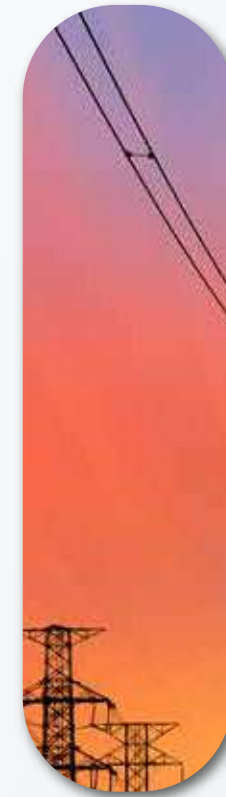




engro powergen qadirpur

energizing today for a brighter tomorrow

Annual Report 2020



Head Office
16th Floor, The Harbour Front Building
HC-3, Marine Drive, Block 4, Scheme-5
Clifton, Karachi-75600, Pakistan

UAN: +111-211-211
PABX: +92-21-35297875-81
Fax: +92-21-35296018

www.engroenergy.com



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about the cover

Energy is the foundation of all activity. It is the core of our existence and is the fundamental requirement to excel and progress. This year's report highlights how Engro Powergen Qadirpur (EPQL) has driven the country towards an energy secure Pakistan whilst portraying the crucial role in solving energy crisis.

Pakistan has triumphantly arrested the severe energy crisis that the country had faced a few years ago. As the engine for growth, EPQL has been proudly contributing to the national grid that is energizing each sector, industry, households and individual.

To energize our today, EPQL continues to make efforts to provide affordable energy and reliable operations, ensuring a brighter and better tomorrow for now and generations to come.

Engro Powergen Qadirpur (EPQL) remains the first flagship business launched by Engro Energy in 2007. Located in Qadirpur in the Ghotki district, the EPQL power plant is a green power plant since it uses permeate gas - previously being flared - to produce electricity. The 220MW power plant is connected to the national grid and benefits thousands of lives across Pakistan.

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a prosperous future

Company Information



company information

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 - Chairperson
Shabbir Hashmi
Farooq Barkat Ali

Company Secretary

Sameen Asad

Chief Financial Officer

Rabia Wafah Khan

Corporate Audit Manager

Ekta Sitani

Bankers / Development Finance Institute

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
Telephone: +92(21)32426682-6/32426711-5
Fax: +92(21)32415007 / 32427938

Registered Office

16th Floor, The Harbour Front Building, HC-3, Marine Drive, Block- 4, Clifton, Karachi – 75600, Pakistan
UAN: +111 211 211
PABX: +92-21-35297875-84

Plant Site

Engro Powergen Qadirpur Plant Site
Deh Belo Sanghari, Taluka, District Ghotki

Share Registrar

FAMCO Associates (Private) Limited
8-F, Near Hotel Faran, Nursery, Block 6, P.E.C.H.S.,
Shahra-e-Faisal, Karachi
Tel: +92-21-34380101-5
Fax: +92-21-34380106

Website

www.engroenergy.com

our history

On 27th March 2010, the spark of an idea conceived in one team's imagination became reality and Engro Powergen Qadirpur declared commencement of commercial operations.

At the turn of the century, Pakistan was anticipated to face severe and debilitating power shortages in the near future. We decided to take up the challenge and contribute to reducing the energy shortfall in the Country. The search for a viable long-term power project led to something extraordinary as vision and ingenuity came together to find the answer to the challenge.

For several years employees of Engro while travelling on the National Highway from Sukkur to Daharki, passed the Qadirpur gas field. Located 600 km from Karachi, the Qadirpur gas field is amongst Pakistan's largest gas reserves. From the highway they could see a huge flare of permeate gas. This flare, which is the by-product of the gas purification process, consisted mainly of Methane (60%), Carbon Dioxide (31%), Nitrogen (8%), Hydrogen Sulfide (320ppm), and about 1% of other hydrocarbons. The sulfur content made it unfit for household consumption. Our team was finally struck with the idea that energy could be harnessed from this waste gas. Use of permeate gas for electricity generation would also reduce carbon dioxide emissions produced when the gas is flared, hence its utilization resulted in a 'green solution' falling in line with Engro's philosophy. And so that short journey from Sukkur to Daharki became the stepping stone for our journey into the power sector.

A team was immediately formed to work on the feasibility of a permeate gas power plant. The project team's diligence & perseverance was finally rewarded when construction on a 217 MW combined cycle power plant was started in 2008. On 27th March 2010, the spark of an idea conceived in one team's imagination became reality and Engro Powergen Qadirpur declared commencement of commercial operations. Our Plant was the first power plant to be commissioned under the 2002 power policy and was completed in record time after the letter of intent (LOI) application. Our expertise coupled with relentless determination resulted in the Plant

achieving commercial operations three months before the agreed schedule date.

The electricity generated through the Plant is transmitted to the National Transmission and Dispatch Company (NTDC) under the Power Purchase Agreement (PPA) dated October 26, 2007 which is valid for a period of 25 years from the Commercial Operations Date.

The project is unique as it converts low-BTU, high sulfur content permeate gas, which was earlier being wasted and flared, into much needed electric power. The Plant is a combined cycle plant, with 1+1+1 configuration; i.e. one gas turbine, one heat recovery steam generator (HRSG), and one steam turbine. The Plant uses permeate gas as its primary fuel source and HSD as backup fuel. The unique fuel usage, which was previously being flared, makes Engro Powergen Qadirpur Limited one of the lowest opportunity cost thermal power plants in the country.

The Plant has a huge social impact as it helps provide non-stop electricity supply to areas that face severe load shedding; and employment to the locals.

vision statement

To ensure affordable energy and reliable operations thereby creating value for all stakeholders.

mission statement

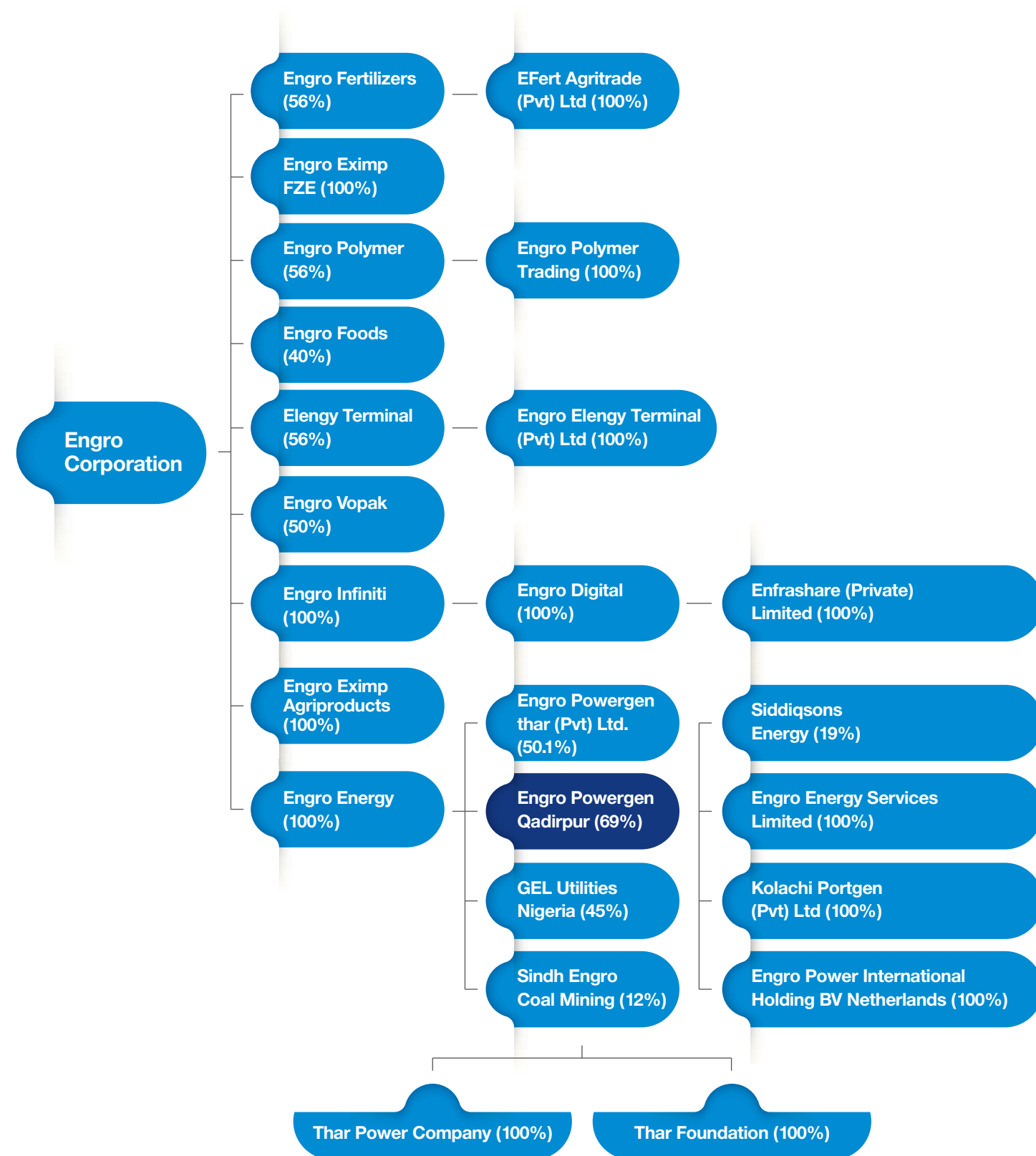
Plant operations and maintenance in a manner resulting in continuous supply to national grid by harnessing human talent and local resources giving high priority to health, safety and environment in a positive, sustainable and affordable way.



our strategic commitments



group corporate structure – a snapshot



group portfolio

Energy & Mining

Operating Pakistan's first 217 MW power plant on permeate gas; Operating first ever 2x330 MW mine-mouth coal power plant;

Managing Pakistan's first open-pit coal mine

Fertilizers

Top 50 fertilizer manufacturer in the world; 5 decades of operations as a world class business

Petrochemicals

The only fully integrated chlor-vinyl chemical complex in Pakistan producing PVC and other chlorine byproducts

Chemical Storage & Handling

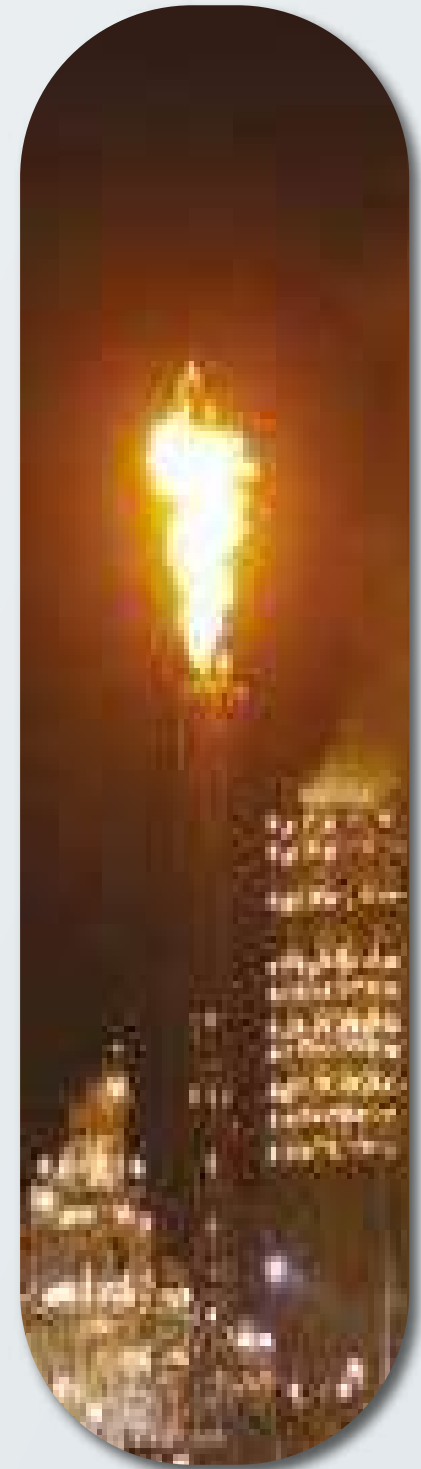
Pakistan's first LNG receiving terminal, and an integrated bulk liquid chemicals and LPG terminal

Telecom Infrastructure

Operating an independent tower company with a view to engage all the Mobile Network Operators to cater to their network deployment needs

Dairy

12 million consumer base; market leader in Pakistan's UHT segment and number 2 dairy dessert brand



our milestones

January & September 2005 Proposal submitted to PPIB for setting up permeate gas power plant. Permeate gas allocation from Qadirpur Gas field approved

February 2006 Engro Energy (Private) Limited was incorporated

July 2007 Tariff determined by National Electric Power Regulatory Authority (NEPRA)

October 2007 Power Purchase Agreement (PPA) and Implementation Agreement (IA) signed

April 2008 Gas Supply Agreement (GSA) signed with Sui Northern Gas Pipelines Limited (SNGPL) and financial close achieved

October 2008 International Finance Corporation (IFC) Equity Injection

March 2010 Commercial Operations Date (COD) achieved 3 months before the planned date

November 2010 Engro Energy (Private) Limited renamed as Engro Powergen Qadirpur Limited (EPQL)

December 2014 Listing on Pakistan Stock Exchange (PSX)

April & May 2015 Successfully carried out first major inspection activity conducted after every six years of Plant operations

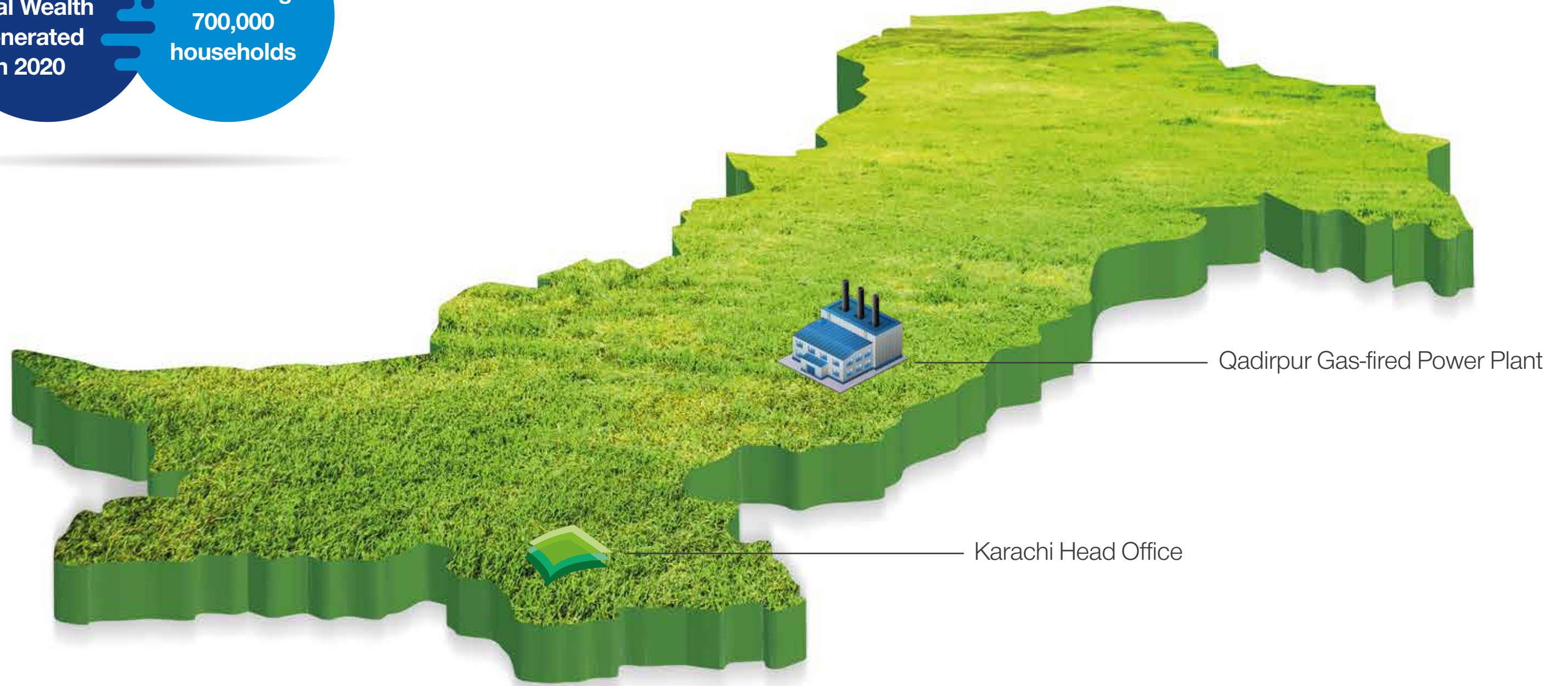
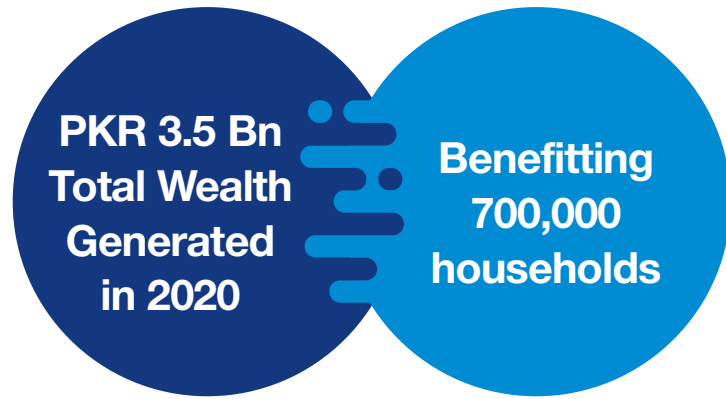
2019 Gas depletion starts at Qadirpur gas field.

