



engro powergen qadirpur

# power for the nation

Financial Statements for the  
Quarter and Nine Months ended  
September 30, 2018





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## COMPANY INFORMATION

<b>Board of Directors</b>	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
<b>Board Audit Committee</b>	Javed Akbar - Chairperson Shabbir Hashmi Aliya Yusuf
<b>Chief Financial Officer</b>	Unser Owais
<b>Corporate Audit Manager</b>	Syed Zaib Zaman Shah
<b>Company Secretary</b>	Schaane Ansari
<b>Bankers / Development Finance Institution (DFI)</b>	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
<b>Auditors</b>	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
<b>Registered Office</b>	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
<b>Plant</b>	Engro Powergen Qadirpur Plant Site Deh Belo Sanghari Taluka, District Ghotki, Sindh
<b>Share Registrar</b>	FAMCO Associates (Private) Limited 8-F, Next to Hotel Faran, Nursery, Block 6, P.E.C.H.S., Shahra-e-Faisal, Karachi, Pakistan Tel: +92 (21) 34380101 - 5 Fax: +92 (21) 34380106
<b>Website</b>	<a href="http://www.engropowergen.com">www.engropowergen.com</a>





engro powergen qadirpur

**DIRECTORS' REVIEW AND  
CONDENSED INTERIM  
FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018**



**ENGRO POWERGEN QADIRPUR LIMITED**  
**DIRECTORS' REVIEW TO THE SHAREHOLDERS**  
**ON UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 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 nine months ended September 30, 2018.

**Operating Performance**

The EPQL Plant demonstrated a billable availability factor of 99.8% in 9M 2018 compared to 100.7% in the same period last year. It dispatched a total Net Electrical Output (NEO) of 1,156 GWh to the national grid with a load factor of 83% compared to 94% in 9M 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 8,407 Mn compared to PKR 8,799 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 2,221 Mn as compared to PKR 2,096 Mn in the same period last year. This increase in gross profit is primarily on account of higher operations and maintenance cost absorption in 9M 2018 due to higher tariff indexation. Net finance cost for the period stood at PKR 165 Mn vs PKR 213 Mn in 9M 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 5,436 Mn as on September 30, 2018 vs PKR 4,294 Mn as on December 31, 2017. Similarly overdue payable to SNGPL on September 30, 2018 was PKR 2,883 Mn vs PKR 1,716 Mn as on December 31, 2017.

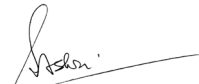
The Company earned a net profit of PKR 1,924 Mn in 9M 2018 as compared to PKR 1,853 Mn in 9M 2017. Earnings per share were of PKR 5.94 vs PKR 5.72 when compared to the same period last year.

**Near Term Outlook**

As envisaged in the Implementation Agreement; EPQL is now facing gas curtailment from Qadirpur gas field as it depletes and has made its Plant available on mixed mode i.e. comingling of gas and HSD from September 7, 2018 onwards. Under the Implementation Agreement; once gas curtailment reaches a certain point, EPQL is allowed one-time conversion to an alternate fuel. The cost of this conversion is fully recoverable from the Power Purchaser as per the Implementation Agreement. In the meanwhile EPQL is entitled to recover full capacity payments while making the Plant available on mixed mode.



**Shahab Qader**  
Chief Executive Officer



**Shamsuddin A. Shaikh**  
Chairman

Karachi: October 16, 2018



(Amounts in thousand)

