

ENGRO POWERGEN QADIRPUR LIMITED

**CONDENSED INTERIM
FINANCIAL STATEMENTS (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2018**

INDEPENDENT AUDITOR'S REVIEW REPORT**To the members of Engro Powergen Qadirpur Limited****Report on review of Interim Financial Statements****Introduction**

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

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

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

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



**Chartered Accountants
Karachi
Date: August 27, 2018**

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

(Amounts in thousand)

		Unaudited June 30, 2018	Audited December 31, 2017
Note		-----Rupees-----	
ASSETS			
Non-current assets			
Property, plant and equipment	4	13,350,623	13,169,212
Intangible assets		72,136	77,044
Long term loans and advances		60,338	39,243
Long term deposits		2,574	2,491
		<u>13,485,671</u>	<u>13,287,990</u>
Current assets			
Inventories		890,728	881,182
Trade debts	5	5,965,665	5,571,570
Short term investments	6	49,863	50,000
Loans, advances, deposits, prepayments and other receivables		1,723,565	1,427,680
Taxes recoverable		65,727	64,731
Balances with banks	7	102,422	7,409
		<u>8,797,970</u>	<u>8,002,572</u>
TOTAL ASSETS		<u><u>22,283,641</u></u>	<u><u>21,290,562</u></u>
EQUITY AND LIABILITIES			
Equity			
Share capital		3,238,000	3,238,000
Share premium		80,777	80,777
Maintenance reserve		227,182	227,182
Hedging reserve		14,641	(49,606)
Unappropriated profit		7,420,338	6,316,404
Total Equity		<u>10,980,938</u>	<u>9,812,757</u>
LIABILITIES			
Non-current liability			
Borrowings	8	1,908,260	2,819,315
Current liabilities			
Trade and other payables		4,505,756	3,346,430
Unclaimed dividend		24,117	20,528
Accrued interest / mark-up		32,736	30,942
Short term borrowings	9	2,478,958	3,208,672
Current portion of long term borrowings	8	2,352,876	2,051,918
		<u>9,394,443</u>	<u>8,658,490</u>
Total Liabilities		<u>11,302,703</u>	<u>11,477,805</u>
Contingencies and Commitments	10		
TOTAL EQUITY AND LIABILITIES		<u><u>22,283,641</u></u>	<u><u>21,290,562</u></u>

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


Chief Financial Officer


Chairman


Chief Executive Officer

SAS

SQ


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

(Amounts in thousand except for earnings per share)

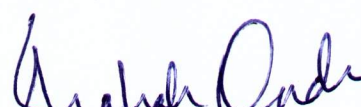
	Note	Quarter ended		Half year ended	
		June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
		-----Rupees-----		-----Rupees-----	
Sales	11	3,189,649	3,172,188	6,032,422	6,151,505
Cost of sales		(2,151,083)	(2,183,900)	(4,239,735)	(4,469,508)
Gross profit		1,038,566	988,288	1,792,687	1,681,997
Administrative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

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

ABC


Chief Financial Officer


Chairman
 SAS


Chief Executive Officer
 SQ


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

(Amounts in thousand)

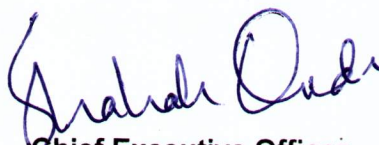
	Quarter ended		Half year ended	
	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
	-----Rupees-----		-----Rupees-----	
Profit for the period	920,545	877,034	1,589,634	1,545,938
Other comprehensive income / (loss) :				
Item that may be reclassified subsequently to profit or loss:				
Hedging reserve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

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

ABW


Chief Financial Officer


Chairman
SAS


Chief Executive Officer
SQ

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

(Amounts in thousand)

	Capital			Reserves			Total
	Share capital	Share premium	Maintenance reserve	Unappropriated Profit	Hedging Reserve	Remeasurement of retirement benefit obligation - Actuarial gain / (loss)	
	Rupees						
Balance as at January 1, 2017 (Audited)	3,238,000	80,777	227,182	4,979,272	(69,416)	(1,163)	8,454,652
Total comprehensive income for the half year ended June 30, 2017	-	-	-	1,545,938	1,875	-	1,547,813
Transactions with owners							
Final dividend for the year ended December 31, 2016 @ Rs. 1.50 per share	-	-	-	(485,700)	-	-	(485,700)
Balance as at June 30, 2017 (Unaudited)	3,238,000	80,777	227,182	6,039,510	(67,541)	(1,163)	9,516,765
Total comprehensive income for the half year ended December 31, 2017	-	-	-	844,707	17,935	-	862,642
Transfer of actuarial loss on previous retirement benefit plan				(1,163)		1,163	
Transactions with owners							
1st interim dividend for the year ended December 31, 2017 @ Rs. 1.75 per share	-	-	-	(566,650)	-	-	(566,650)
Balance as at December 31, 2017 (Audited)	3,238,000	80,777	227,182	6,316,404	(49,606)	-	9,812,757
Total comprehensive income for the half year ended June 30, 2018	-	-	-	1,589,634	64,247	-	1,653,881
Transactions with owners							
Final dividend for the year ended December 31, 2017 @ Rs. 1.50 per share	-	-	-	(485,700)	-	-	(485,700)
Balance as at June 30, 2018 (Unaudited)	3,238,000	80,777	227,182	7,420,338	14,641	-	10,980,938

