

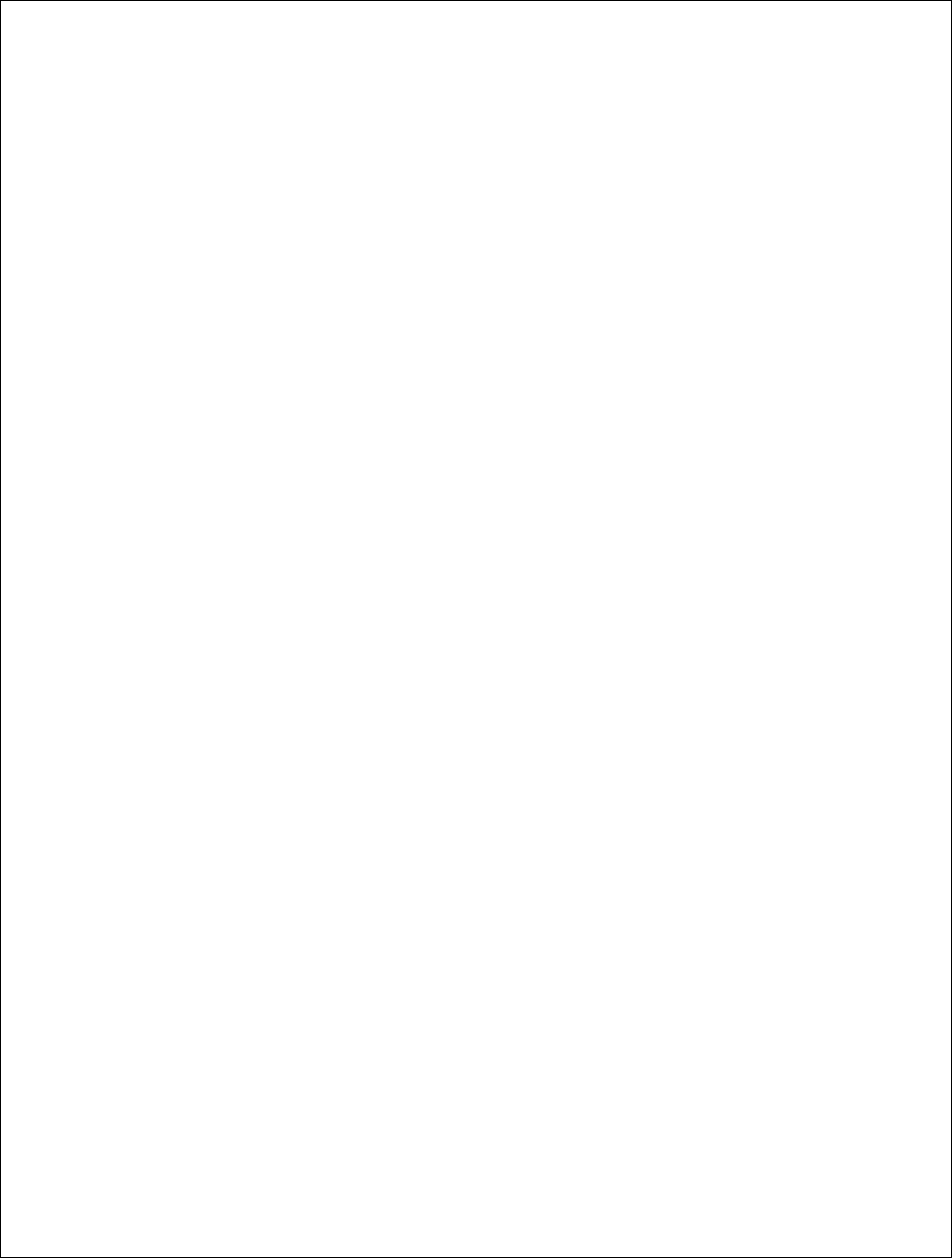


engro powergen qadirpur

power for life

Financial Statements for the Quarter and
Nine Months ended September 30, 2020





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Board of Directors	Ahsan Zafar Syed - Chairman Shahab Qader - Chief Executive Officer Fauzia Viqar Farooq Barkat Ali Shabbir Hashmi Kaiser Bengali Vaqar Zakaria
Board Audit Committee	Kaiser Bengali - Chairman Shabbir Hashmi Farooq Barkat Ali
Company Secretary	Sameen Asad
Chief Financial Officer	Rabia Wafah Khan
Corporate Audit Manager	Ekta Sitani
Bankers / Development Finance Institution (DFI)	Albaraka Bank Ltd. Allied Bank Ltd. Bank Alfalah Ltd. Faysal Bank Ltd. Habibsons Bank Ltd. London National Bank of Pakistan MCB Bank Ltd. Pak Kuwait Investment Company (Pvt) Ltd. Soneri Bank Ltd. Bank of Punjab Habib Metropolitan Bank Limited
Auditors	A.F. Ferguson & Co., Chartered Accountants State Life Building No. 1-C I.I. Chundrigar Road Karachi-74000, Pakistan Tel: +92 (21) 32426682-6 / 32426711-5 Fax: +92 (21) 32415007 / 32427938
Registered Office	16th Floor, The Harbor Front Building, HC-3, Marine Drive, Block 4, Clifton, Karachi-75600, Pakistan UAN: +92 (21) 111-211-211 PABX: +92 (21) 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.engroenergy.com





engro powergen qadirpur

**DIRECTORS' REVIEW AND
CONDENSED INTERIM
FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020**



ENGRO POWERGEN QADIRPUR LIMITED
DIRECTORS' REVIEW TO THE SHAREHOLDERS
NINE MONTHS ENDED SEPTEMBER 30, 2020

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, 2020.

Operating Performance

The EPQL Plant demonstrated a billable availability factor of 99.9% in 9M 2020. Despite the pandemic outbreak during the year, the plant maintained smooth operations throughout the period under review. It dispatched a total Net Electrical Output (NEO) of 446 GwH to the national grid with a load factor of 32% compared to 70% in 9M 2019. The decline in load factor is attributable to lower offtake from EPQL due to lower power demand in the country during lock down and merit order position of the plant.

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

Financial Performance

Sales revenue for the period was PKR 6,963 Mn compared to PKR 10,835 Mn in the same period last year. The decrease in sales revenue is mainly attributable to debt servicing component of tariff no longer being applicable from March 27, 2020 as the Company has fully repaid its long term debt. The lower sales revenue was also a factor of lower power dispatch in 9M 2020 as mentioned above. As a result, the Company earned a net profit of PKR 2,031 Mn in 9M 2020 as compared to PKR 2,610 Mn in 9M 2019. Earnings per share stood at PKR 6.27 as compared to PKR 8.06 for the same period last year.