**ENGRO POWERGEN QADIRPUR LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)**  
**AS AT SEPTEMBER 30, 2018**

		Unaudited September 30, 2018	Audited December 31, 2017
	Note	Rupees	
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	13,323,529	13,169,212
Intangible assets		69,682	77,044
Long term loans and advances		64,239	39,243
Long term deposits		2,574	2,491
		<u>13,460,024</u>	<u>13,287,990</u>
<b>Current assets</b>			
Inventories		884,255	881,182
Trade debts	5	5,836,595	5,571,570
Short term investments	6	49,588	50,000
Loans, advances, deposits, prepayments and other receivables		1,922,412	1,427,680
Taxes recoverable		65,909	64,731
Balances with banks	7	24,343	7,409
		8,783,102	8,002,572
		<u>22,243,126</u>	<u>21,290,562</u>
<b>TOTAL ASSETS</b>			
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		3,238,000	3,238,000
Share premium		80,777	80,777
Maintenance reserve		227,182	227,182
Hedging reserve		14,420	(49,606)
Unappropriated profit		7,268,863	6,316,404
		<u>10,829,242</u>	<u>9,812,757</u>
<b>Total Equity</b>			
<b>LIABILITIES</b>			
<b>Non-current liability</b>			
Borrowings	8	1,953,082	2,819,315
<b>Current liabilities</b>			
Trade and other payables		4,422,319	3,346,430
Unclaimed dividend		24,080	20,528
Dividend payable		485,700	-
Accrued interest / mark-up		88,455	30,942
Short term borrowings	9	2,035,129	3,208,672
Current portion of long term borrowings	8	2,405,119	2,051,918
		9,460,802	8,658,490
		<u>11,413,884</u>	<u>11,477,805</u>
<b>Total Liabilities</b>			
<b>Contingencies and Commitments</b>			
	10		
<b>TOTAL EQUITY AND LIABILITIES</b>			
		<u>22,243,126</u>	<u>21,290,562</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)

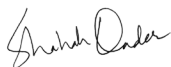
**ENGRO POWERGEN QADIRPUR LIMITED**  
**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS ACCOUNT (UNAUDITED)**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018**

	Note	Quarter ended		Nine months ended	
		September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
Sales	11	2,374,508	2,647,320	8,406,930	8,798,825
Cost of sales		(1,945,414)	(2,233,784)	(6,185,149)	(6,703,292)
<b>Gross profit</b>		<u>429,094</u>	<u>413,536</u>	<u>2,221,781</u>	<u>2,095,533</u>
Administrative expenses		(34,601)	(40,427)	(128,777)	(136,892)
Other expenses		(4,856)	(988)	(5,263)	(2,863)
Other income	12	291	-	1,420	110,028
<b>Profit from operations</b>		<u>389,928</u>	<u>372,121</u>	<u>2,089,161</u>	<u>2,065,806</u>
Finance cost		(55,621)	(65,049)	(165,030)	(212,520)
Workers' profits participation fund and Workers' welfare fund	13	-	-	-	-
<b>Profit before taxation</b>		<u>334,307</u>	<u>307,072</u>	<u>1,924,131</u>	<u>1,853,286</u>
Taxation		(82)	(104)	(272)	(380)
<b>Profit for the period</b>		<u><u>334,225</u></u>	<u><u>306,968</u></u>	<u><u>1,923,859</u></u>	<u><u>1,852,906</u></u>
<b>Earnings per share - basic and diluted</b>	14	<u>1.03</u>	<u>0.95</u>	<u>5.94</u>	<u>5.72</u>

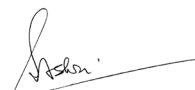
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Chief Financial Officer



**Shahab Qader**  
Chief Executive Officer



**Shamsuddin A. Shaikh**  
Chairman





(Amounts in thousand)

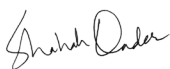
**ENGRO POWERGEN QADIRPUR LIMITED**  
**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER**  
**COMPREHENSIVE INCOME (UNAUDITED)**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018**

	<u>Quarter ended</u>		<u>Nine months ended</u>	
	<u>September 30, 2018</u>	<u>September 30, 2017</u>	<u>September 30, 2018</u>	<u>September 30, 2017</u>
	<u>Rupees</u>			
<b>Profit for the period</b>	334,225	306,968	1,923,859	1,852,906
<b>Other comprehensive income / (loss) :</b>				
Item that may be reclassified subsequently to profit or loss:				
Hedging reserve - (loss) / income for the period	-	(713)	64,679	(713)
Less: Transfers to profit or loss	(221)	988	(653)	2,863
	(221)	275	64,026	2,150
<b>Total comprehensive income for the period</b>	<u>334,004</u>	<u>307,243</u>	<u>1,987,885</u>	<u>1,855,056</u>