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

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Chief Financial Officer

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Chairman
SAS

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Chief Executive Officer
SQ

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

(Amounts in thousand)

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

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


Chief Financial Officer


Chairman

SAS


Chief Executive Officer

SO

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

(Amounts in thousand)

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:

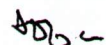
- International Accounting Standard 34, 'Interim Financial Reporting' (IAS 34), issued by International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

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

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

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

During preparation of these condensed interim financial statements, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty are the same as those that were applied to the financial statements for the year ended December 31, 2017.



(Amounts in thousand)

3. ACCOUNTING POLICIES

- 3.1 The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of the annual financial statements for the year ended December 31, 2017.
- 3.2 There are certain amendments to published International Financial Reporting Standards and interpretations that are mandatory for the financial year beginning on January 1, 2018. These are considered not to be relevant or to have any significant effect on the Company's financial reporting and operations and are, therefore, not disclosed in this condensed interim financial statements. Further, third and fourth schedules to the Companies Act, 2017 will be applicable to the Company for the first time in the preparation of annual financial statements for the year ending December 31, 2018 which have added / amended certain disclosure requirements.
- 3.3 Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

Unaudited June 30, 2018	Audited December 31, 2017
-----Rupees-----	

4. PROPERTY, PLANT AND EQUIPMENT

Operating assets, at net book
value (note 4.1)

Capital work-in-progress

Capital spares

12,366,264	12,220,553
49,764	15,420
934,595	933,239
<u>13,350,623</u>	<u>13,169,212</u>

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

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

5. TRADE DEBTS - Secured

Considered good

<u>5,965,665</u>	<u>5,571,570</u>
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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.

Agreed

(Amounts in thousand)**5.2 Trade debts include:**

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

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

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

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

	Unaudited June 30, 2018	Audited December 31, 2017
	-----Rupees-----	

7. BALANCES WITH BANKS

Current accounts:

- Local currency (note 7.1)	92,148	917
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Deposit accounts:

- Foreign currency (note 7.2)	3,264	2,969
- Local currency (note 7.3)	7,010	3,523
	<u>102,422</u>	<u>7,409</u>

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

	Unaudited June 30, 2018	Audited December 31, 2017
	-----Rupees-----	

8. BORROWINGS, secured

Long term borrowings	4,261,136	4,871,233
Less: Current portion shown under current liabilities	<u>2,352,876</u>	<u>2,051,918</u>
	<u>1,908,260</u>	<u>2,819,315</u>

ADD

(Amounts in thousand)

- 8.1 The Company entered into a financing agreement with a consortium comprising of international financial institutions amounting to US\$ 144,000. The finance carries markup at the rate of six months LIBOR plus 3% payable semi-annually over a period of twelve years. The principal is repayable in twenty semi-annual instalments commencing from December 15, 2010. As at June 30, 2018, the outstanding balance of the borrowing was US\$ 35,198 (December 31, 2017: US\$ 44,292).

The borrowing is secured by an equitable mortgage on the immovable property and the hypothecation of current and future assets of the Company, except receivables from NTDC in respect of Energy Purchase Price. Further, the Company has also extended a letter of credit in favour of the senior lenders, as referred to in note 10.

9. SHORT TERM BORROWINGS

The available facilities under these mark-up arrangements aggregates to Rs. 4,400,000 (2017: Rs. 4,400,000). The facilities carry mark-up at the rate of 3 months KIBOR plus 0.0% - 0.5% (2017: 3 months KIBOR plus 0.0% - 0.5%). The facilities are secured by (i) lien over Energy Purchase Price (EPP) account and charge over present and future receivables from the Power Purchaser in respect of EPP; and (ii) first charge over current assets of the Company and subordinated charge over present and future plant, machinery, equipments and other movable assets and immovable properties of the Company. The use of these facilities are restricted for payments of operations and maintenance cost of the power plant and payments to fuel suppliers against purchase of fuel.