Overdue receivable from NTDC stood at PKR 10,509 Mn as on September 30, 2020 vs PKR 9,161 Mn as on December 31, 2019. Overdue payable to SNGPL on September 30, 2020 was PKR 2,235 Mn vs PKR 6,490 Mn as on December 31, 2019. The increasing overdue receivables is a cause of concern for the Company as well as entire power sector. The Company continues to engage with all relevant stakeholders to manage this position and find appropriate and long-term solution of this issue.

Near Term Outlook

EPQL is 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.

The Company is engaged with stakeholders to agree on an alternate solution as gas from Qadirpur field is depleting. The Company is actively working towards closure of a viable alternate fuel option for the plant.



During the year, the Company, along with other Independent Private Power Producers (IPPs) representing the 2002 Power Policy projects, had several rounds of discussions with the Committee for negotiations with IPPs, notified by Government of Pakistan (Committee), in which the Committee had requested the IPPs to provide concession to the Government of Pakistan (GoP), which shall be passed on to the consumers. In the greater national interest, the IPPs have reached an understanding with Committee and have signed Memorandum of Understanding (MoU) on August 13, 2020. The terms of the MoU are subject to the approval of National Electric Power Regulatory Authority (NEPRA), Federal Cabinet, IPPs' Board of Directors, other necessary corporate approvals and execution of the final agreement between the relevant parties. Among other terms is the change of Return on Equity including Return on Equity During Construction to 17% per annum in PKR on NEPRA approved equity at Commercial Operation Date of the Company calculated at USD/PKR exchange rate of PKR 148/USD, with no future USD indexation; Other key changes include prospective sharing of savings arising out of fuel and O&M be taken as one consolidated line item and that all projects shall convert their contracts to Take and Pay basis, without exclusivity, when Competitive Trading Arrangement is implemented and becomes fully operational. An integral part of this MoU is to also to bring some relief in terms of liquidity profile of the IPPs as the Power Purchaser and the Government of Pakistan will devise a mechanism for repayment of the outstanding receivables



Shahab Qader
Chief Executive Officer



Ahsan Zafar Syed
Chairman

Karachi: October 16, 2020

(Amounts in thousand)

ENGRO POWERGEN QADIRPUR LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2020