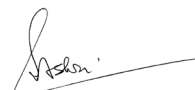
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**Unser Owais**  
Chief Financial Officer



**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 NINE MONTHS ENDED SEPTEMBER 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						
<b>Balance as at January 1, 2017 (Audited)</b>	3,238,000	80,777	227,182	4,979,272	(69,416)	(1,163)	8,454,652
Total comprehensive income for the nine months ended September 30, 2017	-	-	-	1,852,906	2,150	-	1,855,056
<b>Transactions with owners</b>							
Final dividend for the year ended December 31, 2016 @ Rs. 1.50 per share	-	-	-	(485,700)	-	-	(485,700)
1st interim dividend for the year ended December 31, 2017 @ Rs. 1.75 per share	-	-	-	(566,650)	-	-	(566,650)
<b>Balance as at September 30, 2017 (Unaudited)</b>	<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>
Total comprehensive income for the three months ended December 31, 2017	-	-	-	537,739	17,660	-	555,399
Transfer of actuarial loss on previous retirement benefit plan	-	-	-	(1,163)	-	1,163	-
<b>Balance as at December 31, 2017 (Audited)</b>	<u>3,238,000</u>	<u>80,777</u>	<u>227,182</u>	<u>6,316,404</u>	<u>(49,606)</u>	<u>-</u>	<u>9,812,757</u>
Total comprehensive income for the nine months ended September 30, 2018	-	-	-	1,923,859	64,026	-	1,987,885
<b>Transactions with owners</b>							
Final dividend for the year ended December 31, 2017 @ Rs. 1.50 per share	-	-	-	(485,700)	-	-	(485,700)
1st interim dividend for the year ending December 31, 2018 @ Rs. 1.50 per share	-	-	-	(485,700)	-	-	(485,700)
<b>Balance as at September 30, 2018 (Unaudited)</b>	<u>3,238,000</u>	<u>80,777</u>	<u>227,182</u>	<u>7,268,863</u>	<u>14,420</u>	<u>-</u>	<u>10,829,242</u>

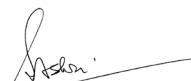
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**Unser Owais**  
Chief Financial Officer



**Shahab Qader**  
Chief Executive Officer



**Shamsuddin A. Shaikh**  
Chairman



(Amounts in thousand)

**ENGRO POWERGEN QADIRPUR LIMITED**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018**

	Note	Nine months ended	
		September 30, 2018	September 30, 2017
		Rupees	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	15	3,143,220	2,641,711
Taxes paid		(1,450)	(1,855)
Long term loans, advances and deposits - net		(25,079)	(4,522)
Net cash generated from operating activities		3,116,691	2,635,334
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment / intangible assets		(137,739)	(62,148)
Sale proceeds from disposal of property, plant and equipment		-	1,110
Net cash utilised in investing activities		(137,739)	(61,038)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayments of long term borrowing		(1,040,218)	(878,498)
Finance cost paid		(266,521)	(241,832)
Dividends paid		(482,148)	(1,052,350)
Net cash utilised in financing activities		(1,788,887)	(2,172,680)
Net increase in cash and cash equivalents		1,190,065	401,616
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	(1,961,198)	(2,427,761)

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 NINE MONTHS ENDED SEPTEMBER 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.

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 these 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.

