کی مرمت کا کام جاری رہا اس کے بعد ہمارے پلانٹ نے بجلی کی رسد کا دوبارہ آغاز 29 اپریل 2016ء سے کر دیا۔ اس دوران کمپنی کیمپسٹی پر پریجر پیمنٹ (CPP) کی وصولی کا پورا حق رکھتی ہے۔

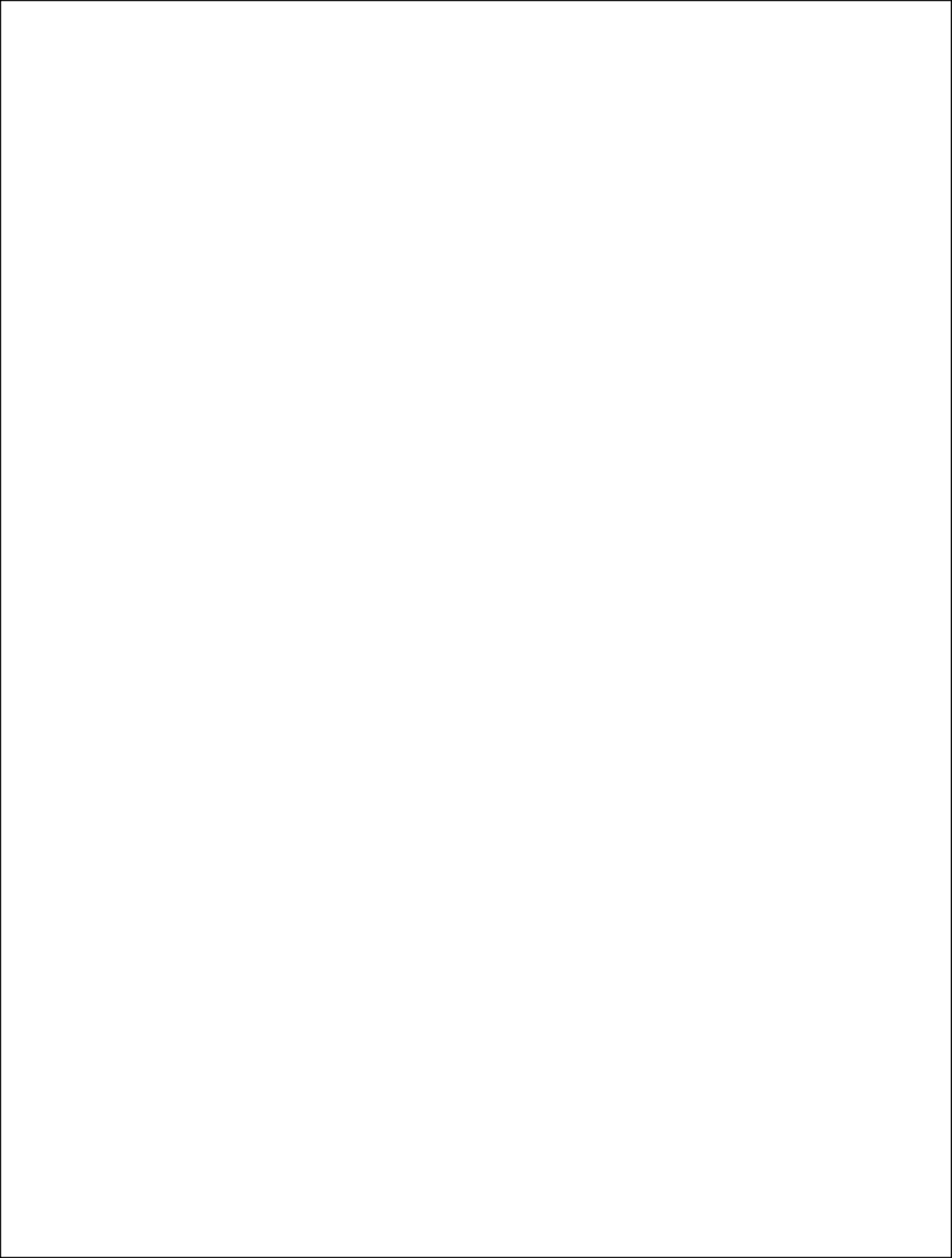
کمپنی نے زیر جائزہ ششماہی کے دوران ایچ ایس ای (صحت، سیفٹی اور ماحولیات) کے معیار کے ساتھ اعلیٰ سطح کی وابستگی کو برقرار رکھا۔ زیر جائزہ مدت کے دوران کل ریکارڈڈ پیوٹ کی شرح (TRIR) صفر رہی۔