2019 Work begins on Alternate Fuel plan for Engro Powergen Qadirpur plant.

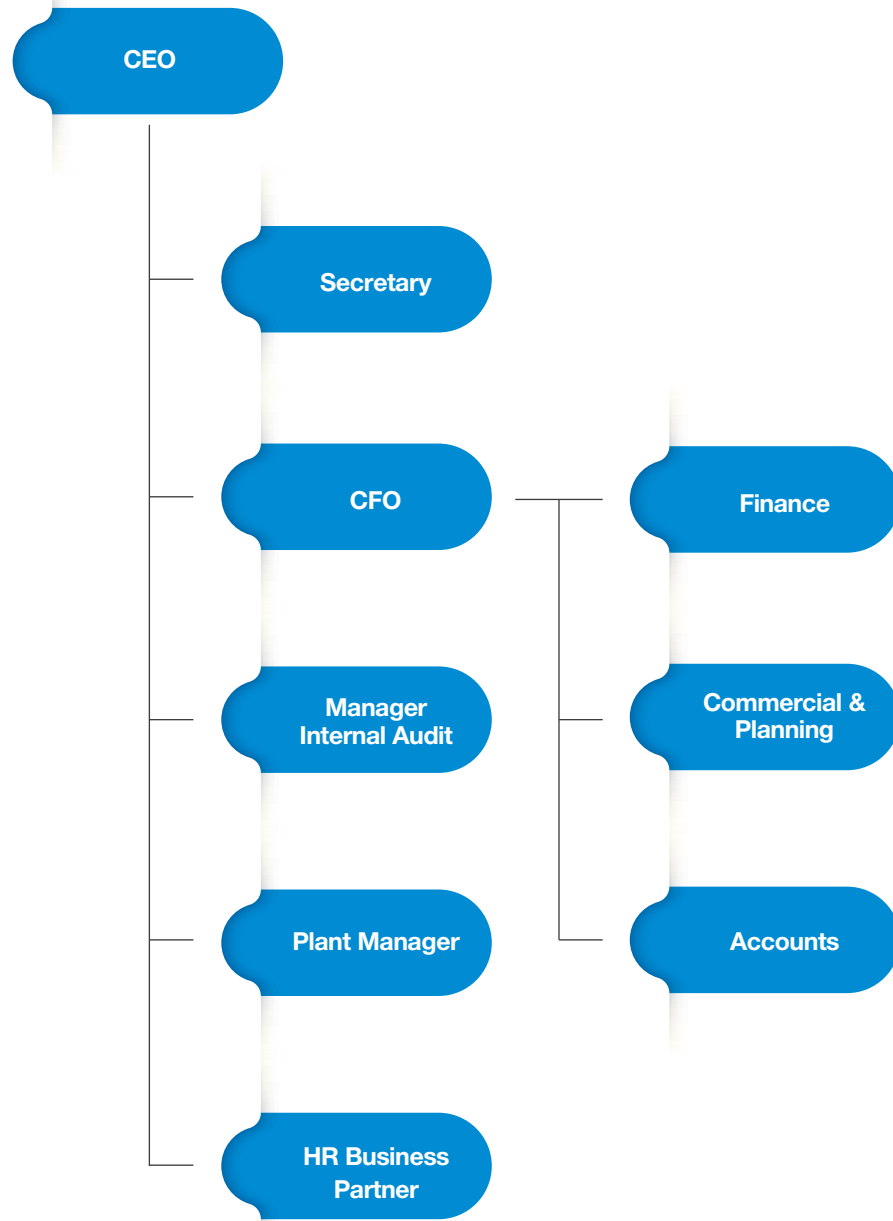
2020 Memorandum of Understanding (MoU) signed with the Government of Pakistan on renegotiation of Power Purchase Agreement.

2020 Long-term debt fully repaid.

our footprint in pakistan



organizational structure



a sustainable growth

Corporate Governance



our core values

At Engro, we support our leadership culture through unique systems and policies, which ensure open communication, foster an open work culture based on meritorious service and guarantee the well-being and safety of our employees.

Our core values form the basis of everything we do at Engro: at Engro, we never forget what we stand for. Following are our core values:



Health, Safety & Environment

Cares deeply about environmental impact and safety of people



Ethics & Integrity

Has impeccable character and lives by highest standards of integrity and accountability



Community & Society

Nurtures passion to serve country, community and company, with strong belief in the dignity and value of people

directors' profile



Ahsan Zafar Syed

Chairman

Ahsan Zafar Syed is the Chairman of Engro Powergen Qadirpur Limited and CEO of Engro Energy Limited – one of the leading energy companies in Pakistan and a subsidiary of Engro Corporation. As the CEO he looks after various entities which include Engro Powergen Qadirpur Limited; Engro Powergen Thar (Pvt.) Limited; Sindh Engro Coal Mining Company; Engro Energy Services Limited and Siddiqsons Energy Limited. Ahsan is a graduate of NED where he studied Mechanical Engineering and then pursued his post-graduate degree in USA. As a proud alumnus of NED, Ahsan has close to three decades of managing and leading multi-billion dollar, mega-scale projects such as the fertilizer expansion project of Engro Fertilizers, setting up of Pakistan's largest rice processing facility in Muridke and most recently establishing the CPEC-endorsed multi-billion dollar Thar power and mining projects – which have successfully unearthed Pakistan's large coal reserves in Thar and produced electricity through Pakistan's own fuel source.

Ahsan is part of various boards which include, Engro Foundation, Thar Foundation, Engro Elengy Terminal (Pvt.) Limited, Elengy Terminal Limited, Engro Power International Holding BV (Netherlands), Kolachi Portgen (Private) Limited, Engro Power Investments Holding BV (Netherlands), Engro Power Services Holding BV (Netherlands), Tenaga Generasi Limited and Gel Nigeria. He joined the EPQL Board in 2019.



Shahab Qader

Chief Executive Officer

Shahab Qader has had more than two decades of rich industry experience in the chemical process and power utility industry where his expertise ranges from project development and project execution to Operations & Management. In addition to having worked through project development and execution at a senior level, Shahab has been part of Operations & Management teams in the first twelve years of his career. He holds a Bachelors in Electrical Engineering from UET. He joined the EPQL board in March 2017.



Fauzia Viqar

Director

Fauzia Viqar is an internationally recognized expert and visionary leader on gender issues in development. She has vast experience of working with government and civil society organizations in Canada and Pakistan where Fauzia has led large programs on human rights and women's empowerment. As Chairperson of the Punjab Commission on the Status of Women, Fauzia succeeded in placing gender equality at the core of government processes, by providing concrete evidence derived from unique data collection mechanisms that she pioneered. She currently heads a development consultancy, Rah Center for Management and Development and serves on various policy making boards and committees. She joined the Board in 2019.



Farooq Barkat Ali

Director

Farooq Barkat Ali is Chief Financial Officer at Engro Energy Limited – a wholly owned subsidiary of Engro Corporation, which is one of the leading Conglomerates in Pakistan. As CFO of Engro Energy Limited, he manages Finance & Performance Management portfolio of the Energy Vertical of the Group including its subsidiaries & affiliates.

Farooq is associated with Engro Group since 2013 and has served in various roles including Vice President Finance at Engro Corporation, Chief Financial Officer of Engro Powergen Qadirpur (EPQL) and Engro Eximp (Pvt.) Limited.

Farooq is a Chartered Accountant by profession from Institute of Chartered Accountants of Pakistan (ICAP) and was associated with Pricewaterhouse Coopers (PwC) in Karachi. He carries more than two decades of experience in various Finance and Commercial roles. Farooq started his career with Reckitt Benckiser way back in 2002 and then moved to Shell Pakistan in 2007 before joining Engro Group in 2013. During his career Farooq has managed multiple leadership roles in Finance, Project management including Financing of mega projects, ERP implementations and Mergers & Acquisitions.

Farooq joined EPQL board in 2020 as Director and he is also currently serving as a Director on the Boards of Engro Powergen Thar (Pvt) Limited and Engro Energy Services Limited



Vaqar Zakaria

Director

Vaqar Zakaria has over 40 years' experience in energy and environmental management in Pakistan and in the region. His professional focus has been on business policy and strategy evaluation, planning of energy production and distribution systems, energy pricing, demand forecasting, and environmental assessment of energy projects. With private sector firms, he has been extensively involved in power, and oil and gas infrastructure projects, including conceptual planning, engineering and project management. He has assisted the Planning Commission, energy ministries, state owned utilities, the World Bank, the Asian Development Bank, and the private sector in the development of energy infrastructure, policies to promote investment in the energy sector, and in formulating short and long-term energy plans. He played a key role in setting up Hagler Bailly Pakistan in 1990, where he continues to oversee all organizational matters. He has also been instrumental in establishing the Himalayan Wildlife Project, an NGO active in setting up national parks and assisting the communities and government in management of the protected areas.

He holds Bachelors and Master's degrees in Chemical Engineering from the Massachusetts Institute of Technology (MIT), USA. He joined the EPQL Board in 2008.



Shabbir Hashmi

Director

Shabbir Hashmi has more than 35 years of project finance and private equity experience. At Actis Capital, one of the largest private equity investors in the emerging market, he has led the Pakistan operations. Prior to Actis, he was responsible for a large regional portfolio of CDC Group Plc for Pakistan and Bangladesh. He also did a long stint with USAID and later briefly with the World Bank in Pakistan, specializing in planning and development of energy sector of the country. In the past, he has held more than 24 board directorships as a nominee of CDC/Actis and 11 directorships as an independent director. Currently, he is serving as an independent director on the Boards of DH Corporation Limited, Dawood Lawrencepur Limited and Engro Powergen Qadirpur Limited. He is also on the board of governors of The Help Care Society which is operating K-12 schools in Lahore for underprivileged children. He is an engineer from Dawood College of Engineering & Technology, Pakistan and holds an MBA from J.F. Kennedy University, USA. He joined the EPQL Board in 2010.



Kaiser Bengali

Director

Kaiser Bengali is an economist with over 40 years experience in teaching, research and policy advice in Pakistan and abroad. He has a master's in economics from Boston University, USA, and a PhD in Economics from University of Karachi, Pakistan. He has taught and conducted research at prestigious institutions in Pakistan, such as, the Applied Economics Research Centre (AERC), University of Karachi, Sustainable Development Policy Institute (SDPI), Islamabad, Shaheed Zulfikar Ali Bhutto Institute of Science & Technology (SZABIST), and was Managing Director of the Social Policy & Development Centre (SPDC), Karachi.

His areas of research interest include issues in planning & development and macro-economic and fiscal policies, particularly relating to inter-personal and inter-regional inequality, poverty, unemployment, and social justice, urban and regional planning, decentralization and local government and finance, education, and ethnic, sectarian and religious militancy and violence. His areas of expertise and experience include political management of planning & development, management of institutions, personnel and finance. He has also served in a number of government positions. Till recently, he was Head of the Chief Minister's Policy Reform Unit, Government of Balochistan. Earlier, he was Advisor to the Chief Minister of Sindh for Planning & Development. He was also the first head of the Benazir Income Support Programme and designed the programme. He was also Sindh's representative on the 7th National Finance Commission, which gave a successful Award. He has now been nominated on the 8th NFC to represent Balochistan.

He has over 50 research publications in national and international journals and conferences and he is the author/editor of 8 books on subjects ranging from unemployment, inequality and poverty to education, water, gender, and regional development. He has regularly contributed articles on economic and political issues in newspapers and appears on electronic media. He joined the Board in 2019.

approach to governance

Empowerment with Accountability

Whilst we seek to empower our employees to facilitate business decision making we also hold them accountable for their actions. During performance of various job tasks employees are required to ensure that they conduct themselves in a manner that reflects positively on the company.

As part of deploying a rigorous internal control framework all our employees are held to the highest of standards and are responsible for:

- Complying with all applicable laws, company policies and procedures.
- Maintaining appropriate ethical behavior in all internal and external dealings.
- Reporting any suspected misconduct, illegal activity, fraud, abuse of company assets or other violation of ethical standards.
- Submit an ethics compliance declaration.

Our Supporting Infrastructure to Aid in Ethical Conduct

Orientation:

- Brief to new hires about policies on ethical business conduct.

Reinforcement:

- Workshops on Ethics carried out periodically.
- All vendors, contractors and customers are sent the Ethics Policy statement, which has been translated into Urdu, periodically with a request to ensure compliance in their dealings with the company.
- Clauses related to Ethics and Conflicts of Interest are mandatory in all contracts entered into by the company.

Monitoring of Compliance:

- Voluntary disclosure of actual or suspected non-compliance through Irregularity Reporting system

- Irregularity reports are shared with management and Board Audit Committee on a quarterly basis.
- Whistleblower system whereby employees are encouraged to raise red flags and help strengthen the control environment.
- Whistleblower complaints and results of their investigations are also reported to Board Audit Committee every quarter.
- Periodic Business Practices review involving all Engro companies and employees to identify questionable business practices. All identified issues are reported directly to the Board of Directors.

We are also cognizant of the fact that our employees may encounter a variety of legal issues while taking decisions to conduct business and, therefore, they need to be aware of the legal implications of their actions. Consequently, to mitigate risks associated with non-compliance we continue to host information and training sessions that promote compliance to the law and strengthen awareness of systems and protocols that have been instituted to monitor and report any such violations. We also encourage our employees to seek clarification from their respective supervisors and company's legal advisors to ensure that we remain fully compliant with all applicable laws, rules and regulations.

As an enabler of ethical excellence, we believe in promoting fair trade and a free-market competitive system – an objective that all our companies seek to pursue. While all our companies compete vigorously in the marketplace, they also ensure compliance with the Competition Act 2010 and, therefore, compete on the merits of their product quality, prices, service and the customer loyalty we create by fulfilling the needs of all our consumers and clients. In order to reinforce our commitment to the competition laws, all Engro companies have joined up to the requirements of the voluntary competition compliance code initiative of the CCP and implemented all its requirements. Furthermore, we also strive to ensure that all our employees remain transparent in their dealings and

are accurate in describing the attributes of the Company's products.

Our employees often have access to confidential information on future plans and financial data. Such individuals-commonly referred to as 'insiders' can use this information in the public domain for trading or tipping others to trade in the Company's securities or use this information to exercise any share options granted by the Company to the employees. To discourage insider trading all our employees are educated about the ethical and legal implications of such actions.

Yet even as we monitor the behavior of our employees and suppliers, we also make it a point to ensure that Engro treats them fairly. We believe our commitment to living up to our financial obligations in a timely manner sets us apart from many of our competitors.

As an enabler of ethical excellence, we believe in promoting fair trade and a free-market competitive system – an objective that all our companies seek to pursue.

board committees

Board People's Committee

The committee meets multiple times through the year to review and recommend all elements of the compensation, organization and employee development policies relating to employees including senior executives and to approve all matters related to the salary plans, employee development plans, executive appraisals and succession planning.

The committee met once during the year.

Committee Members:

Ms. Fauzia Viqar	Chairperson
Mr. Shahab Qader	Member
Mr. Vaqar Zakaria	Member

The secretary of the Board People's Committee is Mr. Zeshan Taj Khan.

The Board Audit Committee

The committee meets at least once every quarter and assists the Board in fulfilling its oversight responsibilities, primarily in reviewing and reporting financial and non-financial information to shareholders, systems of internal control and risk management and the audit process. It has the power to call on information from management and to consult directly with the external auditors or their advisors as considered appropriate.

The Chief Financial Officer regularly attends the Board Audit Committee meetings by invitation to present the accounts. After each meeting, the Chairman of the Committee reports to the Board.

The Committee met four times during 2020.

Committee Members:

Mr. Kaiser Bengali	Chairman
Mr. Shabbir Hashmi	Member
Mr. Farooq Barkat Ali	Member

The Secretary of the Committee is Ekta Sitani.

functional committees

These committees act at the operational level in an advisory capacity to the Chief Executive, providing recommendations relating to businesses and employee matters.

Management Committee (MANCOM)

MANCOM is headed by the CEO and includes the functional heads of all departments. The committee meets to discuss Company's performance and works in an advisory capacity to the CEO.

Committee Members

Shahab Qader	Chairman
Rabia Wafah Khan	Member
Sarmad Riaz	Member
Fatima Khushnud	Member

The Secretary of the committee is Anum Irfan.

Committee for Organizational and Employee Development (COED)

The COED is responsible for the review of compensation, organization, training and development matters of all employees.

Committee Members:

Shahab Qader	Chairman
Zeshan Taj Khan	Member
Rabia Wafah Khan	Member

The Secretary of the committee is Mr. Farhan Allawala.

our governance framework

Directors Orientation Program

During the year, the Company arranged an orientation course for its newly appointed Director and to acquaint him with Company and its main business activities including key challenges to enable them to effectively govern the affairs of the listed Company for and on behalf of shareholders.

Directors' Remuneration

The remuneration of the Board members is approved by the Board itself. However, in accordance with the Code of Corporate Governance, it is ensured that no Director takes part in deciding his own remuneration. The Company does not pay remuneration to non-executive directors except for fees for attending the meetings. For information on remuneration of Directors and CEO in 2020, please refer notes to the financial statements. The Company has a documented policy which generally restricts employees from holding directorships in companies that are not subsidiaries or joint ventures of Engro Corporation Limited. However, the President of Engro Corporation Limited or the Chairman of the Company, may make exceptions to this general rule in special circumstances. All expenses incurred by an employee serving as a director of a company that is not a subsidiary or joint venture of ECL in accordance with this policy will be for that employee's own account. The employee may accept and retain annual fees, meeting fees, other remuneration or reimbursed expenses specifically related to service as a director.