**4. PROPERTY, PLANT AND EQUIPMENT**

Operating assets, at net book value (notes 4.1, 4.2 and 4.3)

	<b>Unaudited September 30, 2018</b>	<b>Audited December 31, 2017</b>
	Rupees	
Operating assets, at net book value (notes 4.1, 4.2 and 4.3)	12,062,883	12,220,553
Capital work-in-progress	101,741	15,420
Capital spares	1,158,905	933,239
	<u>13,323,529</u>	<u>13,169,212</u>

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

	<b>Rate of depreciation  (%)</b>	<b>Unaudited September 30, 2018</b>	<b>Audited December 31, 2017</b>
		Rupees	
Plant & machinery - including capitalisation of exchange loss / (gain)	4 - 16	588,948	300,057
Leasehold land	-	26,938	-
Buildings & civil works	2.5 - 8	-	19,754
Furniture, fixtures and equipment	15 - 25	7,674	21,005
		<u>623,560</u>	<u>340,816</u>

- 4.2 During the period, assets costing Nil (December 31, 2017: Rs. 2,033), having net book value of Nil (December 31, 2017: Rs. 1,110) were disposed-off for Nil (December 31, 2017: Rs. 1,110).
- 4.3 During the period, assets costing Rs. 6,267 (December 31, 2017: Nil), having net book value of Rs. 4,856 (December 31, 2017: Nil) were written-off.

(Amounts in thousand)

	<b>Unaudited September 30, 2018</b>	<b>Audited December 31, 2017</b>
	<b>Rupees</b>	

## 5. TRADE DEBTS - Secured

Considered good	5,836,595	5,571,570
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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. 1,587,347 (December 31, 2017: Rs. 2,104,915) which are neither past due nor impaired; and
- Rs. 4,249,248 (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:

	<b>Unaudited September 30, 2018</b>	<b>Audited December 31, 2017</b>
	<b>Rupees</b>	
- Upto 3 months	3,303,689	2,763,461
- 3 to 6 months	945,559	703,194
	<u>4,249,248</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 were made in the Term Deposit Receipts. The rate of mark-up on this investment is 7.66% (December 31, 2017: 3.95%) per annum.

	<b>Unaudited September 30, 2018</b>	<b>Audited December 31, 2017</b>
	<b>Rupees</b>	

## 7. BALANCES WITH BANKS

Current accounts:

- Local currency	14,288	917
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Deposit accounts:

- Foreign currency (note 7.1)	3,345	2,969
- Local currency (note 7.2)	6,710	3,523
	<u>24,343</u>	<u>7,409</u>

7.1 Foreign currency deposits carry return at the rate of 0.2% (December 31, 2017: 0.5%) per annum.

7.2 Local currency deposits carry return at the rate of 4.5% (December 31, 2017: 3.75%) per annum.

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



(Amounts in thousand)

	<b>Unaudited September 30, 2018</b>	<b>Audited December 31, 2017</b>
	Rupees	

## 8. BORROWINGS - Secured

Long term borrowings	4,358,201	4,871,233
Less: Current portion shown under current liabilities	2,405,119	2,051,918
	<u>1,953,082</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 September 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 KIBOR plus 0.0% - 0.5% (2017: 3 month 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, equipment 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.

	<b>Unaudited September 30, 2018</b>	<b>Audited December 31, 2017</b>
	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)	997,084	886,386
- others	8,854	51,666
	<u>1,005,938</u>	<u>938,052</u>



(Amounts in thousand)

	Unaudited		Unaudited	
	Quarter ended		Nine months ended	
	September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
	Rupees			
<b>11. SALES</b>				
Capacity purchase price	732,610	609,015	3,053,050	2,767,160
Energy purchase price (note 11.1)	1,641,898	2,038,305	5,353,880	6,031,665
	<u>2,374,508</u>	<u>2,647,320</u>	<u>8,406,930</u>	<u>8,798,825</u>

11.1 Energy purchase price is net of sales tax of Rs. 910,160 (2017: Rs. 1,025,383) for current period's sales invoices.

## 12. OTHER INCOME

Last year, other income includes insurance claim pertaining 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 (BI) claim with the insurers. The Company received Rs. 110,000 in the last year in this respect.

	Unaudited		Unaudited	
	Quarter ended		Nine months ended	
	September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
	Rupees			

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

Provision for				
- Workers' profits participation fund	16,716	15,353	96,207	92,664
- Workers' welfare fund	-	-	-	-
	16,716	15,353	96,207	92,664
Less:				
Recoverable from CPPA	(16,716)	(15,353)	(96,207)	(92,664)
	<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 Central Power Purchasing Agency (CPPA) 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 the 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.