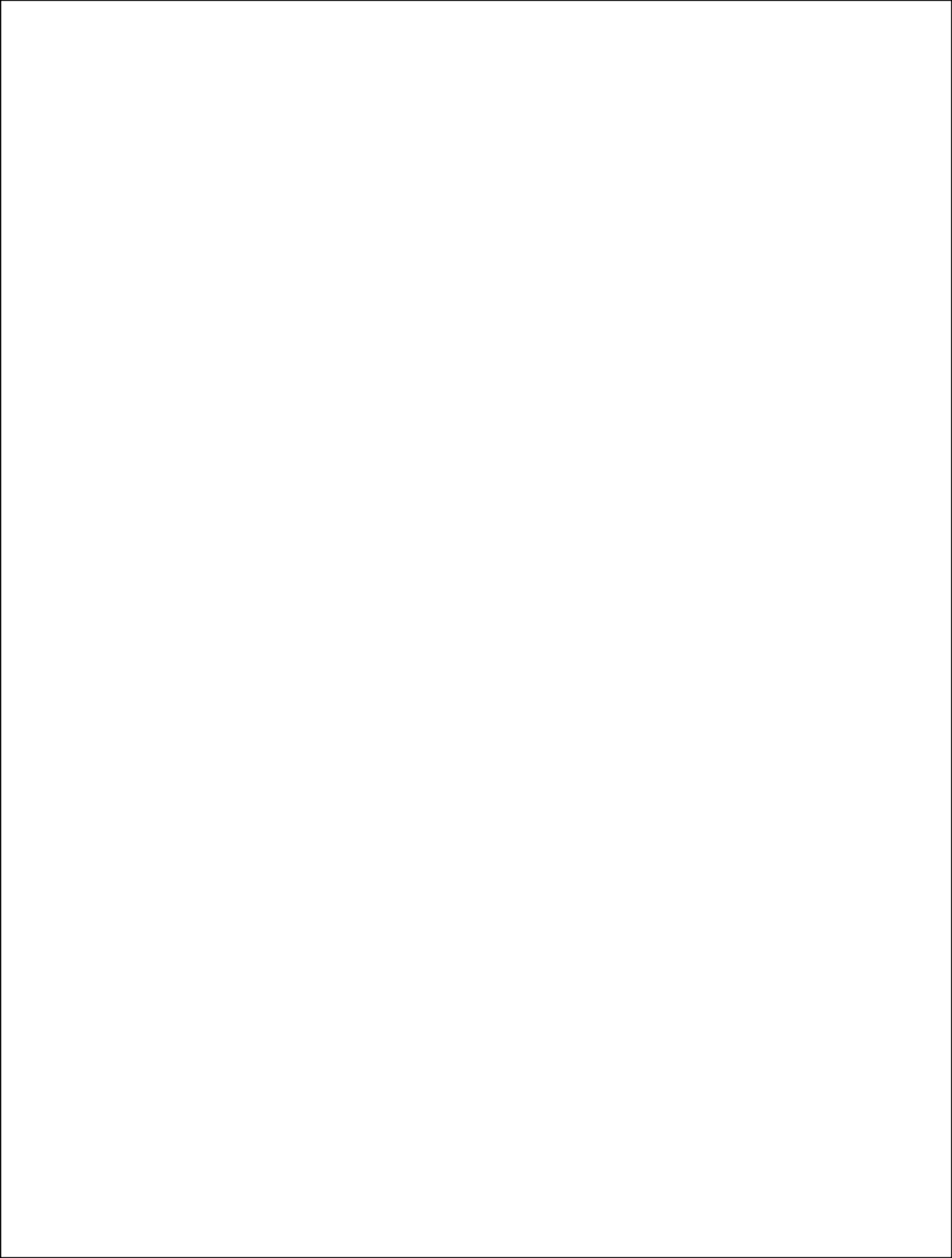
مالیاتی کارکردگی:-

زیر جائزہ مدت کے دوران فروخت آمدن 8,107 ملین روپے ریکارڈ کی گئی۔ گزشتہ مالیاتی سال کی اسی مدت میں کمپنی کی فروخت آمدن 9,921 ملین روپے تھی۔ فروخت آمدنی میں کمی کی وجہ لوڈ فیکٹر میں کمی تھی جس کی وجہ اوپر بیان کی گئی ہے۔

باوجود کہ فروخت آمدن پچھلے سال کی اسی مدت کے مقابلے میں کم رہی تاہم کمپنی کا مجموعی منافع پچھلے سال کی تیسری سہ ماہی کے مجموعی منافع 1,836 ملین روپے کے مقابلے میں 1,831 ملین روپے رہا۔ جیسا کہ 30 جون 2016ء کے ششماہی عبوری مالیاتی گوشواروں میں درج نوٹ 12.2 میں واضح کیا گیا ہے کہ کمپنی کو کیمپسٹی پر پریجر پیمنٹ پر مالیاتی سال 2016ء کی بجلی ششماہی کے لئے بلند اوسط پریڈ وینگ فیکٹر 1.2 تقویمیں کیا گیا جبکہ گزشتہ سال اوسط پریڈ وینگ فیکٹر 1.0 تھا۔ اس وجہ سے کمپنی کو 330 ملین روپے کا ساؤگار ہائٹنگ ڈیفرنس ملا جو کمپنی کے پہلے ششماہی کے مجموعی منافع میں شامل ہے۔ یہ سال کی آخری ششماہی میں ریورس ہو جائے گا جس کے دوران پریڈ وینگ فیکٹر 0.8 ہوگا۔ اس کے مقابلے پچھلے سال کی اسی مدت کا اوسط







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

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

Fax: +92-21-35296018

Website: www.engropowergen.com