	Note	Unaudited	Audited
		September 30, 2020	December 31, 2019
		Rupees	
ASSETS			
Non-current assets			
Property, plant and equipment	4	12,816,969	13,299,480
Intangible assets		62,778	68,651
Long term loans and advances		24,338	34,659
Long term deposits		2,574	2,574
		<u>12,906,659</u>	<u>13,405,364</u>
Current assets			
Inventories		859,293	863,183
Trade debts	5	8,833,299	9,806,697
Short-term investment		48,711	49,963
Loans, advances, deposits and prepayments		194,073	113,298
Other receivables	6	4,649,323	3,225,441
Taxes recoverable		52,322	64,919
Balances with banks	7	179,152	12,386
		<u>14,816,173</u>	<u>14,135,887</u>
		<u>27,722,832</u>	<u>27,541,251</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
Unappropriated profit		12,030,419	10,403,899
Hedging reserve		12,669	13,325
		<u>15,589,047</u>	<u>13,963,183</u>
Total Equity			
LIABILITIES			
Non-current liability			
Borrowings	8	-	-
Current liabilities			
Trade and other payables		8,790,867	8,406,839
Unclaimed dividend		22,720	23,002
Accrued interest / mark-up		65,847	92,640
Short-term borrowings	9	3,254,351	3,712,840
Unpaid dividend		-	485,700
Current portion of long-term borrowings	8	-	857,047
		<u>12,133,785</u>	<u>13,578,068</u>
		<u>12,133,785</u>	<u>13,578,068</u>
Total liabilities			
Contingencies and Commitments			
	10		
		<u>27,722,832</u>	<u>27,541,251</u>
TOTAL EQUITY AND LIABILITIES		<u>27,722,832</u>	<u>27,541,251</u>

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.

Rabia Wafah Khan

Rabia Wafah Khan
Chief Financial Officer

Shahab Qader

Shahab Qader
Chief Executive Officer

Ahsan Zafar Syed

Ahsan Zafar Syed
Chairman



(Amounts in thousand except for earnings per share)

ENGRO POWERGEN QADIRPUR LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

	Note	Quarter ended		Nine months ended	
		September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
		Rupees			
Sales	11	2,609,467	3,601,656	6,962,848	10,835,384
Cost of sales		(1,980,918)	(2,879,151)	(5,122,052)	(8,047,392)
Gross profit		<u>628,549</u>	<u>722,505</u>	<u>1,840,796</u>	<u>2,787,992</u>
Administrative expenses		(22,925)	(27,308)	(72,625)	(69,480)
Other expenses		(14,927)	(8,310)	(44,858)	(91,003)
Other income		164	52,272	79,623	53,721
Profit from operations		<u>590,861</u>	<u>739,159</u>	<u>1,802,936</u>	<u>2,681,230</u>
Finance income / (cost) - net		130,834	3,735	242,751	(68,287)
Workers' profits participation fund	12	-	-	-	-
Profit before taxation		<u>721,695</u>	<u>742,894</u>	<u>2,045,687</u>	<u>2,612,943</u>
Taxation		(85)	-	(14,417)	(2,662)
Profit for the period		<u><u>721,610</u></u>	<u><u>742,894</u></u>	<u><u>2,031,270</u></u>	<u><u>2,610,281</u></u>
Earnings per share - basic and diluted	13	<u><u>2.23</u></u>	<u><u>2.29</u></u>	<u><u>6.27</u></u>	<u><u>8.06</u></u>

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.



Rabia Wafah Khan
Chief Financial Officer



Shahab Qader
Chief Executive Officer



Ahsan Zafar Syed
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, 2020

	<u>Quarter ended</u>		<u>Nine months ended</u>	
	<u>September 30, 2020</u>	<u>September 30, 2019</u>	<u>September 30, 2020</u>	<u>September 30, 2019</u>
	Rupees			
Profit for the period	721,610	742,894	2,031,270	2,610,281
Other comprehensive loss :				
Item that may be reclassified subsequently to profit or loss:				
Hedging reserve - reclassified to profit or loss	(215)	(220)	(656)	(653)
Total comprehensive income for the period	<u>721,395</u>	<u>742,674</u>	<u>2,030,614</u>	<u>2,609,628</u>

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.