Performance Evaluation of Directors

The Board has developed a formal mechanism for evaluation of board's own performance, members of board and of its committees. The assessment was carried out four times in the current year. The performance evaluation focuses on:

- Clarity of agenda and objectives.
- Preparation for the meetings.
- Quality and diversity of discussions.
- Clarity of decisions and outcome

Role of the Chairman & the CEO

The Chairman of the Board and the Managing Director/CEO of the Company have well defined, separate but complimentary roles in line with the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019.

Chairman EPQL Board

Chairman is responsible for providing effective leadership to the Board particularly during Board and shareholders' meetings. He sets the agenda of the Board meetings and ensures that reasonable time is available for discussion of the same. He ensures a conducive environment for overall effectiveness of the Board and facilitates and encourages the contribution of executive, non-executive and independent directors in carrying out the Board's business in line with applicable laws, rules and regulations. At the start of the term of newly appointed directors, the Chairman informs them about their roles, responsibilities, duties and powers to help them effectively manage the affairs of the Company.

CEO of EPQL

The CEO is responsible for providing effective leadership to the management and employees and for overseeing the day-to-day operations and management of the Company's businesses and affairs by ensuring that the executive team implements the policies and strategies approved by the Board. He keeps the Board updated on significant and sensitive issues that might affect the Company. He ensures that operational plans and control systems are in place and he regularly monitors actual performance against plans and takes remedial actions, where necessary.

Operations of the Board

The Board is responsible for setting strategic objectives, overseeing the effective management and control of the Company, and identifying significant business risks and ensuring that policies and mechanisms are in place to adequately manage those risks. The Board has delegated certain responsibilities

to its committees for review of relevant matters and making recommendations to the Board. All Committees operate in accordance with their TORs approved by the Board. The permanent Committees of the Board are the Board Audit Committee and the Board Peoples Committee. Any agenda or matter that requires Board's approval is first presented to relevant Committee of the Board which, after thorough deliberations, presents its recommendations to the Board for final decision.

Board's Policy on Diversity

EPQL has a diverse and balanced Board which not only represents the shareholders proportionately but also provides a mix of professional expertise in leadership, finance, economics, engineering, legal, corporate law, energy and business management skills and experiences covering adequately all areas of EPQL's business undertakings.

Furthermore, in compliance with regulatory requirements, a female director has been on the Board of Directors since 2010.

Policy for Retention of Fee by an Executive Director

As per Directors' Remuneration Policy, executive directors are not paid any fee for attending the board, committee or general meetings.

Security Clearance of Foreign Directors

EPQL has never had a foreign director on its Board. In case a foreign director is elected on the Board in future, security clearance will be required from the Ministry of Interior through the SECP. A detailed SOP is in place for security clearance and provision of security to the foreigners coming into Pakistan to work with the Company.

Performance Evaluation of the CEO

The performance of the CEO is formally appraised through the evaluation system which is based on quantitative and qualitative values. It includes the performance of the business, the accomplishment of

objectives, organization building, succession planning and corporate success.

Matters Decided and Delegated by Board of Directors

The powers of the Board of Directors and the management of the Company have been defined with special reference to, and in compliance with, the Companies Act 2017, the Code of Corporate Governance and the Articles of Association of the Company. In addition to approving the vision, core values, corporate strategy and the policies for conduct of business of the Company, the types of decisions taken by the Board includes the following:

- to issue shares
- to issue debentures or any instrument in the nature of redeemable capital
- to borrow moneys otherwise than on debentures.
- to invest and divest funds of the company
- to make loans;
- to authorise a director or the firm of which he is a partner or any partner of such firm or a private company of which he is a member or director to enter into any contract with the company for making sale, purchase or supply of goods or rendering services with the company
- to approve financial statements
- to approve bonus to employees
- to incur capital expenditure on any single item or dispose of a fixed asset in accordance with the limits as may be specified
- to undertake obligations under leasing contracts exceeding such amount as may be notified
- to declare interim dividend
- having regard to such amount as may be determined to be material (as construed in Generally Accepted Accounting Principles) by the board
 - to write off bad debts, advances and receivables
 - to write off inventories and other assets of the company
 - to determine the terms of and the circumstances in which a lawsuit may be

compromised and a claim or right in favour of a company may be released, extinguished or relinquished

- to take over a company or acquire a controlling or substantial stake in another company
- any other matter which may be specified

Matters Delegated to the Management:

Management of the Company is entrusted with the responsibility to conduct operations of the Company adhering to the vision, core values, corporate strategy and the policies for conduct of business approved by Board of Directors. The delegation of authority to the management has been formally documented in the Limits of Authority Manual (LOAM) which is periodically reviewed and appropriately updated.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal controls as management determines is necessary to enable the preparation and presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Conflict of Interest Among Board Members

A formal code of conduct is in place that promotes ethical culture in the company and prevents conflict of interest in capacity as member of the board, senior management and other employees. The code of conduct also includes a section on fiduciary duties of Directors which included the following:

- Duty not to place themselves in a position of conflict between their personal interests and those of the company – this includes the duty to disclose any such personal interests to the Company and the duty not to make secret and/or incidental profits at the expense of the company.
- Duty to account for profits, and not to make secret or incidental profits.
- Duty not to act on behalf of Company in any matter

in which he/she has an interest that conflicts, or may conflict, with his duties to his/her company.

- The Directors of the Company excuse themselves from the meetings when the matters under discussion involve a conflict or potential conflict of interest with the activities of any undertaking in which they may hold a real or beneficial interest.

Investors' Grievance Policy

The Company strives to develop and maintain trustworthy relations with all its stakeholders, including shareholders and investors. It recognizes the importance of timely and fair disclosure of all material information to them, without advantage to any particular investor, group or investment advisor / analyst, in order to enable them to make informed decisions about investing in the Company. The Company's contact details are disclosed in "Company Information" section of this annual report and on its website under "Investors relation" section to facilitate shareholders / other investors' and timely resolve their complaints, if any.

Policy for Safety Records of the Company

The Company has a documented Record Retention Policy to ensure the safety of the records for periods that exceed the minimum requirement prescribed by Companies Act, 2017 and other applicable regulatory requirements. In addition, the Company has a formally documented Business Continuity Plan (BCP) complemented by a formal Disaster Recovery Plan (DRP). The BCP and DRP specifies the policy and procedures implemented at the Company for the safety of critical electronic, hard copy data and processes to ensure all critical functions continue in case of a disruption or disaster. The main purpose of the Company policies for safety of ERP systems and business records are as follows:

- Define roles and responsibilities of all functions and departments to ensure that a proper mechanism is in place within their department for backup of electronic data and digitization and archival of critical hard copy documents.
- Define arrangements for storage of ERP systems and business data at secure location with state of

the art protections against physical deterioration, fire, natural disasters etc.

- Availability of suitable alternate site for backup of critical information systems including defining the methodologies for replication of applications on the alternate site based on industry best practices.
- Provide mechanism and arrangements for digitization and archival of critical hard copy data and for backup of critical electronic data.

Disclosure of IT Governance Policy

Information Technology (IT) Governance is an integral part of enterprise governance and consists of the Leadership, Organizational Structures and Processes. IT Governance aims to ensure that IT activities are aligned with business objectives and that stakeholder requirements of Value Delivery, Risk Optimization, and Resource Optimization are addressed. The Enterprise IT Governance Framework aims to achieve the following objectives:

- Alignment of IT goals with business
- Meet stakeholders' requirements relating to risk optimization, resource optimization and value delivery
- Support the decision-making process regarding governance and management of IT by providing sufficient information and reports
- Achieve effective and prudent IT project management and IT resources management processes
- Enabling enterprise business strategies by developing technological infrastructure and information systems
- Ensure the necessary protection of assets through optimization of IT Risk Management
- Comply with legal and regulatory requirements, internal controls and monitoring, and related policies and procedures
- Maximize the satisfaction level of end user with respect to IT services
- Employ a comprehensive sourcing strategy to manage third parties/vendors relationships

Whistleblower Policy – "Speak Out!"

The Board of Directors of the Company have established a Whistleblower system which allows employees, suppliers, customers and contractors to speak out about any concerns they have regarding business ethics, safety, environmental performance, harassment and other employment related matters or other possible breaches of compliance. The Company also has specific procedures in place to increase awareness of the policy. In order to further strengthen the Company's Ethics compliance program and promote adherence to sound business conduct, all employees, customers, suppliers and contractors are encouraged to report serious concerns that could have a significant impact on these organizations, such as actions that:

- are unlawful or may damage the reputation of the Corporation or an affiliate
- are fraudulent and lead to a loss of assets
- may be intended to result in incorrect financial reporting
- are in violation of various corporate policies governing business conduct
- are in violation of Safety Health & Environmental standards applicable to the business
- give rise to harassment, discrimination or other unfair employment practices.

As per the requirements of the policy, confidentiality of complainants is maintained to protect them from any form of retaliation or victimization for genuinely held concerns that are raised in good faith. Further, all concerns reported are investigated confidentially by the Corporate Audit Department (CAD) which are also presented on a quarterly basis to the Board Audit Committee (BAC).

All complaints and concerns should be reported on the Speakout platform at Speakout@engro.com for confidential investigation.

Human Resource Management & Succession Planning

The Company has a documented Human Resource management policy which aims to attract, induct,

develop, retain and motivate high calibre talent who are qualified, capable and willing to contribute their best towards accomplishment of Company objectives. To complement this policy several other policies have been developed for recruitment, compensation and organizational development. The Company's HR policies have been developed encompassing following principles:

Equal Opportunity

- Provide equal opportunity to all job applicants through clearly defined and consistently applied induction standards.
- Create a work environment where every employee has an equal opportunity to develop their skills and talents.

Training and Development

- To meet employee and organizational needs, provide opportunities to employees for acquisition of knowledge for technical and managerial skills through classroom and on-the-job learning.

Performance Management

- Have a transparent and merit-based performance management system in place.
- Have a formal career development and succession planning system.
- Clearly defined system for career progression based on merit and potential.

Compensation and Benefits

- Rewards policies aligned with best companies in the market that compete for high quality talent.
- Clear linkage of reward policies with performance and potential.

Diversity and Non-Discrimination

- Provide an environment free from all forms of discrimination and harassment at workplace.
- Foster gender diversity at all levels within the Company
- Policies aimed at creating flexible and conducive working arrangements for all.

Succession Planning Policy

The Company's Succession Planning policy is aimed at ensuring seamless business continuity, through a stronger talent pipeline for future leadership positions. Keeping People Development at the core and recognizing that change is imminent, focus is on skill enhancement for all current and future business needs to ensure that the organization remains abreast with changing times. Career growth for employees has also been mapped keeping in view, the individual's potential, experience, display of Engro competencies along with other factors. Each employee is provided training and development opportunities and is equipped with the necessary tools and resources to perform at the job. The Company has also initiated the Leadership Pipeline Development Framework, which encompasses a holistic approach to People Development covering aspects like on-going coaching, rotations and Cross Functional Projects. In addition to this, Mentorship is also an integral part of the system along with a Top Talent Strategy to ensure focused upward mobility.

Social and Environmental Responsibility Policy

The Company believes that businesses, in their normal course of operations, create positive and adverse impacts. The Company is committed to improve its understanding of social and environmental impacts of its business and it will quantify the impact on the lives of its customers, suppliers and communities in which it operates and will strive to minimize adverse impacts. The associated funding requirement will be part of the business cost. The Company's Social Responsibility policies and practices include:

- Statement of ethics and business practices
- Policy for handling conflict of interest
- Employee Code of Conduct
- Policy for soliciting customers, suppliers, vendors and contractors
- Allocation of approximately 1% of profit before taxes for social investments

The Company aims to be recognized as a world class performer in the field of Health, safety and environmental management. For this it will:

- Comply with all applicable environmental laws, regulations and apply responsible standards
- where law and regulations does not exist
- Conserve natural resources & energy by continuously improving our processes and measuring performance
- Continuously improve our processes to minimize pollution and waste

'Social Investments' section of the Directors' report to the shareholders outlines the Company's Social and Environmental practices and interventions during the year.

Interaction with major shareholders

Engro Energy Limited continues to be the major shareholder in the Company which is kept abreast with the business updates on a quarterly basis. Furthermore, other interactions include the annual general meeting, extra ordinary general meetings, corporate briefings/road shows, responding to investor queries either raised on email, website or on telephone.

Investors' Relations Section on Corporate Website

The investors' relations section on the Company's website (<https://www.engroenergy.com/epql/>) is updated regularly to provide detailed and latest company information including financial highlights, investor information and other requisite information. Furthermore, the Company's website also contains the link to SECP's investor education portal, 'Jamapunji'.

Issues Raised at Last AGM:

The Company's Annual General Meeting was held on May 07, 2020, and no issues were raised by the Shareholders during the meeting.

Compliance of International Financial Reporting Standards (IFRS)

The management of the Company strongly believes in adherence to unreserved compliance with all the applicable International Accounting Standards (IAS)/ IFRS issued by International Accounting Standards Board (IASB) and as adopted by SECP vital to fair preparation and presentation of financial information. Compliance to IFRS encourages sufficient disclosures of the financial statements that are beneficial for informed decisions of stakeholders. Financial statements for the year have been prepared in accordance with the accounting and reporting standards issued by IASB as are applicable in Pakistan. IFRS adoption status in detail is explained in note 3 of the annexed financial statements.

Efforts to Implement Governance Practices Exceeding Legal Requirements

With a strong legacy system, Engro Powergen Qadirpur Limited continues to optimize its governance framework by institutionalizing its core values, policies and principles across the board to surpass the legal requirements and adhere to global Best Practices and Standards of governance. Some governance practices being followed by the management include:

- Voluntary disclosure of additional corporate and financial information in this annual report for the year ended 2020, although not required by any law, to make the Company's affairs more transparent and to give better insight of the Company's affairs, policies and strategies.
- Implementation of Health, Safety and Environment Policy for better and safe workplace environment for employees, workers and surrounded community.
- Implementation of various social projects for welfare of the community as part of its Corporate Social Responsibility (CSR).
- Adoption of a strict insider trading policy whereby all employees of the Company are restricted from trading in shares of the Company.

- Restriction of employees of group companies to adhere to close period requirements.
- The Company endeavors to replicate the best practices to its privately owned subsidiaries.

Minority Shareholders at AGMs

Notice of Annual General Meeting is sent to all shareholders of the Company at least twenty-one days before the date fixed for meeting. Such notice is published in Urdu and English languages in at least in one issue each of daily newspaper of respective language having nationwide circulation Further, notice of AGM is also placed on Company's website. The Company encourages maximum participation from all the shareholders including minority shareholders.

internal control framework

Responsibility

The Board is ultimately responsible for the Company's system of internal control and for reviewing its effectiveness. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Board, whilst maintaining its overall responsibility for managing risk within the Company, has delegated the detailed design and operation of the system of internal controls to the Chief Executive Officer.

Framework

The Company maintains an established control framework comprising clear structures, authority limits, and accountabilities, well understood policies and procedures and budgeting for review processes. All policies and control procedures are documented in manuals. The Board establishes corporate strategy and the Company's business objectives. Divisional management integrates these objectives into divisional business strategies with supporting financial objectives.

Review

The Board meets quarterly to consider the Company's financial performance, financial and operating budgets and forecasts, business growth and development plans, capital expenditure proposals and other key performance indicators.

The Board Audit Committee receives reports on the system of internal financial controls from the external and internal auditors and reviews the process for monitoring the effectiveness of internal controls.

There is a company-wide policy governing appraisal and approval of investment expenditure and asset disposals. Post completion reviews are performed on all material investment expenditure.

Audit

EPQL has an Internal Audit function. The Board Audit Committee annually reviews the appropriateness of resources and authority of this function. The Head of Internal Audit functionally reports to the Board Audit Committee. The Board Audit Committee approves the audit program, based on an annual risk assessment of the operating areas. The Internal Audit function carries out reviews on the financial, operational and compliance controls and reports on findings to the Board Audit Committee, Chief Executive and the divisional management.

Directors

As at December 31, 2020 the Board comprises of one executive Director, two independent Directors, four non-executive Directors of whom two are executives in other Engro companies, who have the collective responsibility for ensuring that the affairs of Engro Powergen Qadirpur Limited are managed competently and with integrity.

A non-executive Director, Mr. Ahsan Zafar Syed, chairs the Board and the Chief Executive Officer is Mr. Shahab Qader. Biographical details of the Directors are given earlier in this report.

A Board of Directors' meeting calendar is issued annually that schedules the matters reserved for discussion and approval. The full Board met 7 times this year and discussed matters relating to inter alia long-term planning, giving consideration both to the opportunities and risks of future strategy.

All Board members are given appropriate documentation in advance of each Board meeting. This normally includes a detailed analysis on businesses and full papers on matters where the Board will be required to make a decision or give its approval.

statement of compliance with listed companies (code of corporate governance) regulations, 2020

Engro Powergen Qadirpur Limited (the “Company”) has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the “Regulations”) in the following manner: -

1. The total number of directors are **Seven** as per the following, -
 - a. Male: 6
 - b. Female: 1

2. The composition of the Board as at December 31, 2020 is as follows:

Category	Name
Independent Directors	Mr. Kaiser Bengali Ms. Fauzia Viqar
Non-Executive Directors	Mr. Ahsan Zafar Syed Mr. Shabbir Hashmi Mr. Vaqar Zakaria Mr. Farooq Barkat Ali
Executive Director	Mr. Shahab Qader

The term of office of directors of the Company was expiring in October 2019. The Board fixed the number of directors at seven (07) in its meeting dated August 02, 2019. Notice of Extraordinary General Meeting was approved by the Board and published on the website of Pakistan Stock Exchange Limited on September 05, 2019. Consents to act as directors were also provided by the directors which included consents from two independent directors as required under the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the “2017 Regulations”).