Unaudited June 30, 2018	Audited December 31, 2017
-----Rupees-----	

10. CONTINGENCIES AND COMMITMENTS

- 10.1 Contingent liabilities - Guarantee in favour of Sui Northern Gas Pipelines Limited in accordance with the terms of Gas Supply Agreement (GSA)

2,496,126	2,496,126
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- 10.2 Commitments in respect of :

- letter of credit in favour of senior lenders (note 8.1)
- others

975,426	886,386
34,322	51,666
1,009,748	938,052

Unaudited Quarter ended		Unaudited Half year ended	
June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
-----Rupees-----		-----Rupees-----	

11. SALES

Capacity purchase price	1,391,992	1,282,155	2,320,440	2,158,145
Energy purchase price (note 11.1)	1,797,657	1,890,033	3,711,982	3,993,360
	3,189,649	3,172,188	6,032,422	6,151,505

Agg

(Amounts in thousand)

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

Unaudited		Unaudited	
Quarter ended		Half year ended	
June 30,	June 30,	June 30,	June 30,
2018	2017	2018	2017
-----Rupees-----		-----Rupees-----	

12. OTHER INCOME**Financial assets:**

Exchange gain	290	28	290	28
Reclassification of hedge to profit or loss	839	-	839	-

Non- financial assets:

Insurance claim - net of deductible (note 12.1)	-	-	-	110,000
	<u>1,129</u>	<u>28</u>	<u>1,129</u>	<u>110,028</u>

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

Unaudited		Unaudited	
Quarter ended		Half year ended	
June 30,	June 30,	June 30,	June 30,
2018	2017	2018	2017
-----Rupees-----		-----Rupees-----	

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

Provision for

- Workers' profits participation fund (note 13.1)	46,039	43,859	79,491	77,311
- Workers' welfare fund (note 13.2)	-	-	-	-
	46,039	43,859	79,491	77,311
Less:				
Recoverable from NTDC	(46,039)	(43,859)	(79,491)	(77,311)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

- 13.1 The Company is required to pay 5% of its profit to the Workers' profits participation fund. However, such payment will not effect the Company's overall profitability as this is recoverable from NTDC as a pass through item under Schedule I Part IV of the Power Purchase Agreement (PPA).

As per

(Amounts in thousand except for earnings per share)

- 13.2 The Honorable Supreme Court (HSC) through order dated November 10, 2016 annulled the amendments made in the Workers' Welfare Fund Ordinance, 1971 through Finance Acts of 2006 and 2008, and restored the original ordinance under which Workers' welfare fund is not applicable on the income of the Company. Further, in case of Company, Sindh Workers' Welfare Fund Act, 2014 is applicable, under which exempt income, i.e. income from power supply operations is not subject to Workers' welfare fund. Accordingly, no provision for Worker welfare fund has been recognised from 2016 and onwards; however, provisions in respect of prior periods, made under the Federal Workers' Welfare Fund Ordinance, 1971 have been retained.

14. EARNINGS PER SHARE

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

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

15. CASH GENERATED FROM OPERATIONS

Profit before taxation	1,589,824	1,546,214
Adjustment for non-cash charges and other items:		
- Depreciation	383,542	364,165
- Amortisation	8,969	8,910
- Reclassification of cash flow hedge to profit or loss	(432)	1,875
- Finance cost	214,872	212,270
Working capital changes (note 15.1)	459,800	(129,942)
	2,656,575	2,003,492

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(Amounts in thousand)

Unaudited	
Half year ended	
June 30, 2018	June 30, 2017
-----Rupees-----	

15.1 Working capital changes

Decrease / (Increase) in current assets:

Inventories	(9,546)	(29,110)
Trade debts	(394,095)	(314,799)
Loans, advances, deposits, prepayments and other receivables - net	(295,885)	(8,267)
	(699,526)	(352,176)

(Decrease) / Increase in current liabilities:

Trade and other payables	1,159,326	222,234
	<u>459,800</u>	<u>(129,942)</u>

16. CASH AND CASH EQUIVALENTS

Balances with banks	102,422	125,904
Short term borrowings	(2,478,958)	(2,618,607)
Short term investments	49,863	50,000
	<u>(2,326,673)</u>	<u>(2,442,703)</u>

17. FINANCIAL MANAGEMENT AND FINANCIAL INSTRUMENTS**17.1 Financial risk factors**

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk.

There have been no changes in the risk management policies during the period, consequently these condensed interim financial statements does not include all the financial risk management information and disclosures required in the annual financial statements.

17.2 Fair value estimation

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



(Amounts in thousand)

18. TRANSACTIONS WITH RELATED PARTIES

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

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

19. CORRESPONDING FIGURES

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

20. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on August 8, 2018 by the Board of Directors of the Company.




Chief Financial Officer


Chairman

SAS


Chief Executive Officer

SQ