Rabia Wafah Khan
Chief Financial Officer



Shahab Qader
Chief Executive Officer



Ahsan Zafar Syed
Chairman



(Amounts in thousand)

ENGR POWERGEN QADIRPUR LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

	Reserves					Total
	Capital		Revenue			
	Share capital	Share premium	Maintenance reserve	Unappropriated profit	Hedging reserve	
	Rupees					
Balance as at January 1, 2019 (Audited)	3,238,000	80,777	227,182	7,972,617	14,199	11,532,775
Total comprehensive income for the nine months ended September 30, 2019	-	-	-	2,610,281	(653)	2,609,628
Balance as at September 30, 2019 (Unaudited)	3,238,000	80,777	227,182	10,582,898	13,546	14,142,403
Total comprehensive income for the three months ended December 31, 2019	-	-	-	792,401	(221)	792,180
Transactions with owners						
1st interim dividend for the year ended December 31, 2019 @ Rs. 1.50 per share	-	-	-	(485,700)	-	(485,700)
2nd interim dividend for the year ended December 31, 2019 @ Rs. 1.50 per share	-	-	-	(485,700)	-	(485,700)
Balance as at December 31, 2019 (Audited)	3,238,000	80,777	227,182	10,403,899	13,325	13,963,183
Total comprehensive income for the nine months ended September 30, 2020	-	-	-	2,031,270	(656)	2,030,614
1st interim dividend for the year ended December 31, 2020 @ Rs. 1.25 per share	-	-	-	(404,750)	-	(404,750)
Balance as at September 30, 2020 (Unaudited)	<u>3,238,000</u>	<u>80,777</u>	<u>227,182</u>	<u>12,030,419</u>	<u>12,669</u>	<u>15,589,047</u>

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.



Rabia Wafah Khan
Chief Financial Officer



Shahab Qader
Chief Executive Officer



Ahsan Zafar Syed
Chairman

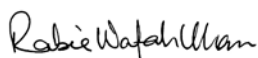


(Amounts in thousand)

ENGRO POWERGEN QADIRPUR LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

	Note	Nine months ended	
		September 30, 2020	September 30, 2019
		Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	14	2,910,360	2,833,881
Taxes paid		(1,820)	(3,532)
Finance income received		9,020	10,935
Long-term loans, advances and deposits - net		15,661	70,283
Net cash generated from operating activities		2,933,221	2,911,567
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(16,202)	(22,947)
Purchase of intangible assets		(50,824)	(21,673)
Investment made during the period		(1,800,227)	(49,963)
Investment encashed during the period		1,850,190	-
Net cash utilised in investing activities		(17,063)	(94,583)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of long term borrowing		(916,362)	(1,511,359)
Finance cost paid		(435,098)	(336,684)
Dividends paid		(890,732)	(380)
Net cash utilised in financing activities		(2,242,192)	(1,848,423)
Net increase in cash and cash equivalents		673,966	968,561
Cash and cash equivalents at beginning of the period		(3,700,454)	(3,695,751)
Cash and cash equivalents at end of the period	15	(3,026,488)	(2,727,190)

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.



Rabia Wafah Khan
Chief Financial Officer



Shahab Qader
Chief Executive Officer



Ahsan Zafar Syed
Chairman



ENGRO POWERGEN QADIRPUR LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

1. LEGAL STATUS AND OPERATIONS

- 1.1 Engro Powergen Qadirpur Limited (the Company), is a public listed company, incorporated in Pakistan, 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).
- 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 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 PPA is for a period of 25 years.
- 1.3 The business units of the Company include the following:

Business Unit	Geographical Location
Head office (registered office)	16th floor, Harbour Front Building, Plot Number HC-3, Marine Drive, Block 4, Scheme No. 5, Clifton, Karachi.
Power plant	Deh Belo Sanghari, Ghotki, Sindh

2. BASIS OF PREPARATION

- 2.1 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.

- 2.2 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, 2019.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES, JUDGEMENTS AND RISK MANAGEMENT

- 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, 2019.

The financial risk management objectives and policies of the Company are also consistent with those disclosed in the audited financial statements of the Company for the year ended December 31, 2019.

(Amounts in thousand)

- 3.2 The preparation of these condensed interim financial statements in conformity with the approved accounting and reporting standards requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. These estimates, judgments and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances and are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future years if the revision affects both current and future periods.

The significant estimates, judgments and assumptions made by the management in the preparation of these condensed interim financial statements are the same as those that were applied in the audited financial statements of the Company as at and for the year ended December 31, 2019.