Thereafter the Listed Companies (Code of Corporate Governance) Regulations, 2019 were notified by the Securities and Exchange Commission of Pakistan on September 25, 2019. All the actions that were taken by the Company, including inter alia, approvals and announcements were made prior to notification of the Regulations. Section 39 (Repeal and Savings) of the Regulations specifically states that nothing in the said Regulations will affect or deem to affect any action taken under the repealed 2017 Regulations and further shall not affect the previous operation of the 2017 Regulations or anything duly done or suffered thereunder.

In the view of the above, the requirement for having one-third directors as independent directors on the Board, with any fraction rounded up as one, will be met when the Board is next re-constituted;

3. The directors have confirmed that none of them is serving as a director on more than five listed companies, (seven in case of director joining during the year), including this Company;
4. The Company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;

5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ shareholders as empowered by the relevant provisions of the Act and these Regulations;
7. The meetings of the Board were presided over by the Chairman. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;
8. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
9. No Director attended the Directors’ Training Program during the year. However, three directors are duly certified or exempted from the Directors’ Training Program.
10. The Board has approved appointment of Company Secretary and Head of Internal Audit during the year ended December 31, 2020. There was no change in the position of Chief Financial Officer. The Board has approved remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;
12. The Board has formed committees comprising of members given below:-
 - a) The Board Audit Committee
Mr. Kaiser Bengali – Chairman;
Mr. Farooq Barkat Ali*; and
Mr. Shabbir Hashmi.

** Mr. Farooq Barkat Ali joined the Board w.e.f. August 06, 2020 and was co-opted as a member on the Board Audit Committee (in place of Mr. Hasnain Moochhala) with effect from August 06, 2020.*

 - b) The Board People’s Committee i.e. HR and Remuneration Committee
Ms. Fauzia Viqar – Chairperson;
Mr. Vaqar Zakaria; and
Mr. Shahab Qader.
13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;

14. The frequency of meetings of the committees were as per following:-
 - a) Audit Committee (4 meetings); and
 - b) The Board People's Committee (1 meeting);
15. The Board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company;
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the Company;
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
18. We confirm that all requirements of regulations 3, 6, 7, 8, 27,32, 33 and 36 of the Regulations have been complied with.



Mr. Ahsan Zafar Syed
Chairman

Karachi
Date: February 11, 2021

report of the audit committee

Dear Shareholder,

On behalf of the Board, I am pleased to present the Audit Committee's Report for the financial year ended December 31, 2020. Our key focus was to assist the Board of Directors in fulfilling their governance and stewardship responsibilities, ensuring integrity of financial reporting and robustness of internal controls and risk management process at Engro Powergen Qadirpur Limited.

Composition

The Committee is appointed by the Board and at the year-end comprised of:

- Mr. Kaiser Bengali (Chairman)
– Independent Director
- Mr. Shabbir Hashmi (Member)
– Non-Executive Director
- Mr. Farooq Barkat Ali (Member)
– Non-Executive Director
- Ms. Ekta Sitani (Secretary)
– Head of Internal Audit

These Committee members possess sufficient business and commercial knowledge and have extensive experience in the field.

Charter of the Committee

The terms of the Audit Committee's mandate are governed by the Board of Directors and the Code of Corporate Governance. The terms of reference of the Committee are clearly defined in the Charter of the Committee which is duly approved by the Board of Directors. The salient features are stated below:

- Review quarterly, half-yearly and annual financial statements;
- Review the adequacy and effectiveness of the risk assessment and management system including business continuity plans;
- Review the internal control systems and internal audit function;
- Monitor management's compliance with all Company's policies including complaints received through the Speak Out – Whistle Blower System;

- Monitor compliance of statutory requirements; and
- Recommend to the Board the appointment and removal of external auditors.

Meetings during 2020

Audit Committee meetings take place ahead of Board meetings and the Audit Committee Chairman provides an update to the Board on the key issues discussed during each Audit Committee meeting. The minutes of Audit Committee meetings are provided to the Board on regular basis. The CFO and other departmental Heads are invited on a need basis for matters pertaining to their respective areas.

During the year 2020, the Committee met four (4) times. Furthermore, as required by the Code, the Committee also independently met external and internal auditors.

Role of the Committee

The Committee assists the Board to effectively carry out its supervisory oversight responsibilities on financial reporting and compliance, internal controls and risk management, internal and external audit functions of the Company. The Audit Committee believes that it has carried out all its responsibilities, in accordance with Terms of Reference approved by the Board. The evaluation of the Board performance, which also included members of the Audit Committee was carried out separately.

During 2020, the following key responsibilities were satisfactorily carried out by the Audit Committee:

- Ensured compliance with the listed Companies (Code of Corporate Governance) Regulations, 2019;

- Reviewed quarterly, half-yearly, and annual financial statements of the Company prior to their approval by the Board of Directors, focusing on major judgmental areas, financial estimates, going concern assumption, compliance of accounting standards, local regulations, and other statutory / regulatory requirements;
- Reviewed Related Party Transactions, ensuring that the pricing methods used were on terms equivalent to those that prevail on arm's length basis;
- Ensured that proper, accurate, and adequate accounting records have been maintained by the Company;
- Recommended the appointment of the external auditors to the Board to be confirmed by the Company shareholders in the Annual General Meeting;
- Reviewed new policies / modifications to existing policies and Management's compliance with all Company's policies, procedures, and guidelines;
- Reviewed and investigated whistleblower complaints lodged during the year;
- The Company's system of internal control is sound in design and has been continually evaluated for effectiveness and adequacy;
- Closed periods were duly determined and announced by the Company, preventing the directors, executives and all employees of all Engro companies from dealing in the shares of the Company, prior to each Board meeting.

Risk Management and Internal Control

The Company has developed a sound mechanism for identification of risks, assigning appropriate criticality level and devising appropriate mitigation measures, which are regularly monitored and implemented by the management across all major functions of the Company and presented to the Audit Committee for information and review. The Company has devised and implemented

an effective internal control framework which also includes an independent internal audit function. The Internal Audit department is responsible for monitoring of compliance, inherent and other risks associated with operations of the Company.

Internal Audit

- The Internal Audit function has carried out its duties under the charter defined by the Committee. The Committee has reviewed material Internal Audit findings, taken appropriate action or brought the matters to the Board's attention where required.
- Audit Committee has provided proper arrangement for staff and management to report to Audit Committee in confidence, concerns, if any, about actual or potential improprieties in financial and other matters. Adequate remedial and mitigating measures are applied, where necessary.
- The Head of Internal Audit has direct access to the Chairperson of the Audit Committee and the Committee has ensured staffing of personnel with sufficient internal audit acumen and that the function has all necessary access to Management and the right to seek information and explanations.
- Coordination between the External and Internal Auditors was facilitated to ensure efficiency and contribution to the Company's objectives, including a reliable financial reporting system and compliance with laws and regulations.

External Audit

The statutory auditors of the Company, A. F. Ferguson & Co., Chartered Accountants, have completed their audit assignment of the Company's financial statements and the statement of compliance with the Code of Corporate Governance for the year ended December 31, 2020 and shall retire on the conclusion of the 15th Annual General Meeting;

- The Committee has reviewed and discussed audit observations highlighted in covering letter

to the audit report with the external auditors. A meeting was also held with the external auditors in the absence of the management;

- The external auditors have direct access to the Committee and Internal Audit Department, thereby ensuring the effectiveness, independence and objectivity of the audit process;
- A.F. Ferguson & Co., Chartered Accountants also provided taxation services to the Company; the statutory auditors have no financial or other relationship of any kind with the Company except that of External Auditor and Taxation Consultant.
- The performance, cost and independence of the external auditors is reviewed annually by the Committee. The Audit Committee obtained confirmation from the external auditors in its meeting that the engagement team, other partners and staff in the firm, and the firm have complied with the applicable requirements regarding independence.
- The Committee is satisfied with the performance of the External Auditors. The engagement partner on the audit was Mr. Osama Kapadia. Being eligible for reappointment under the Code of Corporate Governance, the Committee has recommended to the Board the reappointment of A. F. Ferguson and Co., Chartered Accountants for the year 2021. A resolution to this effect has been proposed at the forthcoming Annual General Meeting.

Annual Report 2020

- The Committee assessed the 2020 Financial Statements as fair, balanced, and understandable, and that it provided sufficient information to enable the shareholders to assess the performance.



Kaiser Bengali
Chairman of the Audit Committee
Engro Powergen Qadirpur Limited
February 10, 2021

a solid foundation

Business Performance Overview



chairman's review

Dear Shareholders,

For over a decade Engro Powergen Qadirpur Limited (EPQL) has been a part of Pakistan's economic and energy landscape sharing the various challenges and triumphs that our country has offered, such as the energy crisis of previous years, the circular debt that continues to be a challenge for the industry; the current over-supply situation and most recently the COVID-19 pandemic – which by far upended the economies and business models the world over and forced us to rethink and reevaluate our priorities and business principles.

Over the course of the past few years the energy landscape of Pakistan has seen significant transformation and while there have been some strong positives, overall, during the year 2020, the outbreak of pandemic affected the economic activity in the country at large. Although classified as essential services, the subdued demand has resulted in slower growth in the power demand and subsequently the sector has struggled in light of the persistent issues of circular debt, transmission and distribution losses. Despite this challenging environment for the Independent Power Producers (IPPs), EPQL along with the Federal government reached an understanding to change certain terms in agreements of IPPs for the greater national interest and to devise a mechanism for payment of overdue receivables to implement a win-win scenario. The agreement while providing much-needed relief to the government is also expected to help with our liquidity position going forward.

Our focus stems from our vision to produce energy that is available, affordable and sustainable for our nation at the earliest possible time by synergizing capital with top engineering capabilities. However, because of additions of over 13GW to the power system over the past few years and due to commissioning of new plants EPQL's dispatch to the grid remained comparatively low. While we expect that the share of furnace oil-based generation will continue to decline over the next few years; we are focused on

working with the concerned stakeholders to develop bilateral markets to make use of our capacity and make the energy ecosystem of the country more effective and efficient.

Furthermore, for us at EPQL plant the year 2020 was all about synergy and stringent focus on operational excellence. Last year we had commenced our work on alternate fuel to ensure sustainability of plant operations and provision of electricity to the grid. Through the year we were able to successfully work with the relevant stakeholders to ensure agreement and subsequent implementation of this alternate strategy which is expected to be a game changer over the remaining life of the project.

In our quest to deliver sustainable energy and be a force for good we have been expanding our social footprint this year in light of the COVID-19 pandemic. Our focus on building long-lasting and trusted relationships with our customers partners employees and other stakeholders and the legacy of caring for our communities remains the bedrock of our long-term sustenance. Through the year we remained focused on offering a helping hand to those living in low-income communities in and around our plant facilities. In 2020, we focused our efforts on health and education programs – in particular on promoting girl-child education through constructing middle school building dedicated for girls. Moreover, in coordination with district administration, 1000+ ration bags were distributed to the communities in Taluka Ghotki by EPQL plant teams.

We continue to draw hope from the progress our nation has made overcoming many obstacles and look to the future with the confidence that we too can meet the tests of time. The future as always remains volatile and not without challenges. However, with your confidence and trust, commitment of our people and leveraging the deep-rooted culture of engineering excellence, I am confident that the years ahead will continue to bring opportunities and value for us all.

In the end, I would like to extend my heartfelt appreciation to EPQL's management, employees, customers, partners, and our stakeholders for their commitment and passion to advance this company forward. With your confidence and trust, commitment of our people and leveraging the deep-rooted culture of engineering excellence, I am confident that we have a bright future ahead of us with opportunities for creating shared and inclusive value for all.



Ahsan Zafar Syed
Chairman



ceo's message

Dear Shareholders,

At Engro Powergen Qadirpur Limited (EPQL) we have always maintained that our growth is inherently linked to the growth of people, communities and the economy around us. Throughout 2020, we continued to demonstrate our focus and emphasis on this very philosophy to draw strength is what was an otherwise challenging year for the entire globe.

The Company demonstrated a billable availability factor of 99.7% in 2020, approximately same as last year and dispatched a total net electrical output of 550 GWh to the National Grid demonstrating a load factor of 29.5% versus 58.8% last year. The decrease in load factor this year was primarily due to lower merit order ranking and consequently lower dispatch. Sales revenue for the year 2020 was PKR 8,098 million as compared to PKR 13,201 million last year. A key operational highlight for the year was the retirement of our long-term debt. Overdues from power purchaser stood at PKR 9,040 million as on December 31, 2020 vs PKR 9,161 million as on December 31, 2019. Overdue amount payable to SNGPL on December 31, 2020 was PKR 1,806 million vs PKR 6,490 million in 2019. The Company earned a net profit of PKR 2,079 million for 2020 as compared to PKR 3,403 million for 2019 which resulted in earnings per share of PKR 6.42 for 2020 vs PKR 10.51 for 2019

With a clear intention to ensure the safety of our systems, employees and the environment at large, EPQL has continued to keep its Health, Safety and Environment (HSE) management systems and processes in line with international best practices. With the help of a multidisciplinary team, we ensured 100% compliance with National Environmental Quality Standards (NEQS) and World Bank Group guidelines. This was duly acknowledged by EPQL winning the HSE Excellence awards organized by National Forum for Environment & Health. Another key feather in our cap was the successful co-firing modification on 9E gas turbine at the EPQL plant which makes us the world's first 9E plant to operate on both liquid and gas fuel at the same time for extended duration of time.

I believe that if we are to remain committed to our purpose of delivering impact at the national level then we must continue to evolve as an organization. To this end in 2020, we enhanced our focus on employee development and a series of initiatives – including online trainings, personal development initiatives, safety and other wellness programs – were launched under our employee engagement platform. Throughout the year we also continued to care for the communities that host us and initiated various programs that increased livelihoods opportunities for the local residents whilst also enhancing the outreach of our educational and health programs – specially in the wake of the COVID-19 pandemic.

As we forge ahead, I am resolute in my belief that we are critically positioned to provide solutions for the Country's energy sector. After a series of years with energy deficit, we now find ourselves in a new challenge – more electricity generation capacity than we need. However, even with surging capacity 50 million people are still without electricity and that I feel needs to change if we are to truly progress Pakistan into the next decade of development. I believe that we have the requisite expertise to leverage our position as a leading power generation and solutions provider to make a difference and create sustained value for Pakistan at large.



Shahab Qader
Chief Executive Officer



organizational highlights



external overview

Political

Possibility of short, medium and long-term policy interventions by regulatory authorities remains, with respect to the energy mix of Pakistan, with the aim to provide indigenous, affordable and sustainable energy to the Country. Regulatory changes such as fuel pricing and supply, power plants running out of merit will have an impact on the Company's business, and therefore the Company remains on the lookout for new challenges or opportunities arising from change in policies.

During the year, the government notified a Committee for negotiations with Independent Private Power Producers. EPQL entered into a Memorandum of Understanding (MOU) dated August 12, 2020 with Committee. Subsequently, in line with the understanding reached in the MOU, EPQL and Central Power Purchasing Agency (Guarantee) Limited entered into a binding agreement.

Moreover, the Honorable Supreme Court of Pakistan has restrained the Federal Government from charging Gas Infrastructure Development Cess (GIDC) until the amount collected and accrued has not been expended on the projects as listed in the Section 4 of the GIDC Act, 2015. This has reduced the effective gas price being charged to EPQL.

Economic

Any change in the global economic environment has a potential to impact the Company's financial performance and profitability. Movements in exchange rate can have significant impacts on the profitability and hence the Company actively formulates strategies to hedge against economic risks. Additionally, fuel price variations affect the economic dispatch order of power plants in the Country, including EPQL's. Interest rates also affect the profitability of the company with changes in cost of short-term financing. Circular debt is a major issue which impacts the power sector, affecting the liquidity profile of the Company.

During the year, the Country was hit by a devastating blow of COVID-19, challenging the already lowering GDP growth and economic slowdown. This resulted in pressure on the Country's power sector which is already gripped by the issues posed by Circular debt, overdue receivables and transmission and distribution losses. Power demand remained subdued during the outgoing year while the crash in international fuel prices due to economic slowdown also affected the merit order position for EPQL.

Social

Population expected to exceed 300 million by 2050 requiring streamlining in power generation throughout the Country. Growth in population leads to increase in domestic demand of power and hence directly influences industrial demand. Cheap and abundant sources of energy have been a necessary precondition for industrial production and emphasis is laid predominantly on merit run plants. The Company has been working on various fronts to cater to industrial demand growing due to social factors. During the year, pandemic affected the public health system across the Country. The Company implemented and maintained strict health and safety protocols to curb the spread of COVID-19 and remained fully operational throughout the year.

Technological

The concept of power generation is technology driven and as new projects with updated technologies are added to the system every year, projects running on outdated technology have a risk to drop out of merit order due to increased costs of operations. The Company makes prudent efforts to minimize costs through improvement in efficiency.

Environmental

Power generation has several ecological effects which include air and water pollution. However, any emissions resulting from generation are well within limits determined by local authorities. Being a permeate gas-based power plant, EPQL's does not have any adverse impact of the environment and hence is safe from any environment related taxes/costs.

Legal

The Company's Implementation Agreement safeguards it from any changes in legal environment. The Company limits its legal exposure by carefully deliberating upon terms and conditions of such agreements from legal, technical, and commercial aspects using expertise of professionals from each area before execution.