(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, 2018	September 30, 2017	September 30, 2018	September 30, 2017
	<b>Rupees</b>			
Profit for the period	334,225	306,968	1,923,859	1,852,906
	<b>Number of shares</b>			
Weighted average number of ordinary shares (in thousand)	323,800	323,800	323,800	323,800
	<b>Rupees</b>			
Earnings per share - basic and diluted	1.03	0.95	5.94	5.72

#### 15. CASH GENERATED FROM OPERATIONS

	Unaudited Nine months ended	
	September 30, 2018	September 30, 2017
	<b>Rupees</b>	
Profit before taxation	1,924,131	1,853,286
Adjustment for non-cash charges and other items:		
- Depreciation	564,339	547,917
- Amortisation	13,454	13,494
- Reclassification of cash flow hedge to profit or loss	(653)	2,863
- Write-off of property, plant and equipment	4,856	-
- Finance cost	324,034	305,825
Working capital changes (note 15.1)	313,059	(81,674)
	<u>3,143,220</u>	<u>2,641,711</u>

##### 15.1 Working capital changes

Decrease / (Increase) in current assets:

Inventories	(3,073)	(38,422)
Trade debts	(265,025)	(267,275)
Loans, advances, deposits, prepayments and other receivables - net	(494,732)	106,645
	(762,830)	(199,052)

Increase in current liabilities:

Trade and other payables	1,075,889	117,378
	<u>313,059</u>	<u>(81,674)</u>

#### 16. CASH AND CASH EQUIVALENTS

Balances with banks	24,343	66,019
Short term borrowings	(2,035,129)	(2,543,780)
Short term investments	49,588	50,000
	<u>(1,961,198)</u>	<u>(2,427,761)</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 do 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.

**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:

		<b>Unaudited</b>	
		<b>Nine months ended</b>	
		<b>September 30, 2018</b>	<b>September 30, 2017</b>
		<b>Rupees</b>	
<b>Nature of relationship</b>	<b>Nature of transactions</b>		
<b>Holding Company</b>	Purchase of services	122,504	55,199
	Services rendered	17,269	139,618
	Contribution for Corporate Social Responsibility (CSR) activities	3,608	6,525
	Dividend paid	334,575	-
<b>Associated undertakings</b>	Purchase of services	53,706	54,119
	Services rendered	28,324	14,201
	Contribution for CSR activities	5,000	5,400
<b>Key management personnel</b>	Managerial remuneration	28,532	51,036
	Retirement benefit schemes	2,300	4,720
<b>Staff retirement benefits</b>	Managed and operated by the Company		
	- Gratuity fund	-	2,492
	Managed and operated by Engro Corporation Limited		
	- Gratuity fund	10,280	14,402
	- Provident fund	31,969	43,649
	- Pension fund	749	1,320

**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 October 16, 2018 by the Board of Directors of the Company.



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**Unser Owais**  
Chief Financial Officer



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**Shahab Qader**  
Chief Executive Officer



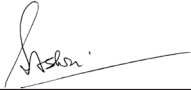
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**Shamsuddin A. Shaikh**  
Chairman

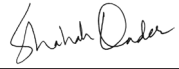


## مستقبل کا منظر نامہ

جیسا کہ معاہدہ نفاذ (Implementation Agreement (IA)) میں پیش بندی کی گئی ہے؛ EPQL کو اب قادر پور گیس فیلڈ کی جانب سے گیس کی تخفیف کا سامنا ہے اور اس نے اپنے پلانٹ کو مخلوط ذریعے پر دستیاب بنا دیا ہے۔ یعنی 7 ستمبر، 2018 کے بعد سے گیس اور HSD کو یکجا کر دیا گیا ہے۔ IA کے تحت؛ گیس کی تخفیف ایک مرتبہ مخصوص سطح پر پہنچنے کے بعد، EPQL کو متبادل ایندھن پر ایک مرتبہ کنورژن کی اجازت ہے۔ اس کنورژن کی لاگت IA کے تحت، پاور پریچر کی جانب سے مکمل طور پر قابل وصول ہوگی۔ اس دوران EPQL، پلانٹ کو مخلوط ذریعے پر دستیاب بناتے ہوئے ہر لحاظ سے مکمل ادائیگیاں وصول کرنے کا اتحقاق رکھتا ہے۔