- 3.3 There are certain amendments to published International Financial Reporting Standards and interpretations that are mandatory for the financial year beginning on January 1, 2020. These are considered not to have any significant effect on the Company's financial reporting and operations and are, therefore, not disclosed in these condensed interim financial statements. 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 September 30, 2020	Audited December 31, 2019
	Rupees	

4. PROPERTY, PLANT AND EQUIPMENT

Operating assets, at net book value (note 4.1)	12,436,650	12,963,529
Capital work-in-progress	110,556	66,188
Capital spares	269,763	269,763
	<u>12,816,969</u>	<u>13,299,480</u>

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

	Rate of depreciation (%)	Unaudited September 30, 2020	Audited December 31, 2019
		Rupees	
Plant and machinery - including capitalisation of exchange loss	4 - 16	71,707	450,243
Buildings and civil works	2.5 - 8	1,059	3,160
Furniture, fixtures and equipment	15 - 25	1,286	675
		<u>74,052</u>	<u>454,078</u>
		Unaudited September 30, 2020	Audited December 31, 2019
		Rupees	
5. TRADE DEBTS - Secured			
Considered good		<u>8,833,299</u>	<u>9,806,697</u>

(Amounts in thousand)

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. 1,193,106 (December 31, 2019: Rs. 2,108,293) which is neither past due nor impaired; and
- Rs. 7,640,193 (December 31, 2019: Rs. 7,698,404) which is 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 September 30, 2020	Rupees	Audited December 31, 2019
- Upto 3 months	1,832,546		2,729,475
- 3 to 6 months	2,040,929		3,598,878
- More than 6 months	3,766,718		1,370,051
	<u>7,640,193</u>		<u>7,698,404</u>

6. OTHER RECEIVABLES

These include delayed payment charges on account of mark-up on overdue trade debts amounting to Rs. 3,630,423 (December 31, 2019: Rs. 2,485,061) of which Rs. 2,736,247 (December 31, 2019: Rs. 1,463,031) is overdue.

	Unaudited September 30, 2020	Rupees	Audited December 31, 2019
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7. BALANCES WITH BANKS

Current accounts:

- Local currency

	5,624		3,200
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Deposit accounts:

- Foreign currency (note 7.1)

	4,524		4,259
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- Local currency (note 7.2)

	169,004		4,927
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	<u>179,152</u>		<u>12,386</u>
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7.1 Foreign currency deposits carry return at the rate of 0.10% (December 31, 2019: 0.05%) per annum.

7.2 Local currency deposits carry return at the rate of 5.50% (December 31, 2019: 11.25%) per annum.

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



(Amounts in thousand)

	Unaudited September 30, 2020	Audited December 31, 2019
	Rupees	
8. BORROWINGS - Secured		
Long-term borrowings	-	857,047
Less: Current portion shown under current liabilities	-	(857,047)
	<u>-</u>	<u>-</u>

- 8.1 The Company entered into a financing agreement with a consortium comprising of international financial institutions amounting to USD 144,000. The finance carried mark-up at the rate of six months LIBOR plus 3% payable semi-annually over a period of ten years. The principal was repayable in twenty semi-annual instalments commencing from December 15, 2010. As at September 30, 2020, the outstanding balance of the borrowing is Nil (December 31, 2019: USD 5,560).

The borrowing was 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 had also extended a letter of credit in favour of the senior lenders, as referred to in note 10.

9. SHORT-TERM BORROWINGS

The working capital / running finance facilities under these mark-up arrangements aggregate to Rs. 6,700,000 (December 31, 2019: Rs. 6,700,000). The facilities carry mark-up at the rate of 3 - 6 month KIBOR plus 0.0% - 0.75% (December 31, 2019: 3 - 6 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.

	Unaudited September 30, 2020	Audited December 31, 2019
	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)	-	1,246,155
- others	<u>2,707</u>	<u>518</u>
	<u>2,707</u>	<u>1,246,673</u>
10.3 There are no material ongoing legal proceedings / litigation involving the Company as at reporting date.		



(Amounts in thousand except for earnings per share)

	Unaudited		Unaudited	
	Quarter ended		Nine Months ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
11. SALES				
Capacity purchase price	1,047,827	944,104	2,991,358	3,691,568
Energy purchase price (note 11.1)	1,561,640	2,657,552	3,971,490	7,143,816
	<u>2,609,467</u>	<u>3,601,656</u>	<u>6,962,848</u>	<u>10,835,384</u>

11.1 Energy purchase price is net of sales tax of Rs. 685,157 (2019: Rs. 1,216,352) for current period's sales invoices.

	Unaudited		Unaudited	
	Quarter ended		Half year ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
12. WORKERS' PROFITS PARTICIPATION FUND				
Provision for				
- Workers' profits participation fund	36,084	37,145	102,284	130,647
Less: Recoverable from CPPA	<u>(36,084)</u>	<u>(37,145)</u>	<u>(102,284)</u>	<u>(130,647)</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

12.1 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 Guarantee Limited (CPPA) as a pass through item under Schedule I Part IV of the Power Purchase Agreement (PPA).