Strategic Objectives:

Strategic Objectives	Strategic Actions	Measurable KPI
Ensure consistent shareholder value creation by managing liquidity position.	Maintain constant contact with key stakeholders for clearance of outstanding dues. Periodic cashflow monitoring to ensure liquidity for payment obligations.	Make cash available for shareholders
Continue efforts to finalize and implement alternate fuel plan for base load plant operations.	The Company has submitted the final gas depletion plan to PPIB. Discussions are underway to conclude the same.	Notification of alternate fuel plan.
Continue with CSR activities, increasing engagement with local communities through educational, cultural and infrastructure initiatives.	Focus on improving quality of life of people residing in low-income communities by investing in social initiatives in education, technical training, health care and housing.	Number of lives impacted.
Achieve Operational Excellence.	Continue smooth operations of the plant with focus on health, safety and environment.	Ensure plant's availability and maintain plant's health and safety standards. Ensure Business Continuity Plan is in place.

risks and opportunities

Risks are inherent in the businesses and can relate to strategic threats, operational issues, compliance with laws, and reporting obligations. In order to deliver value to all stakeholders, it is important that the Company understands and manages the risks faced across the entire organization.

Risk Governance

The Board of Directors are responsible for ensuring that the Company has a robust process in place for assessment of principal risks facing the Company, including those that would threaten the business model, future performance, solvency or liquidity. The Board Audit Committee is responsible to oversee implementation of the Enterprise Risk Management methodology approved by the Board. In addition, the Board People's Committee focuses on risks relating to human capital including assessment of compensation programs and succession planning.

Further, management level committees have been constituted which perform regular oversight of performance of the Company with respect to Organization & Employee Development, Health Safety & Environment, Execution of Planned Capital Projects, Business Continuity Planning and Business Process Reengineering.

The Company has a dedicated Internal Audit function which provides independent and objective evaluations while reporting directly to the Audit Committee on the effectiveness of governance, risk management and control processes.

Enterprise Risk Management Process

Enterprise Risk Management (ERM) methodology implemented at the Company provides a structured, disciplined, and consistent approach to risk management that facilitates risk-informed decision-making throughout the organization. The Framework implemented at the Company is illustrated below:

- **Formulation of Strategy and Business Objectives**
The focus of ERM at the Company is to ensure achievement of the organization objectives. Defining the organization's strategy and objectives is pre-requisite to identifying risks and opportunities. During this step, the management defines strategy and objectives for different areas of the organization which are then approved by the Board of Directors.
- **Identification of Risks and Opportunities**
The purpose of this step is to identify a comprehensive list of risks and events that may potentially impact the achievement of organization's mission and strategic objectives. In order to identify enterprise-level risks to be managed, a structured and systematic "Enterprise Risk Register" is used. Broad types of risk which are used for categorization of risk and opportunities are as follows:

Risk Type	Description
Strategic Risk	Strategic risks are risks that affect or are created by an organization's business strategy and strategic objectives.
Commercial Risk	Commercial risks refer to potential losses arising from third party stakeholders or the sector in which the Company operates.

Risk Type	Description
Operational Risk	Operational risk refers to the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.
Financial Risk	Financial risk is an umbrella term for multiple types of risk associated with financing, profitability, liquidity and credit. The Company's overall risk management program focuses on having cost efficient funding as well as to manage financial risk to minimize earnings volatility and provide maximum return to shareholders. The Company's policy for management of financial risks is explained in notes to the financial statements for the year ended December 31, 2020.

- **Risk Assessment**

The process involves consideration of the causes and sources of risk, the probability that the risk event will occur, their consequences and magnitude, and the likelihood that those consequences may occur. The Board has approved formal criterion for assessment of the 'likelihood' and 'impact' which is used by the management for risk assessment. Each risk is assigned a rating and recorded in the Risk Register. Risk assessment provides the basis for evaluation and decisions regarding risk response or treatment.

- **Prioritization of Risk**

The purpose of this step is to develop a prioritized list of enterprise-level risks for response options. By ranking and prioritizing the enterprise-level risks, the Company's leadership can respond as appropriate with strategic allocation of resources while responding to the risks. The risks are ranked according to Impact and likelihood rating.

- **Implements Risk Responses**

The purpose of this step is to select a combination of risk response options that will optimize the Company's resources in managing its portfolio of risks. The process involves identifying and assessing the range of risk response options and preparing implementation plans for selected response options. Using a prioritized list of quantified risks requiring response options, the leadership makes informed strategic decisions about how to allocate resources to risks reflected in the Enterprise Risk Register.

The following table lists down different risk response strategies that are considered:

Risk Type	Description
Accept Risk	<ul style="list-style-type: none"> • Retain risk at its present level, taking no further action.
Avoid Risk	<ul style="list-style-type: none"> • Prohibit unacceptably high-risk activities and asset exposures through appropriate policies. • Stop specific activities by redefining objectives, refocusing strategic plans and policies, or redirecting resources. • Screen alternative projects and budgeted investments to avoid off-strategy and unacceptably high-risk initiatives. • Eliminate at the source by designing and implementing internal preventive processes.
Reduce Risk	<ul style="list-style-type: none"> • Disperse financial, physical, or information assets to reduce risk of unacceptable catastrophic losses. • Control risk through internal processes or actions that reduce the likelihood of undesirable events occurring to an acceptable level. • Respond to well-defined contingencies by documenting effective plan and empowering appropriate personnel to make decisions; periodically test and, if necessary, execute the plan. • Diminish the magnitude of the activity that drives the risk. • Improve capabilities to manage a desired exposure. • Redesign the approach to managing the risk.
Share Risk	<ul style="list-style-type: none"> • Outsource non-core processes (a viable risk transfer option only when risk is contractually transferred). • Delegate risk by entering into arrangements with independent, capable authorities.

- **Monitoring and Reporting**

The ERM Risk Register is reviewed on periodic basis to ensure updating for changes in external and internal environment. The ERM Risk Register, and mitigation strategies are also presented to the Management Committee and the Board Audit Committee on bi-annual basis.

Risk and Mitigation Plan:

Following are the major risks affecting the operations of the business, along with the management assessment of their source, likelihood, impact and the mitigating strategies implemented by the Company for these risks:

Risk Type	Risk Assessment		Mitigation Strategies
	Likelihood	Impact	
Reduction in Company's Net Electrical Output Source of Risk: External	Medium	Medium	With new plants coming online, the merit order position of EPQL is now lower, thereby affecting its dispatch. The Company is actively monitoring changes occurring in the power sector. The Management is closely working with key stakeholders to improve its dispatch position.
Adverse impact of increasing Circular Debt on Company cashflows Source: External	High	High	The Company has developed liaison with relevant stakeholders for clearance of outstanding dues and recovery profile is closely monitored for any advance triggers.
Reduction in gas supply from Qadirpur Gas Field Source of Risk: Internal	High	High	The Company is in the process of finalizing alternate fuel plan.

Commercial Risk

Slowdown in corporate lending due to increased exposure in the energy sector taken up by majority commercial banks. Source: External	Medium	Low	The Company's management has maintained valuable relationships with lenders to minimize financing costs and maximizing financial income.
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Operational Risk

Risk Type	Risk Assessment		Mitigation Strategies
	Likelihood	Impact	
Impact of pandemic resulting in plant outage. Source: External	Medium	High	The Company has a strong Business Continuity Plan in place to keep the plant operational. Key site personnel were identified along with back-ups.
Compromised Plant availability due to operational issues at Plant site. Source: Internal	Medium	High	The Company has introduced new and improved control and mitigation plans to maintain the likelihood of operational issues within the agreed tolerance levels. An efficient technical team, trained for remedial actions, is deployed at the site.

Financial Risks

Risk Type	Risk Assessment		Mitigation Strategies
	Likelihood	Impact	
Liquidity constraints due to circular debt. Source of Risk: Internal	Low	Medium	The Company has a pro-active treasury function which ensures that adequate funds and credit lines are kept available for any unforeseen situation. Based on the recent negotiations between the Committee formed by the Government and the IPPs, it has been agreed that outstanding dues will be cleared.
Inability of the Company to recover billed amount resulting in delayed payment obligations and adverse impacts on shareholder value.	Medium	High	The Company has ensured strong relationships to ensure an improved collections profile and manages liquidity prudently by engaging key stakeholders and leveraging relationships to retrieve payments, smoothing out cashflow issues.

Opportunities

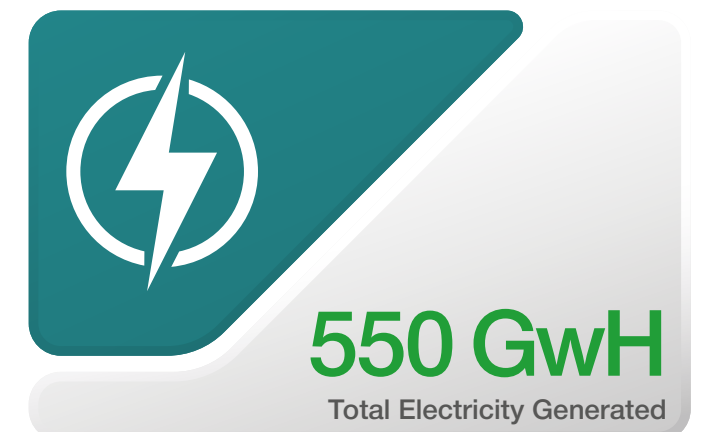
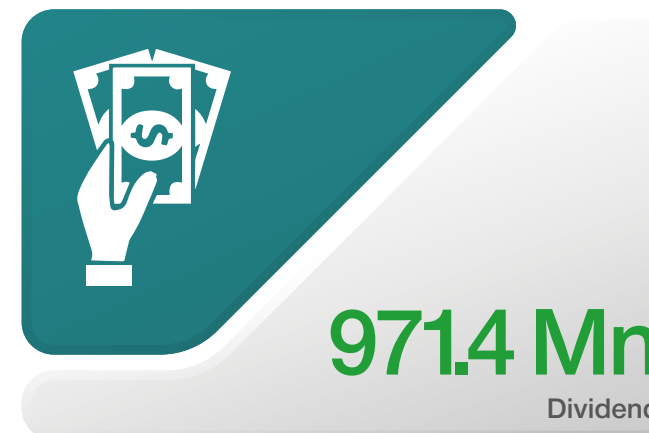
The Company is currently pursuing opportunities to create value in the short, medium and long term through identification of cost optimization strategies associated with its strategic objectives, policies and targeted growth.

Key Opportunity	Impact Area	Way Forward
Development of Business Sustainability	Natural Capital	The Company is actively pursuing its gas depletion mitigation plan to safeguard shareholder value and improve operational efficiencies.
Investment in Sustainable Initiatives	Social Capital	The Company takes a concerted effort to help communities prosper by investing in initiatives that provide education, technical training, health-care facilities, housing, and basic infrastructure to beneficiaries.
HR transformations	Human Capital	The Company focuses on HR transformation to ensure sustainable business operations whilst remaining an agile and flexible organization. The Company has identified and resolved to move to a system which is more performance driven, better aligned with the market and creates opportunities for growth.

Way Forward

The Company remains wary of the gas situation in the Country and has been taking measures to efficiently use its allocated share. The Company continues to make its plant available in mixed mode, due to gas depletion. The Company has engaged with all stakeholders and prepared and submitted a gas depletion mitigation plan to PPIB. The Company will continue to actively work towards finalizing the same. The Company takes a holistic view while detailing out plans for the coming years, which includes studying the industry position and taking prudent measures to formulate strategies for cost effective solutions.

key operational highlights 2020



the pressing issues of our time

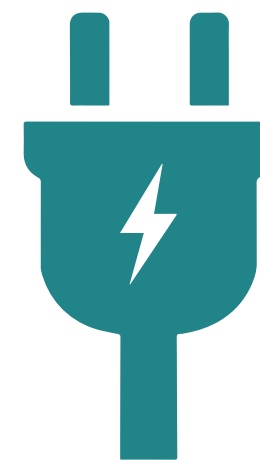


how is epql positioned to address pressing issues?

EPQL is uniquely positioned to tackle pressing issues identified in the emerging themes



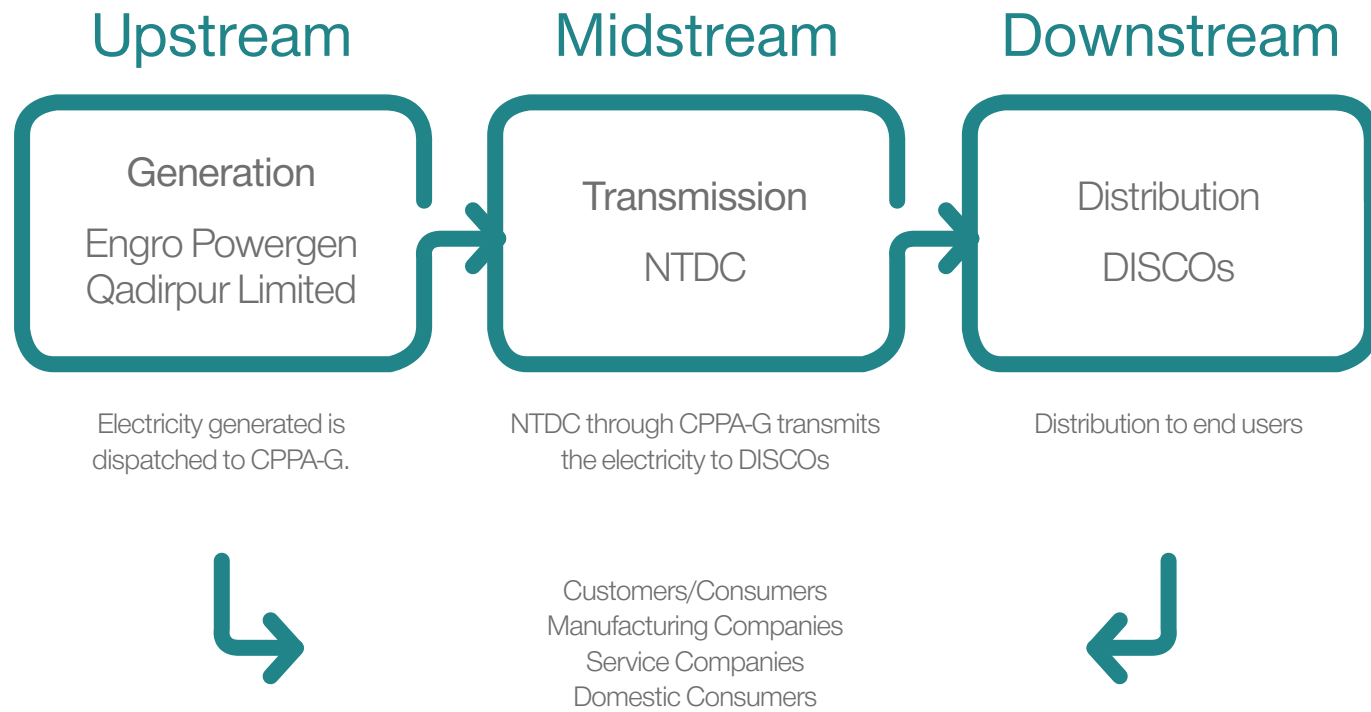
Power Generation



Affordable Sustainable Energy

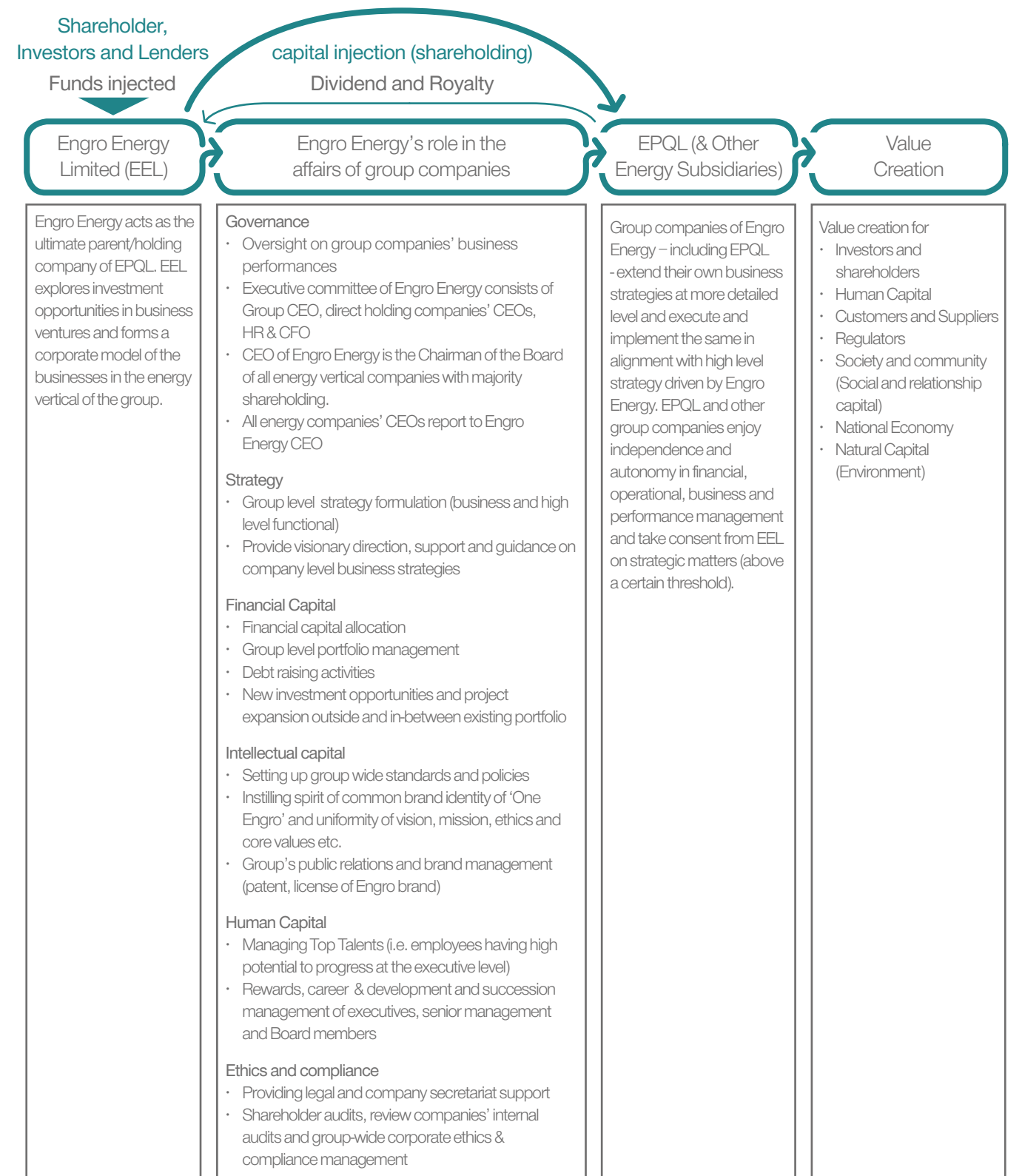
As an entity Engro Powergen Qadirpur Limited endeavors to improve lives, empower livelihoods and inspire meaningful change. We know that innovation, solutions and the ability to codify and scale change are needed to meet the 2030 Sustainable Development Goals (SDGs); and together with our people we continue our journey of inclusion and value creation with purpose.