چیرمین  
شمس الدین شیخ



چیف ایگزیکٹو  
شہاب قادر

16 اکتوبر، 2018



## اینگرو پاور جن قادر پور لمیٹڈ شیر ہولڈرز کے لیے ڈائریکٹرز کا جائزہ برائے اختتام نومبر 30، 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 اختتام نومبر 30، 2018، پیش کر رہے ہیں۔

### عملی کاروباری کارکردگی

EPQL پلانٹ نے گزشتہ سال کی اسی مدت کے دوران 100.7 فیصد کے مقابلے میں 2018 کے 9 ماہ میں 99.8 فیصد کا قابل بل دستیابی فیکٹر حاصل کیا۔ اس نے 2017 کے 9 ماہ میں 94 فیصد کے مقابلے میں 83 فیصد کے لوڈ فیکٹر کے ساتھ قومی گز کو 1,156 GWh کے مجموعی نیٹ الیکٹریکل آؤٹ پٹ (NEO) کی ترسیل کی۔ اس سال لوڈ فیکٹر میں تخفیف کی وجہ بنیادی طور پر گیس سپلائر کے کمپریسر کے ساتھ پیش آنے والے مسائل تھے جس کے باعث سپلائر میں خلل واقع ہوا۔ کمپنی نے صحت، تحفظ اور ماحول (HSE) کے اسٹینڈرڈز کے حوالے سے اپنی انتہائی درجے کی وابستگی برقرار رکھی۔

### مالیاتی کارکردگی

سیلز ریونیو اس مدت میں 8,407 ملین روپے رہا جو کہ گزشتہ سال اسی مدت کے دوران 8,799 ملین روپے تھا۔ سیلز ریونیو میں کمی کی بنیادی وجہ مذکورہ بالا لوڈ فیکٹر میں تخفیف اور اس کے نتیجے میں پیداواری لاگت میں ہونے والی تنزلی تھی۔

مجموعی منافع اس مدت میں 2,221 ملین روپے رہا جو کہ گزشتہ سال اسی مدت کے دوران 2,096 ملین روپے تھا۔ مجموعی منافع میں اس اضافے کا بنیادی سبب نرخ نامے میں پہلے سے زیادہ اشاریہ سازی کے باعث 2018 کے 9 ماہ میں کاروباری عمل کاری اور دیکھ بھال کی لاگت کا زیادہ انجذاب تھا۔ اس مدت کے دوران خالص مالیاتی لاگت 165 ملین روپے رہی جو کہ 2017 کے 9 ماہ میں 213 ملین روپے تھی۔ خالص مالیاتی لاگت میں کمی کی وجہ بڑھتے ہوئے گردش قرضے کے باعث پاور پر چیز رکوز زیادہ بل کردہ سودی آمدنی ہے۔

NTDC سے واجب الوصول واجبات 30 ستمبر، 2018 کو 5,436 ملین روپے رہے جو کہ 31 دسمبر، 2017 کو 4,294 ملین روپے تھے۔ اسی طرح، SNGPL کو واجب الادا ادائیگیاں 30 ستمبر، 2018 کو 2,883 ملین روپے رہیں جو کہ 31 دسمبر، 2017 کو 1,716 ملین روپے تھیں۔

کمپنی نے 2017 کے 9 ماہ میں حاصل کردہ 1,853 ملین روپے خالص منافع کے مقابلے میں 2018 کے 9 ماہ میں 1,924 ملین روپے کا خالص منافع حاصل کیا۔ فی شیر آمدنیاں 5.94 روپے رہیں جو کہ گزشتہ سال اسی مدت کے دوران 5.72 روپے تھیں۔







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