13. EARNINGS PER SHARE

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

	Unaudited		Unaudited	
	Quarter ended		Nine months ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Profit for the period	<u>721,610</u>	<u>742,894</u>	<u>2,031,270</u>	<u>2,610,281</u>
	----- Number of shares -----			
Weighted average number of ordinary shares	<u>323,800</u>	<u>323,800</u>	<u>323,800</u>	<u>323,800</u>
	----- Rupees -----			
Earnings per share - basic and diluted	<u>2.23</u>	<u>2.29</u>	<u>6.27</u>	<u>8.06</u>

(Amounts in thousand)

	Unaudited	
	Nine months ended	
	September 30, 2020	September 30, 2019
	Rupees	
14. CASH GENERATED FROM OPERATIONS		
Profit before taxation	2,045,687	2,612,943
Adjustment for non-cash charges and other items:		
- Depreciation	600,931	599,026
- Amortisation	7,026	7,495
- Provisions	(47,382)	27,585
- Reclassification of cash flow hedge to profit or loss	(656)	(653)
- Amortisation of transaction cost	6,768	6,092
- Finance income	(9,020)	(10,935)
- Finance cost	408,305	437,046
Working capital changes (note 14.1)	(101,299)	(844,718)
	<u>2,910,360</u>	<u>2,833,881</u>

14.1 Working capital changes

(Increase) / decrease in current assets:

Inventories	3,890	10,250
Trade debts	973,398	(3,009,053)
Other receivables	(1,423,882)	(885,350)
Loans, advances, deposits and prepayments	(86,115)	(52,794)
	(532,709)	(3,936,947)

Increase in current liabilities:

Trade and other payables	431,410	3,092,229
	(101,299)	(844,718)

	Unaudited	
	Nine months ended	
	September 30, 2020	September 30, 2019
	Rupees	
15. CASH AND CASH EQUIVALENTS		
Balances with banks	179,152	31,274
Short-term borrowings	(3,254,351)	(2,758,464)
Short-term investments	48,711	-
	<u>(3,026,488)</u>	<u>(2,727,190)</u>

16. FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

As at September 30, 2020, and December 31, 2019, the carrying value of all assets and liabilities reflected in these condensed interim financial statements approximate their fair values.

17. TRANSACTIONS WITH RELATED PARTIES

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

Nature of relationship	Nature of transactions	Unaudited	
		Nine months ended	
		September 30, 2020	September 30, 2019
		Rupees	
Holding Company	Purchase of services	119,254	112,362
	Services rendered	30,524	33,660
Associated companies	Purchase of services	904	4,956
	Services rendered	36,615	288,411
	Operation and maintenance fee	792,038	798,080
	Contribution for Corporate Social Responsibility (CSR) activities	7,000	8,325
Key management personnel	Managerial remuneration, including bonuses	8,561	15,058
	Contribution / Charge for retirement benefit schemes	1,309	957
	Directors fee	1,300	1,350
Staff retirement benefits	Managed and operated by Engro Corporation Limited		
	- Gratuity fund	2,672	6,817
	- Provident fund	7,736	18,926

18. SIGNIFICANT EVENT

On August 13, 2020, the Company, along with other Independent Private Power Producers ("IPPs") representing the 2002 Power Policy projects (collectively referred to as the "Parties"), signed a Memorandum of Understanding (MOU) with the Committee for negotiations with IPPs, notified by Government of Pakistan vide notification number F.No.IPPs- 1(12)/2019-20 dated June 03, 2020 (the "Committee"), to alter existing contractual arrangements to the extent of, and strictly with respect to, the matters listed under the MoU. The Parties and the Committee have, inter alia, reached an understanding that; return on equity shall be fixed at a certain percentage and exchange rate with no further indexation for rupee dollar parity; fuel and O&M shall be taken as one consolidated line item and any future net savings shall be shared. All projects shall convert their contracts to Take and Pay basis, without exclusivity, when Competitive Trading Arrangement is eventually implemented and becomes fully operational. The Parties have agreed that payment of the receivables of the Company are an integral part of the MoU. The Board of Directors of the Company in their meeting dated August 17, 2020 have in-principle approved the terms of this MoU which are also subject to the approval of National Electric Power Regulatory Authority, Federal Cabinet, and other necessary corporate approvals.



19. IMPACT OF COVID-19

The World Health Organization has declared COVID-19 (the virus) a global pandemic. With the growing number of cases in Pakistan, the Government of Pakistan (GoP) has provided directions to take measures to respond to the virus which have affected economic activity.

The Company being an Independent Power Producers (IPPs), has been designated as “essential services” by the GoP. The management is monitoring the developing situation and continues to follow the various government policies and advice while doing their utmost to ensure continuity of operations in the best and safest way possible without jeopardising the health of their people. As this is still in evolving situation, the overall impact on the entity's financial position and financial performance cannot be estimated with reasonable certainty.