our value chain process

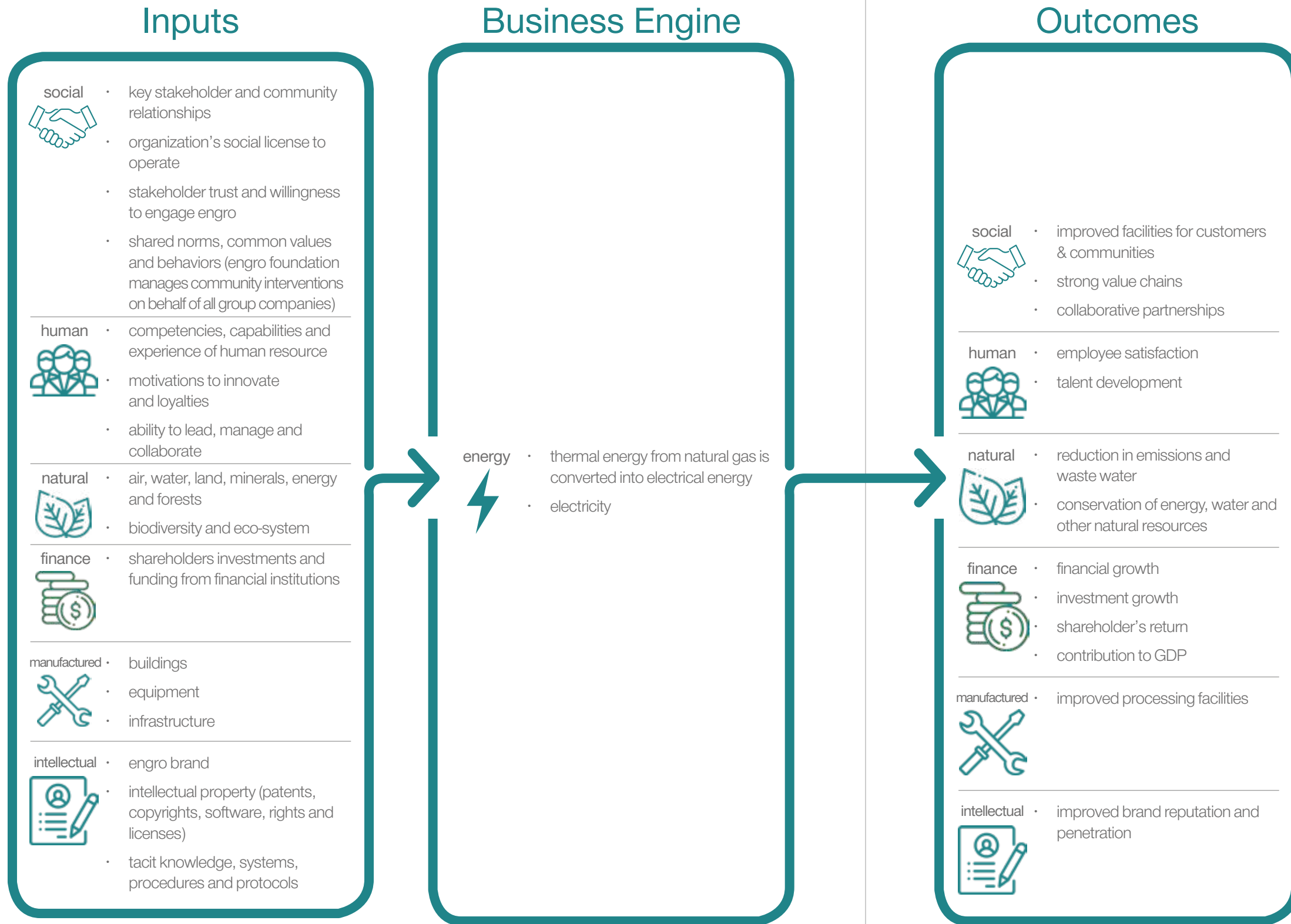


We strongly believe that our pursuit of an inclusive growth model will continue to yield greater success and value for all our stakeholders. Together through concrete processes and mechanisms, we fulfill our responsibilities with everyone we interact with whether it be our customers, suppliers, communities or the government.

our integrated value creation model



our integrated business approach



Producing low-cost electricity from flared gas for over 5 million people, we are well placed to deliver on our vision of helping Pakistan sustain its energy needs and ensure a brighter future for millions of its residents across the country.

resource allocation plans

The Company aims to achieve its long-term goals by optimizing available resources. This would be done primarily with efficient utilization of Company's core strengths which includes but is not limited to:

- Financial Strength
- Competent Human Resource
- Generation excellence
- Strong HSE standards.

Engro Powergen Qadirpur Limited aims to increase its reliability to the national grid by maintaining its availability and to increase the value for its shareholders. This will be achieved through implementation of smart strategic objectives which are easily measurable and will remain relevant in the foreseeable future. The Company will continue to efficiently utilize its resources.

The Company will continue to monitor the strategic objectives on an annual basis and will make amendments if needed based on changes in the internal and external environment. The Company is exploring various initiatives to achieve its long-term ambitions and has undertaken a comprehensive alternate fuel study program which will enable the Company to decrease its reliance on its primary fuel.

Significant Plans and Decisions

Due to gas depletion from Qadirpur field, the Company formulated a Gas Depletion Mitigation Plan (GDMP), including different mitigation options available to the Company, which was subsequently approved by relevant key stakeholders. The Company is in discussions with stakeholders to finalize modalities of GDMP.

During the year, the Government constituted a Committee for the purpose of negotiating the Power Purchase Agreement (PPAs) with IPPs. In the larger national interest, the Company have agreed to alter its existing contractual arrangements, along with other 2002 Policy IPPs, pursuant to which, among other key terms, tariff of the Company will be revised.

Changes in Objectives and Strategies

While the Company's long-term strategies and objectives have remained unchanged compared to last year, Engro Powergen Qadirpur Limited is continuously exploring opportunities to improve its merit order ranking resulting in consistent shareholder value creation.

Liquidity and Working Capital Management

In order to manage its working capital in the most efficient manner, the Company has a proactive treasury management system in place. Cash generation realized through collection from CPPA-G and short term borrowings from banks are used to meet the liquidity requirements of the Company.

The Company has been able to successfully maintain its long-term and short-term credit rating of AA- and A-1 respectively through its prompt, coherent and effective methods of managing its business, cash and liabilities.

Treasury Management

The Company operates its treasury with a focus to enhance profitability, increase shareholder return and preserve invested capital.

Considering the company's major chunk of amount is stuck in receivables, Running Finance facilities are arranged by treasury at best possible rates to ensure sufficient liquidity is available at all times.

Financing Arrangements

The Company places great emphasis on value maximization, which in turn leads to higher shareholder returns. The Company does this by minimizing its financing cost. Working capital requirements are met through internal cash generation and short-term borrowing to ensure balance sheet optimization. External financing includes both local and foreign financing which is obtained after exhaustive evaluations of offers in hand and market conditions, ensuring maximization of shareholder value.

The Company recognizes its responsibility for timely repayment of outstanding loans. No default on repayment of loans was made during the year. Long-term loan was settled in full during the year.

Significant Changes from Prior Year

The Company has engaged with all stakeholders and prepared and submitted a final gas depletion mitigation plan to PPIB. The Company will continue to actively work towards finalizing the same.

During the year, the government notified a Committee for negotiations with Independent Private Power Producers. In the larger national interest, EPQL entered into a Memorandum of Understanding (MOU) dated August 12, 2020 with the Committee, followed by signing of Master Agreement in February 2021.

Composition of Local vs. Imported Raw Materials

Primary source of fuel for EPQL is permeate gas procured locally under its Gas Supply Agreement with Sui Northern Gas Pipelines Limited which is supplied from Qadirpur Field. The Company's Plant is built to run on mixed mode (Gas + HSD) under conditions when the Company faces shortage of gas supply. During the outgoing year, dispatch was based on gas hence, the composition of raw material for the Company remained 100% local.

EPQL's stakeholders include:

Investors, lenders and shareholders

Investors and shareholders are engaged through our Annual General Meeting as well as our Corporate Reports (quarterly, half yearly & annual reports), which include comprehensive information on both financial and non-financial matters related to the Company. Further, analyst briefings are conducted, while disclosures to the stock exchange on strategic events are made as and when required.

Customers

Our primary customer is Central Power Purchasing Agency – Guaranteed (CPPA-G). We are in continuous contact and dialogue with our customer through regular meetings and correspondences on business issues.

Suppliers

Our suppliers are engaged through periodic formal and informal meetings/conferences. We regularly provide them with technical assistance related to their business, to benefit both the industry and the economy in which we operate.

Host communities (local to our facilities and throughout Pakistan)

We consider ourselves responsible for our host communities and hold regular interaction in order to understand how we can improve our relationship. The Company is extremely active in health, education, livelihood and environmental projects for the betterment of these communities.

Employees

We concentrate on employee engagement as it is key to performance. A survey is carried out at regular intervals to assess the levels of engagement and motivation at the workplace and based on feedback, areas of weaknesses are improved and strengths held stable.

Government

Moving beyond regulatory compliances, we continue to engage with the government and regulators in public policy lobbying and policy reforms at local, provincial and federal level. EPQL's management frequently engages with government officials on various matters including energy sector issues, alternative power, local community development and infrastructure related issues.

Regulators

The Company complies with regulatory requirements and in this regard maintains close coordination with relevant regulators including the National Electric Power Regulatory Authority (NEPRA), stock exchange, tax authorities, and Securities and Exchange Commission of Pakistan (SECP).

Media

We engage with the print and visual media through regular press releases on key achievements and disclosures. The Company schedules regular media interactions via briefings on periodic results, through Plant visits and through informal conversations throughout the year on the Company's news and updates.

Competitive landscape and market positioning

Power purchase in the sector is mainly determined through a merit order, which is based on variable pricing of electricity of power producers. Some power plants, particularly renewables, operate out of merit order.

With increasing power generation capacity base over the past several years, the Power Sector of the Country has moved towards an over-supply scenario as growth in power demand also remains subdued, partly caused by the devastating blow of COVID-19 on the socioeconomic fabric of the Country. With addition of new power producers that either operate out of merit order or rank higher in the merit order, threat to dispatch is imminent during winter months.

Moreover, the sector is gripped by growing circular debt, resulting from inefficiencies in the system, which effects the performances of the power producers by translating into liquidity constraints. Cash available in the system is scarce while payments required to be made continue to increase.

The Company rigorously focuses on increasing shareholder value through remaining committed to promote the long-term development of Power Sector. EPQL has strong key business drivers which enable it to differentiate its offering and create value for the customers. The Company uses low-BTU high sulfur content permeate gas from Qadirpur gas field, which was previously being flared, for electricity generation. This utilization results in lower carbon emissions compared to other thermal plants and is hence considered a 'green solution'. The unique fuel usage makes the Company one of the lowest opportunities cost thermal power plants in the Country.

EPQL demonstrated operation excellence and maintained system reliability through ensuring plant availability and remaining compliant with international standards in safety and environment in providing reliable and affordable energy.

How the organization is currently equipped in responding to the critical challenges and uncertainties that are likely to arise

The out-going year has been challenging for businesses across the globe, as the pandemic translated into economic shock with leading indicators of recession in many countries. It also posed continuity risk for businesses. To curb the operational uncertainty, the Company developed and maintained strict Health and Safety protocols to ensure smooth operations. A detailed Business Continuity Plan (BCP) was implemented at head-office and plant, which was continuously monitored and steered by the management through regular meetings during the year.

Gas depletion remains a critical challenge and as envisaged, the Company is currently facing curtailment from Qadirpur Gas field and has made its plant available in mixed mode. EPQL has submitted the final Gas Depletion Mitigation Plan (GDMP) to PPIB during the year. The Company has a highly experienced management team which is in continuous engagement with stakeholders and to avert any risk.

The deep-rooted issue of rising Circular debt and its adverse impact on businesses poses financial uncertainty. The Company continues to monitor and forecast circular debt levels including its impact on company cashflows and develops effective strategies to curb liquidity constraints through effective treasury operations and cost optimization strategies.

As the industry moves toward an oversupply scenario on the back of new capacity additions and restrained power demand, power producers lower in the merit order face the uncertainty of consistent dispatch. The Company is extensively developing and implementing growth-oriented business strategies to enhance plant load factor and improve merit order position thus unlocking shareholder value.

directors' report

The Directors are pleased to present the audited financial statements and a review of the Company's performance for the year ended December 31, 2020.

Principal Activity

Engro Powergen Qadirpur Limited (EPQL) was established with the primary objective of undertaking the business of power generation and sale. The Company setup a 217.3 MW combined cycle power plant near Qadirpur, District Ghotki and commenced commercial operations on March 27, 2010. The project is unique as it converts permeate gas (low-BTU and high sulphur content gas) which was previously being wasted and flared, into much needed electricity. Electricity generated is transmitted to the National Transmission and Despatch Company (NTDC) under a Power Purchase Agreement (PPA) signed on October 26, 2007 which is valid for a period of 25 years from the date of commencement of commercial operations.

The Company is a subsidiary of Engro Energy Limited, formerly Engro Powergen Limited (EPL), which has a majority shareholding of 68.89% in the Company. The Company was listed on the Pakistan Stock Exchange (PSX) in 2014.

Market Review

The outbreak of pandemic has affected the economic activity in the country at large; the economic slowdown has resulted in subdued growth in power demand. Moreover, the power sector continues to struggle with the unresolved issues of circular debt, transmission, and distribution losses.

With addition of over 13 GW capacities in the system over the last few years and lower than expected growth in power demand, there is an over-supply in the industry. It is imperative that the overall system is made more efficient and losses minimized, along with improvement in financial situation.

During the outgoing year, the government along with IPPs has reached an understanding to change certain terms in agreements of IPPs for the greater national interest and to devise a mechanism for payment of overdue receivables. The same is expected to provide relief to the liquidity of the companies operating in the sector.

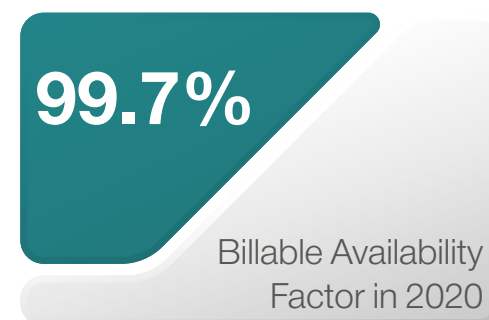
As a result of commissioning of new plants, that either run out of merit order or rank above EPQL, dispatch for the Company has been affected through the year. With crash in international fuel prices during the year due to economic slowdown, EPQL's merit order position was adversely impacted, resulting in lower dispatch. By year end, however, recovery of international fuel prices and decrease in domestic gas price has provided some relief.

Circular Debt

Circular debt has been a persistent problem in the domestic energy sector. The root causes behind the accumulation of circular debt are high T&D losses, low recovery, power theft and expensive fuel mix. With new power projects coming online, capacity payments continue to increase while growth in demand remains low.

During the year, the Government has taken a step towards devising a mechanism for payment of overdue receivables, as an MoU has been signed with IPPs. We believe this will improve the liquidity in the sector.

The Company continues to strive to manage its finances and ensure timely payments to all stakeholders.



Operational Overview

With the outbreak of COVID-19, adequate business continuity measures were taken, and the Company was able to demonstrate billable availability factor of 99.7% in 2020. However, it dispatched a total net electrical output of 550 GWh to the national grid demonstrating a load factor of 29.5% compared to 58.8% last year. The decrease in load factor this year was primarily due to lower merit order ranking after crash in international oil prices post COVID-19, and consequently lower dispatch.

Financial Review

Sales revenue for the year 2020 was PKR 8,098 million as compared to PKR 13,201 million last year. The decrease in sales revenue is attributable to lower dispatch as well as debt servicing component of tariff no longer being applicable from March 27, 2020. Gross profit for the year was PKR 1,739 million against PKR 3,616 million last year. During the year, long term debt of the Company was retired.

Overdues from power purchaser stood at PKR 9,040 million as on December 31, 2020 vs PKR 9,161 million as on December 31, 2019. Overdue amount payable to SNGPL on December 31, 2020 was PKR 1,806 million vs PKR 6,490 million in 2019.

The Company earned a net profit of PKR 2,079 million for 2020 as compared to PKR 3,403 million for 2019 which resulted in earnings per share of PKR 6.42 for 2020 vs PKR 10.51 for 2019.