20. 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.

Corresponding figures have been rearranged and reclassified for better presentation, wherever considered necessary. Following major reclassification has been made during the period:

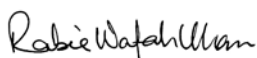
Description	Reclassified		Amount (Rupees)
	From	To	
Purchased services	Other expenses	Cost of sales	5,954
Purchased services	Other expenses	Administrative expenses	8,931

21. DATE OF AUTHORISATION FOR ISSUE


These condensed interim financial statements were authorised for issue on 16 October, 2020 by the Board of Directors of the Company.

22. GENERAL

Figures have been rounded off to the nearest thousand Rupees in these condensed interim financial statements unless otherwise stated.



Rabia Wafah Khan
Chief Financial Officer



Shahab Qader
Chief Executive Officer



Ahsan Zafar Syed
Chairman

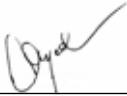


مستقبل قریب کا جائزہ

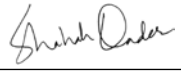
اینگرو پاور جن قدر پور لمیٹڈ کو قدر پور فیلڈ سے گیس کی کمی کا سامنا ہے کیونکہ وہاں گیس ختم ہو رہی ہے اور پلانٹ کو دیگر کمزور ذرائع سے چلایا جا رہا ہے، جس میں 7 ستمبر 2018 سے گیس اور HSD کو ملا کر استعمال کیا جا رہا ہے۔ عمل درآمد سے متعلق معاہدے کے مطابق، جب گیس کی کمی ایک حد تک پہنچے تو اینگرو پاور جن قدر پور لمیٹڈ کو ایک مدت کے لیے متبادل فیول پر چلانے کی اجازت دی گئی ہے۔ عمل درآمدی معاہدے کے مطابق اس متبادل کے مکمل اخراجات بجلی خریدنے والے سے وصول کئے جاتے ہیں۔ اسی کے تحت، اینگرو پاور جن قدر پور لمیٹڈ پلانٹ کو کمزور ذرائع سے چلانے کے تمام تر اخراجات وصول کرنے کی مجاز ہے۔

کمپنی اسٹیک ہولڈرز کو متبادل حل پر راضی کرنے کے لیے کوشاں ہے کیونکہ قدر پور فیلڈ سے گیس ختم ہو رہی ہے۔ کمپنی اس ضمن میں پلانٹ کے لیے قابل عمل متبادل فیول آپشن سے متعلق حتمی نتیجے پر پہنچنے کے لیے بھرپور کوششیں بروئے کار لارہی ہے۔

دوران سال، کمپنی، دیگر انڈینڈنٹ پرائیویٹ پاور پروڈیوسرز (IPPs) کے ساتھ مل کر 2002 پاور پالیسی پروٹیکشن کی نمائندگی کر رہی ہے، اور اس سلسلے میں حکومت پاکستان کی IPPs سے ساتھ بات چیت کے لیے اعلان کردہ کمیٹی سے کئی ملاقاتیں ہوئی ہیں، جس میں اس کمیٹی نے IPPs کو درخواست دی کہ حکومت پاکستان کو فروخت کی جانے والی بجلی کی قیمت میں رعایت دی جائے تاکہ اس رعایت کو صارفین تک منتقل کیا جاسکے۔ مفاد عامہ کے پیش نظر، آئی پی پیز کمیٹی کے ساتھ ایک مفاہمت پر پہنچ گئی ہے، اور اس ضمن میں 13 اگست 2020 کو مفاہمت کی یادداشت پر دستخط ہو چکے ہیں۔ اس ایم او کے شرائط بشمول الیکٹرک پاور ریگولیٹری اتھارٹی (NEPRA)، وفاقی کابینہ، آئی پی پیز کے بورڈ آف ڈائریکٹرز کی منظوری اور دیگر ضروری کارپوریٹ منظور یوں، متعلقہ پارٹیوں کے درمیان حتمی معاہدے پر تعمیل سے مشروط ہیں۔ دیگر شرائط میں ایکویٹی پریٹن کی تبدیلی، اس کے ساتھ تعمیر کے دوران ایکویٹی پر 17 فیصد سالانہ ریٹرن، کمپنی کے کمرشل آپریشن کی تاریخ سے نمبر کی جانب سے منظور شدہ ایکویٹی کا 148/USD PKR کے تحت حساب ہوگا، جس میں مستقبل کی USD انڈیکسیشن نہیں ہوگی، دیگر اہم تبدیلیوں میں فیول اور O&M سے ہونے والی بچت کی تقسیم کو بھی اہم آئٹم کے طور پر اٹھایا جائے گا، اس کے علاوہ جب اس ٹریڈنگ انتظام پر عمل اور مکمل فعالیت ہو جائے گی تو تمام پروجیکٹ اپنے معاہدے وصولی اور ادائیگی کی بنیاد پر تبدیل کریں گے۔ اس مفاہمت کا لازمی جز آئی پی پیز کے لیکونڈٹی پروفائل میں کچھ سہولت پیدا کرنا ہے جس کے لیے بجلی کے خریدار اور حکومت پاکستان بقایا جات کی وصولی کا طریقہ کار بھی وضع کریں گے۔