Gas Scenario

The Company has a Gas Supply Agreement (GSA) with Sui Northern Gas Pipelines Limited (SNGPL), for supply of 75 MMCFD permeate gas from the Qadirpur Gas Field. The gas supply from Qadirpur gas field is depleting and based on profile shared by the gas supplier, the Company has declared gas depletion phase and made its plant available in mixed mode, that is made the plant available on both gas and High Speed Diesel (HSD). Further, under the terms of the Implementation Agreement (IA), the GoP is obligated to reimburse the Company for fuel conversion costs and subsequent operations on alternate fuel as a gas depletion mitigation option. Accordingly, the Company has engaged with all stakeholders and prepared and submitted a gas depletion mitigation plan to PPIB.

Social Investments

Our stakeholders include a much broader range of people than just our employees and financial investors.

We invest in sustainable initiatives which impact the lives of our communities and inspire economic change by achieving social and economic growth of our communities and the nation. We are accountable for the impact of our business decisions and take ownership of the welfare and development of the communities that we engage with. By doing so, we live up to our vision of serving our

stakeholders and exceeding their expectations.

Our vision to inspire change that can result in socio-economic development, and help those in need, led to the development of Engro Foundation (EF). Founded in 2010, EF is the dedicated CSR arm for all Engro companies which strives to improve the lives of people living in surrounding communities by implementing various initiatives in the areas of education, livelihood, infrastructure development, health and emergency relief.

At EPQL, we take a concerted effort to help our communities prosper by investing in initiatives that provide education, technical training, health-care facilities and basic infrastructure to our beneficiaries. This in turn has a significant impact on the lives of thousands of people by improving access to basic facilities.

During the year, a number of challenges affected the economic, social, business and environmental landscape of our country due to the onset of COVID-19 virus and lockdown situation. However, EPQL remained focused on its mission by offering a helping hand to those living in low-income communities, and in and around our plant facilities. In 2020, we focused our efforts on health and education programs – in particular on promoting girl-child education through constructing middle school building dedicated for girls of classes 6-8. Moreover, in coordination with district administration, 1000+ ration bags were distributed to the communities in Taluka Ghotki by EPQL plant teams.

EPQL sponsors one of the largest adopted school networks in collaboration with Engro Foundation in district Ghotki. The Company specifically supports 3 adopted schools namely Rasheed Ahmed Arain, Gul M Arbani, and Juma Khan Arbani in the Ghotki area educating more than 800 students. Moreover, during the year we also continued the Sabaq blended-learning model which includes students class learning and teachers' trainings on blended learning with digitized curriculum.

At Engro Powergen Qadirpur Limited, health, safety and well-being of our employees and the communities that we engage with, remains the epicenter of everything we do. We ensure that we stay true to our commitment, so our health programs exceed basic health-care treatment facilities, and lean towards providing awareness,

prevention and treatment strategies as well. In view of Covid-19, all adopted schools were provided with stocks of hygiene related material (masks, sanitizers, thermometers, temperature guns) for Covid prevention and teachers were trained on implementing social distancing and health measures as per the directives of Education department.

Our People

Given the unprecedented impact of the COVID-19 pandemic on our lives, throughout the year there was increased focus on ensuring that our employees were taken care of – both physically and mentally. EPQL ensured its employees had relevant support to continue their office work successfully while also maintaining personal and professional harmony in their lives. To achieve this, the Company launched a flagship wellness program by the name of Elevate, which ensured all its employees had access to the necessary tools required to deal with the challenging times. Through Elevate, employees had the opportunity to seek counselling and attend structured workshops from our in-house therapist and this was used by many of the employees as it helped them manage stress better during the lockdown.

Since Covid-19 halted face-to-face trainings, employees had the opportunity to use Coursera for online trainings in subjects of their choice, ensuring employees had the chance to keep their learning on-going despite the lockdown.

Regardless of the challenges the year brought forward, EPQL employees stayed thoroughly engaged through activities such as Novid Challenge & EPQL Champs. Employees got a chance to partake in this 1.5 month long challenge which enabled them to showcase Engro's values through different virtual activities. Additionally, the employees were also given the opportunity to fully participate in Pink October Ride which was a cycling ride in Karachi to raise breast cancer awareness.

To ensure a better connect between the EPQL team with its leadership – several townhalls were held throughout the year to discuss the company's objectives and updates on where the company stands in achieving those objectives while also focusing on individual employees and how they have been coping with work from home and the lockdown.

EPQL took several steps to embark on the journey of becoming a diverse and inclusive workplace. EPQL head office is now the first Engro office to be accessible across all physical disabilities and has also garnered itself workplace accessibility certifications from international institutions including IAAP & GAATES. Similarly, an audit at Qadirpur site was conducted as a step to becoming more accessible facility for persons with disabilities. Furthermore, introduction and alteration in its diversity and inclusion policies such as maternity leave, paternity leave, out-of-office travel, day care policy and female parking spot exhibits the value the organization places on becoming an equal opportunity employer. EPQL also took on the initiative to have all its harassment handling committee members trained and sensitized to effectively handle any complaints regarding workplace harassment.

The Company has always supported employing individuals from different backgrounds and skill sets. It also leads by example by being the company with the most diverse gender ratio at EEL head office. In addition, the annual employee engagement survey was conducted by the company to determine the satisfaction of the employee workforce – during 2020, where the Company successfully maintained a healthy engagement index of 78% - demonstrating the sound and people-friendly policies that are in place at EPQL.

Health, Safety & Environment (HSE)

We not only value our people but are also cognizant of the environment in which we operate. Our compliance and governance activities ensured that EPQL's processes and HSE standards remain at par with global best practices. We ensured 100% compliance with National Environmental Quality Standards (NEQS) and World Bank Group guidelines.



The Company developed and implemented special protocols to manage the COVID-19 crisis and to ensure the safety of its team. The plant was operational throughout the year and no cases were reported at plant site during the year.

The Company successfully recertified ISO 14001 and ISO 45001 rating; signifying its commitment to HSE. Our efforts to ensure a safe and hazard free environment to our people and surrounding communities helped us obtain the NOC from SEPA for handling and storage of hazardous substances.

Our focus on safety has always been relentless. The quality of our Process Safety Management (PSM) and Process Safety & Risk Management (PSRM) systems is reflected in the fact that the Company has maintained zero Loss Workday Injury; completed 8.5 million safe man hours & over 3933 days safely without LWI since Commercial Operations Date (COD) of the project. Our commitment towards providing a safe workplace for our people was recognized by the National Forum for Environment and Health (NFEH), as we received the Environmental Excellence Award in 2020.

Commitment to environment is also an integral part of our HSE efforts. We have been successful in maintaining our Green Office recertification whilst our efforts to minimize our environmental footprint have also been recognized by various local bodies.

Near Term Outlook

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.

On February 11, 2021, the Company and CPPA-G entered into a binding agreement based on the terms of the MoU, which include that all undisputed outstanding amounts due and payable to EPQL under the PPA as on 30th November

2020, will be paid in 2 installments, comprising of cash and government issued securities. Further, the Return on Equity (RoE) and the Return on Equity During Construction (RoEDC) will be fixed at 17% per annum in PKR (on NEPRA approved equity at Commercial Operation Date for RoE and RoEDC, calculated at USD/PKR exchange rate of PKR 148/USD, with no future USD indexation. However, the existing RoE and RoEDC, together with the applicable indexations, shall continue to be applied until the date when the applicable exchange rate under the present Tariff reaches PKR 168/USD, whereupon the Revised RoE and RoEDC shall become applicable and shall apply for the remainder of the term. Upon notification of Tariff Determination by NEPRA, first installment of 40% shall be paid to EPQL and remaining 60% shall be paid within six months after the date of the first installment. As a result, relief is expected in terms of liquidity profile of the Company.

During the out-going year, the Company engaged stakeholders to agree on a solution as gas from Qadirpur field is depleting. The Company will continue to actively work towards achieving the same.

Key Shareholding & Shares Traded

As at December 31, 2020 major shareholder of the Company is Engro Energy Limited, formerly Engro Powergen Ltd. A statement of the general pattern of shareholding along with pattern of shareholding of certain classes of shareholders whose disclosure is required under the reporting framework and the statement of purchase and sale of shares by Directors and their spouses and minor children is shown later in this report.

Auditors

The existing auditors, Messrs A.F. Ferguson & Co, Chartered Accountants retire and being eligible, have offered themselves for re-appointment. The Board Audit Committee recommends their appointment as auditors for the year ending December 31, 2021.

Dividend

During the year, the Company announced an interim dividend of PKR 1.25 per share on 6th August 2020, and a final dividend of PKR 1.75 per share on 11th February 2021; thus taking the total dividend payout for 2020 to PKR 3.00 per share.

Retirement Benefit Funds

The Company maintains plans that provide post-employment and retirement benefits for its employees. These include defined contribution (DC) gratuity fund and DC provident fund. The Engro Corporation gratuity funds and Engro Corporation provident fund are managed by the ultimate parent

company, Engro Corporation Limited for its own employees, and those of its subsidiaries, including Engro Powergen Qadirpur Limited.

The above-mentioned funds are recognized by the tax authorities and are in compliance with Section 218 of the Companies Act 2017.

Retirement Fund*	Engro Corporation Provident Fund ¹ 31 Dec,2020	Engro Corporation Gratuity Funds ¹ 31 Dec,2020
	Rs. in million	
Total Assets	5,214	2,583
Saving Schemes	1,304	1,001
Government Securities	764	855
Listed Securities	1,434	504
Balance with Banks and Term Deposit Receipts	1,092	246
Others	620	(23)
Total	5,214	2,583

* Unaudited

¹ Amounts include balance of other Engro subsidiaries and is centrally managed by Engro Corporation Limited.

Composition of the Board of Directors and Board Committees as on December 31, 2020

The total number of directors are seven as per the following:

- Male: 6
- Female: 1

The Composition of the Board of Directors is as follows:

Independent Directors	Mr. Kaiser Bengali Ms. Fauzia Viqar
Executive Director	Mr. Shahab Qader
Non-Executive Directors	Mr. Ahsan Zafar Syed Mr. Farooq Barkat Ali Mr. Shabbir Hashmi Mr. Vaqar Zakaria

The Composition of the Board Audit Committee is as follows:

Director's Name
Mr. Kaiser Bengali (Chairman)
Mr. Shabbir Hashmi
Mr. Hasnain Moochhala*
Mr. Farooq Barkat Ali**

*Resigned from the Board with effect from August 6, 2020

**Appointed on the Board and BAC to fill casual vacancy on August 6, 2020

The Composition of the Board People's Committee is as follows:

Director's Name
Ms. Fauzia Viqar (Chairperson)
Mr. Shahab Qader
Mr. Vaqar Zakaria

Directors' Remuneration

The remuneration of the Board members is approved by the Board itself. However, in accordance with the Code of Corporate Governance, it is ensured that no Director takes part in deciding his own remuneration. The Company does not pay remuneration to non-executive directors except fee for attending the meetings. In order to retain the best talent, the Company's remuneration policies are structured in line with prevailing industry trends and business practices. For information on remuneration of Directors and Chief Executive Officer in 2020, please refer notes to the Financial Statements.

Statement of Directors' Responsibilities

The Directors confirm compliance with the Corporate and Financial Reporting Framework of the SECP Code of Corporate Governance for the following:

- The financial statements, prepared by the management of the Company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of accounts of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of the financial statements and accounting estimates are based on reasonable prudent judgment.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of the financial statements and any departures there from have been adequately disclosed.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no significant doubts upon the Company's ability to continue as a going concern.
- There is no material departure from the best practices of corporate governance, as detailed in the listing regulations.

Board Meetings and Attendance

In 2020, the Board of Directors held 7 meetings. The attendance record of the Directors is as follows:

Director's Name	Meetings Attended
Mr. Ahsan Zafar Syed	7
Mr. Shahab Qader Khan	7
Mr. Shabbir Hashmi	7
Mr. Vaqar Zakaria	7
Mr. Hasnain Moochhala*	4
Mr. Kaiser Bengali	7
Ms. Fauzia Viqar	6
Mr. Farooq Barkat Ali**	4

- *Mr. Hasnain Moochhala resigned from the Board on August 06, 2020.
- **Mr. Farooq Barkat Ali was co-opted as a Director on the Board on August 06, 2020

In 2020, the Board Audit Committee held 4 meetings. The committee was re-constituted during the year. The attendance record of the Directors is as follows:

Director's Name	Meetings Attended
Mr. Kaiser Bengali	4
Mr. Shabbir Hashmi	4
Mr. Hasnain Moochhala	2
Mr. Farooq Barkat Ali	1

In 2020, the Board People's Committee held 1 meeting. The attendance record of the Directors is as follows:

Director's Name	Meetings Attended
Ms. Fauzia Viqar	1
Mr. Shahab Qader	1
Mr. Vaqar Zakaria	1



Ahsan Zafar Syed
Chairman
February 11, 2021



Shahab Qader
Chief Executive Officer

quarterly analysis

Quarter 1

Operating Performance

The EPQL Plant demonstrated a billable availability factor of 100% in Q1 2020 as compared to 99.8% in the same period last year. It dispatched a total Net Electrical Output (NEO) of 172GWh to the national grid with a load factor of 37% compared to 67% in Q1 2019. The decline in load factor this period was primarily on account of lower offtake from the Power Purchaser.

Financial Performance

Sales revenue for the period was PKR 2,802 Mn compared to PKR 3,299 Mn in the same period last year. The decrease in sales revenue is mainly attributable to lower power dispatch in Q1 2020 as compared to the same period in the preceding year. Gross profit for the period stood at PKR 877 Mn as compared to PKR 792 Mn in the same period last year. Increase in gross profit is on account of better absorption of operations and maintenance cost due to higher indexation.

The Company earned a net profit of PKR 895 Mn in Q1 2020 as compared to PKR 713 Mn in Q1 2019. Earnings per share stood at PKR 2.77 as compared to PKR 2.20 for the same period last year.

Quarter 2

Operating Performance

Despite the outbreak of pandemic, EPQL Plant demonstrated a billable availability factor of 99.6% in Q2 2020 as compared to 100% in the same period last year. It dispatched a total Net Electrical Output (NEO) of 93 GWh to the national grid with a load factor of 20% compared to 75% in Q2 2019. The decline in load factor is attributable to lower offtake from EPQL due to its merit order position.

Financial Performance

Sales revenue for Q2 2020 was PKR 1,552 Mn compared to PKR 3,935 Mn in the same period last year. The decrease in sales revenue is mainly attribut-

able to lower power dispatch in Q2 2020 as compared to the same period in the preceding year as well as due to debt servicing component of tariff no longer being applicable from March 27, 2020.

Gross profit for Q2 2020 stood at PKR 335 Mn as compared to PKR 1,274 Mn in the same period last year. Decline in gross profit is primarily due to lower capacity payments.

The Company earned a net profit of PKR 414 Mn in Q2 2020 as compared to PKR 1,154 Mn in Q2 2019. Earnings per share stood at PKR 1.28 as compared to PKR 3.57 for the same period last year.

Quarter 3

Operating Performance

The EPQL Plant demonstrated a billable availability factor of 100% in Q3 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 182 GWh to the national grid with a load factor of 39% compared to 66% in Q3 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 continued to maintain its high level of commitment towards Health, Safety & Environment (HSE) standards.

Financial Performance

Sales revenue for Q3 2020 was PKR 2,609 Mn compared to PKR 3,602 Mn in Q3 2019. The decrease in sales revenue during the quarter is attributable to lower dispatch from EPQL Plant due to lower demand.

Gross profit for Q3 2020 stood at PKR 629 Mn as compared to PKR 723 Mn in the same period last year. The Company earned higher net interest income on receivables from Power Purchaser on account of rising circular debt.

The Company earned a net profit of PKR 722 Mn in

Q3 2020 as compared to PKR 743 Mn in Q3 2019. Earnings per share stood at PKR 2.23 as compared to PKR 2.29 for Q3 2019.

Quarter 4

Operating Performance

The EPQL Plant demonstrated a billable availability factor of 99.3% in Q4 2020. It dispatched a total Net Electrical Output (NEO) of 105 GwH to the national grid with a load factor of 22% compared to 27% in Q4 2019.

Financial Performance

Sales revenue for the period was PKR 1,135 Mn compared to PKR 2,366 Mn in the same period last year. The decrease in sales revenue is attributable to

lower dispatch as well as debt servicing component of tariff no longer being applicable from March 27, 2020.

Gross loss for the period stood at PKR 102 Mn as compared to gross profit of PKR 830 Mn in the same period last year.

The company earned higher interest income on receivables on account of rising circular debt, resulting in net profit of PKR 48 Mn in Q4 2020. Decline in net profit as compared to the same period last year was partly due to lower capacity payments due to removal of debt servicing component from tariff. Earnings per share stood at PKR 0.14 as compared to PKR 2.45 for Q4 2019.