چیرمین
احسان ظفر سید



چیف ایگزیکٹو
شہاب قادر

16 اکتوبر 2020



اینگر و پاور جن قادر پور لمیٹڈ ڈائریکٹرز کا جائزہ برائے شیئر ہولڈرز 9 ماہ ختم شدہ 30 ستمبر 2020

اینگر و پاور جن قادر پور لمیٹڈ کے ڈائریکٹرز 30 ستمبر 2020 کو ختم ہونے والے 9 ماہ کے لیے کمپنی کی غیر آڈٹ شدہ مالیاتی معلومات اور کارکردگی کا جائزہ پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

انتظامی کارکردگی

اینگر و پاور جن قادر پور لمیٹڈ (EQPL) پلانٹ نے سال 2020 کے 9 ماہ میں 99.9% قابل فروخت موجودگی کا ٹیکٹر حاصل کیا۔ دوران سال وبائی صورتحال کے باوجود، زیر جائزہ مدت کے دوران پلانٹ اپنے آپریشنز بہتر انداز میں چلاتا رہا۔ پلانٹ سے نیشنل گرڈ کو 32% لوڈ ٹیکٹر کے ساتھ 446 GWh کا ٹوٹل میٹالیکٹریکل آؤٹ پٹ (NEO) فراہم کیا جو 2019 کے 9 ماہ میں 70% تھا۔ اس بار لوڈ ٹیکٹر میں کمی کی وجہ بنیادی طور پر پلانٹ کی میرٹ آرڈر پوزیشن پیچھے ہونے کے سبب لاک ڈاؤن کے دوران بجلی کی کم طلب کی بدولت کم خریداری ہے۔

کمپنی نے ہیلتھ، سیفٹی اور انوائرنمنٹ (HSE) کے معیاروں پر عمل درآمد کی اعلیٰ سطح کو یقینی بنایا۔

مالیاتی کارکردگی

مذکورہ مدت کے لیے سیلز کی آمدنی گزشتہ سال کی اسی مدت کے 10,835 ملین روپے کے مقابلے میں 6,963 ملین روپے رہی۔ سیلز کی آمدنی میں کمی خاص طور پر 27 مارچ 2020 سے نرغ سے متعلق ڈیٹ سروسنگ کمپنٹ کا غیر فعال ہونا بھی آمدنی میں کمی کی بڑی وجہ ہے، کیونکہ کمپنی نے اپنا طویل مدتی قرض مکمل طور پر ادا کر دیا ہے۔ سیلز کی آمدنی 2020 کے 9 ماہ کے دوران بجلی کی کم فراہمی کے سبب ہے جیسا کہ اوپر ذکر کیا گیا ہے۔ نتیجے میں کمپنی نے زیر جائزہ مدت کے لیے مجموعی منافع 2019 کی اسی مدت کے 2,610 ملین روپے کے مقابلے میں 2,031 ملین روپے رہا۔ ہر ایک شیئر پر منافع گزشتہ سال کی اسی مدت کے 8.06 روپے کے مقابلے میں 6.27 روپے رہا۔

این ٹی ڈی سی کی طرف واجب الادا رقم 30 ستمبر 2020 کو 10,509 ملین روپے بنتی ہے جو کہ 31 دسمبر 2019 کو 9,161 ملین روپے تھی۔ 30 ستمبر 2020 کو ایس این جی پی ایل کی طرف واجب الادا رقم 2,235 ملین روپے بنتی ہے جو کہ 31 دسمبر 2019 کو 6,490 ملین روپے تھی۔ واجب الادا رقم کا بڑھنا کمپنی سمیت پورے پاور سیکٹر کے لیے لمحہ فکریہ بنا ہوا ہے۔ کمپنی اپنے تمام متعلقہ اسٹیک ہولڈرز کے ساتھ مصروف عمل رہتے ہوئے اس مسئلے کے مناسب اور طویل مدتی حل کے لیے کوشاں ہے۔



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