(Amounts in thousands except for EPS)	Q1	Q2	Q3	Q4	FY 2020
	(Rupees)				
Net Sales	2,801,571	1,551,810	2,609,467	1,134,970	8,097,818
Cost of Sales	(1,924,567)	(1,216,567)	(1,980,918)	(1,236,843)	(6,358,895)
Gross Profit	877,004	335,243	628,549	(101,873)	1,738,923
Administrative expenses	(26,078)	(23,622)	(22,925)	(31,099)	(103,724)
Other expenses	(16,972)	(12,959)	(14,927)	(21,492)	(66,350)
Other income	530	78,929	164	58	(79,681)
Profit from operations	834,484	377,591	590,861	(154,406)	1,648,530
Finance income - net	61,805	50,112	130,834	202,964	445,715
Profit before tax	896,289	427,703	721,695	48,558	2,094,245
Tax	(933)	(13,399)	(85)	(658)	(15,075)
Profit after tax	895,356	414,304	721,610	47,900	2,079,170
EPS	2.77	1.28	2.23	0.14	6.42

horizontal analysis

Statement of Financial Position

(Amounts in thousand)

	2020 Rs.	20 Vs. 19 %	2019 Rs.	19 Vs. 18 %	2018 Rs.	18 Vs. 17 %	2017 Rs.	17 Vs. 16 %	2016 Rs.
EQUITY AND LIABILITIES									
EQUITY									
Share capital	3,238,000	-	3,238,000	-	3,238,000	-	3,238,000	-	3,238,000
Share premium	80,777	-	80,777	-	80,777	-	80,777	-	80,777
Maintenance reserve	227,182	-	227,182	-	227,182	-	227,182	-	227,182
Hedging reserve	12,449	(7)	13,325	(6)	14,199	(129)	(49,606)	(29)	(69,416)
Unappropriated profit	12,078,318	16	10,403,899	30	7,972,617	26	6,316,404	27	4,979,272
Remeasurement of retirement benefit obligation - actuarial (loss)/ gain							-	(100)	(1,163)
Total equity	15,636,726	12	13,963,183	21	11,532,775	18	9,812,757	16	8,454,652
NON-CURRENT LIABILITIES									
Borrowings	-	-	-	(100)	758,568	(73)	2,819,315	(39)	4,610,647
Other Payable	986,605	100	-	-	-	-	-	-	-
CURRENT LIABILITIES									
Trade and other payables	5,190,675	(38)	8,406,839	60	5,241,411	57	3,346,430	47	2,277,448
Unclaimed dividend	22,575	(2)	23,002	(4)	23,933	17	20,528	55	13,249
Accrued interest / mark up	55,268	(40)	92,640	72	53,892	74	30,942	25	24,708
Short-term borrowings	3,618,445	(3)	3,712,840	(1)	3,758,495	17	3,208,672	10	2,919,000
Current portion of borrowings	-	(100)	857,047	(69)	2,804,531	37	2,051,918	14	1,792,353
Unpaid dividend	-	(100)	485,700	100	-	-	-	-	-
Total current liabilities	8,886,963	(35)	13,578,068	14	11,882,262	37	8,658,490	23	7,026,758
TOTAL EQUITY AND LIABILITIES	25,510,294	(7)	27,541,251	14	24,173,605	14	21,290,562	6	20,092,057
ASSETS									
NON-CURRENT ASSETS									
Property, plant and equipment	12,685,728	(5)	13,299,480	(3)	13,664,179	4	13,169,212	(3)	13,524,720
Intangible assets	60,459	(12)	68,651	(3)	70,945	(8)	77,044	(5)	80,740
Long-term loans and advances	23,233	(33)	34,659	(65)	100,057	155	39,243	-	39,412
Long-term deposits	2,574	-	2,574	-	2,574	3	2,491	-	2,491
Total non-current assets	12,771,994	(5)	13,405,364	(3)	13,837,755	4	13,287,990	(3)	13,647,363
CURRENT ASSETS									
Inventories	853,335	(1)	863,183	(4)	895,149	2	881,182	5	843,008
Trade debts	7,040,059	(28)	9,806,697	29	7,601,705	36	5,571,570	43	3,896,828
Short-term Investment	49,321	(1)	49,963	(0)	50,004	-	50,000	-	50,000
Loans, advances, deposits and prepayments	104,018	(8)	113,298	(9)	125,059	35	92,400	16	79,524
Other receivables	4,644,272	44	3,225,441	103	1,587,041	19	1,335,280	(9)	1,473,386
Taxes recoverable	34,254	(47)	64,919	1	64,152	(1)	64,731	4	62,325
Balances with banks	13,041	5	12,386	(3)	12,740	72	7,409	(81)	39,623
Total current assets	12,738,300	(10)	14,135,887	37	10,335,850	29	8,002,572	24	6,444,694
TOTAL ASSETS	25,510,294	(7)	27,541,251	14	24,173,605	14	21,290,562	6	20,092,057

Note: Commercial operations commenced from March 27, 2010

vertical analysis

Statement of Financial Position

(Amounts in thousand)

	2020		2019		2018		2017		2016	
	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%
EQUITY AND LIABILITIES										
EQUITY										
Share capital	3,238,000	13	3,238,000	12	3,238,000	13	3,238,000	15	3,238,000	16
Share premium	80,777	-	80,777	-	80,777	-	80,777	-	80,777	-
Maintenance reserve	227,182	1	227,182	1	227,182	1	227,182	1	227,182	1
Hedging reserve	12,449	-	13,325	-	14,199	-	(49,606)	-	(69,416)	-
Unappropriated profit	12,078,318	47	10,403,899	38	7,972,617	33	6,316,404	30	4,979,272	25
Remeasurement of retirement benefit obligation - actuarial (loss)/ gain	-	-	-	-	-	-	-	-	(1,163)	-
Total equity	15,636,726	61	13,963,183	51	11,532,775	48	9,812,757	46	8,454,652	42
NON-CURRENT LIABILITIES										
Borrowings	-	-	-	-	758,568	3	2,819,315	13	4,610,647	23
Other Payable	986,605	4	-	-	-	-	-	-	-	-
CURRENT LIABILITIES										
Trade and other payables	5,190,675	20	8,406,839	31	5,241,411	22	3,346,430	16	2,277,448	11
Unclaimed dividend	22,575	-	23,002	-	23,933	-	20,528	-	13,249	-
Accrued interest / mark up	55,268	-	92,640	-	53,892	-	30,942	-	24,708	-
Short-term borrowings	3,618,445	14	3,712,840	13	3,758,495	16	3,208,672	15	2,919,000	15
Current portion of borrowings	-	-	857,047	3	2,804,531	12	2,051,918	10	1,792,353	9
Unpaid dividend	-	-	485,700	2	-	-	-	-	-	-
Total current liabilities	8,886,963	35	13,578,068	49	11,882,262	49	8,658,490	41	7,026,758	35
TOTAL EQUITY AND LIABILITIES	25,510,294	100	27,541,251	100	24,173,605	100	21,290,562	100	20,092,057	100
ASSETS										
NON-CURRENT ASSETS										
Property, plant and equipment	12,685,728	50	13,299,480	48	13,664,179	57	13,169,212	62	13,524,720	68
Intangible assets	60,459	-	68,651	-	70,945	-	77,044	-	80,740	-
Long-term loans and advances	23,233	-	34,659	-	100,057	-	39,243	-	39,412	-
Long-term deposits	2,574	-	2,574	-	2,574	-	2,491	-	2,491	-
Total non-current assets	12,771,994	50	13,405,364	48	13,837,755	57	13,287,990	62	13,647,363	68
CURRENT ASSETS										
Inventories	853,335	3	863,183	3	895,149	4	881,182	6	843,008	6
Trade debts	7,040,059	29	9,806,697	36	7,601,705	31	5,571,570	26	3,896,828	19
Short-term Investment	49,321	-	49,963	-	50,004	-	50,000	-	50,000	-
Loans, advances, deposits and prepayments	104,018	-	113,298	1	125,059	1	92,400	-	79,524	-
Other receivables	4,644,272	18	3,225,441	12	1,587,041	7	1,335,280	6	1,473,386	7
Taxes recoverable	34,254	-	64,919	-	64,152	-	64,731	-	62,325	-
Balances with banks	13,041	-	12,386	-	12,740	-	7,409	-	39,623	-
Total current assets	12,738,300	50	14,135,887	52	10,335,850	43	8,002,572	38	6,444,694	32
TOTAL ASSETS	25,510,294	100	27,541,251	100	24,173,605	100	21,290,562	100	20,092,057	100

Note: Commercial operations commenced from March 27, 2010

horizontal and vertical analyses

Statement of Profit or Loss

(Amounts in thousand)

	2020 Rs.	20 Vs. 19 %	2019 Rs.	19 Vs. 18 %	2018 Rs.	18 Vs. 17 %	2017 Rs.	17 Vs. 16 %	2016 Rs.	16 Vs. 15 %
Horizontal Analysis										
Sales	8,097,818	(39)	13,201,094	11	11,874,365	2	11,589,512	1	11,451,782	(14)
Cost of Sales	(6,358,895)	(34)	(9,584,745)	8	(8,837,993)	-	(8,863,784)	(4)	(9,194,925)	(15)
Gross profit	1,738,923	(52)	3,616,349	19	3,036,372	11	2,725,728	21	2,256,857	(9)
Administrative Expenses	(103,724)	4	(99,509)	(21)	(125,582)	8	(116,754)	(18)	(143,187)	4
Other expenses	(66,350)	21	(54,807)	(38)	(87,894)	49	(58,835)	(7)	(62,998)	(44)
Other income	79,681	4,779	1,633	(9)	1,785	(98)	110,224	12	98,761	1,301
Profit from operations	1,648,530	(52)	3,463,666	23	2,824,681	6	2,660,363	24	2,149,433	(4)
Finance income / (cost) - net	445,715	(873)	(57,663)	(71)	(196,005)	(27)	(269,221)	(25)	(361,088)	(18)
Profit before taxation	2,094,245	(39)	3,406,003	30	2,628,676	10	2,391,142	34	1,788,345	(1)
Taxation	(15,075)	354	(3,321)	212	(1,063)	114	(497)	(24)	(657)	(15)
Profit for the year	2,079,170	(39)	3,402,682	29	2,627,613	10	2,390,645	34	1,787,688	(1)

	2020		2019		2018		2017		2016	
	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%
Vertical Analysis										
Sales	8,097,818	100	13,201,094	100	11,874,365	100	11,589,512	100	11,451,782	100
Cost of Sales	(6,358,895)	(79)	(9,584,745)	(73)	(8,837,993)	(74)	(8,863,784)	(76)	(9,194,925)	(80)
Gross profit	1,738,923	21	3,616,349	27	3,036,372	26	2,725,728	24	2,256,857	20
Administrative expenses	(103,724)	(1)	(99,509)	(1)	(125,582)	(1)	(116,754)	(1)	(143,187)	(1)
Other expenses	(66,350)	(1)	(54,807)	-	(87,894)	(1)	(58,835)	(1)	(62,998)	(1)
Other income	79,681	1	1,633	-	1,785	-	110,224	1	98,761	1
Profit from operations	1,648,530	20	3,463,666	26	2,824,681	24	2,660,363	23	2,149,433	19
Finance income / (cost) - net	445,715	6	(57,663)	-	(196,005)	(2)	(269,221)	(2)	(361,088)	(3)
Profit before taxation	2,094,245	26	3,406,003	26	2,628,676	22	2,391,142	21	1,788,345	16
Taxation	(15,075)	-	(3,321)	-	(1,063)	-	(497)	-	(657)	-
Profit for the year	2,079,170	26	3,402,682	26	2,627,613	22	2,390,645	21	1,787,688	16

Note: Commercial operations commenced from March 27, 2010

summary

(Amounts in thousand)

2020 2019 2018 2017 2016 2015
(Rupees)

Summary of Balance Sheet

Share capital	3,238,000	3,238,000	3,238,000	3,238,000	3,238,000	3,238,000
Maintenance Reserve	227,182	227,182	227,182	227,182	227,182	227,182
Shareholders' funds / Equity	15,636,726	13,963,183	11,532,775	9,812,757	8,454,652	7,488,770
Long term borrowings	-	857,047	3,563,099	4,871,233	6,403,000	8,045,654
Other payable	3,295,495	-	-	-	-	-
Capital employed	15,636,726	14,820,230	15,095,874	14,683,990	14,857,652	15,534,424
Property, plant & equipment	12,685,728	13,299,480	13,664,179	13,169,212	13,524,720	14,078,859
Long term assets	12,771,994	13,405,364	13,837,755	13,287,990	13,647,363	14,199,405
Net current assets (liabilities)/ Working capital	6,160,227	1,414,866	1,258,119	1,396,000	1,210,289	1,335,019

Summary of Profit or Loss

Sales	8,097,818	13,201,094	11,874,365	11,589,512	11,451,782	13,353,543
Gross profit	1,738,923	3,616,349	3,036,372	2,725,728	2,256,857	2,482,562
Profit from operations	1,648,530	3,463,666	2,824,681	2,660,363	2,149,433	2,239,751
Profit before taxation	2,094,245	3,406,003	2,628,676	2,391,142	1,788,345	1,798,259
Profit for the year	2,079,170	3,402,682	2,627,613	2,390,645	1,787,688	1,797,488
EBITDA	3,365,696	4,799,969	3,859,641	3,562,175	2,932,463	2,986,138

Summary of Cash Flows

Net cash flow from operating activities	2,457,308	4,234,290	3,376,823	3,051,685	2,311,283	2,861,624
Net cash flow from investing activities	(53,889)	(114,387)	(162,582)	(83,532)	(179,401)	(263,016)
Net cash flow from financing activities	(2,308,369)	(4,124,606)	(3,758,729)	(3,290,039)	(2,888,570)	(2,768,969)
Changes in cash & cash equivalents	95,050	(4,703)	(544,488)	(321,886)	(756,688)	(170,361)
Cash & cash equivalents at year end	(3,605,404)	(3,700,454)	(3,695,751)	(3,151,263)	(2,829,377)	(2,072,689)

Summary of Actual Production

	(MWh)					
Maximum Generation Possible	1,865,859	1,867,043	1,863,724	1,869,812	1,881,005	1,855,782
Declared Capacity Billable	1,860,213	1,865,583	1,862,203	1,874,511	1,886,110	1,850,050
Net Electrical Output	550,415	1,097,427	1,526,309	1,737,346	1,264,667	1,424,015

cash flow statement - direct method

(Amounts in thousand)

2020 2019
(Rupees)

Cash Flows From Operating Activities

Cash receipts from customers - net	11,873,000	11,085,520
Cash paid to suppliers / service providers and employees - net	(9,304,397)	(6,667,293)
Payment to Workers' Profit Participation fund - net	(126,885)	(179,849)
Taxes recovered / (paid) - net	15,590	(4,088)
Net cash generated from operating activities	2,457,308	4,234,290

Cash Flows From Investing Activities

Purchase of property, plant and equipment	(71,471)	(29,860)
Purchase of intangible assets	(61,732)	(34,564)
Investments made during the year	(1,898,259)	(49,963)
Investments encashed/matured during the year	1,977,573	-
Net cash utilised in investing activities	(53,889)	(114,387)

Cash Flows From Financing Activities

Repayments of long-term borrowings	(916,361)	(3,106,359)
Finance cost paid	(501,130)	(531,616)
Dividends paid	(890,878)	(486,631)
Net cash utilised in financing activities	(2,308,369)	(4,124,606)

Net decrease in cash and cash equivalents

95,050 (4,703)

Cash and cash equivalents at beginning of the year

(3,700,454) (3,695,751)

Cash and cash equivalents at end of the year

(3,605,404) (3,700,454)

Free Cash Flows

Net cash generated from operating activities	2,457,308	4,234,290
Capital expenditures	(133,203)	(64,424)
Free cash flows	2,324,105	4,169,866

Net repayment of borrowings

(916,361) (3,106,359)

Free cash flow available to equity shareholders

1,407,744 1,063,507

Free cash flows to equity shareholders represent the cash a company can generate after required investment to maintain or expand its asset base and net repayment of debt. It is a measurement of a company's financial performance and health.

ratios of last six years

(Ratios)		2020	2019	2018	2017	2016	2015
Profitability Ratios:							
Gross profit to sales	%	21%	27%	26%	24%	20%	19%
Net profit to sales	%	26%	26%	22%	21%	16%	13%
EBITDA Margin to Sales	%	42%	36%	33%	31%	26%	22%
Return on Equity	%	13%	24%	23%	24%	21%	24%
Return on Capital Employed	%	14%	23%	18%	16%	12%	12%
Operating leverage ratio	Times	0.9	2.6	4.0	23.1	0.2	(1.1)
Liquidity Ratios:							
Current ratio	Times	1.43	1.04	0.87	0.92	0.92	0.94
Quick / acid test ratio	Times	1.34	0.98	0.79	0.82	0.80	0.80
Cash and cash equivalents to Current Liabilities	%	(41%)	(27%)	(31%)	(36%)	(40%)	(37%)
Cash flow from Operations to Sales	%	30%	32%	28%	26%	20%	21%
Activity / Turnover Ratios:							
No. of days in receivables	Days	380	241	202	149	106	68
Debtors turnover ratio.	Times	0.96	1.52	1.80	2.45	3.44	5.39
No. of days in payables	Days	317	194	111	41	11	5
Credit turnover ratio.	Times	1.15	1.88	3.28	8.82	32.17	69.79
Total assets turnover ratio	Times	0.32	0.48	0.49	0.54	0.57	0.68
Fixed Assets turnover ratio	Times	0.63	0.98	0.86	0.87	0.84	0.94
Operating cycle	Days	62	47	91	108	95	62
Investment / Market Ratios:							
Earnings per share	(PKR)	6.42	10.51	8.11	7.38	5.52	5.55
Price earnings ratio	(Times)	3.10	2.49	3.51	4.47	6.33	6.16
Price to book ratio	(Times)	0.41	0.61	0.80	1.09	1.34	1.48
Dividend payout ratio	(%)	47%	29%	18%	44%	54%	63%
Dividend cover ratio	(%)	214%	350%	541%	227%	184%	159%
Dividend yield ratio	(%)	15%	11%	5%	10%	9%	10%
Market value per share at the end of the year and high during the year	(PKR)	19.90	26.19	28.50	33.02	34.95	34.18
low during the year	(PKR)	27.63	30.45	35.50	38.25	35.47	46.50
Breakup value per share	(PKR)	17.17	18.93	28.00	30.55	28.55	34.00
Cash dividend per share	(PKR per share)	48.29	43.12	35.62	30.30	26.11	23.13
		3.00	3.00	1.50	3.25	3.00	3.50
Capital Structure Ratios:							
Financial leverage ratio	(Times)	0.00	0.06	0.31	0.50	0.76	1.07
Weighted average cost of debt	(%)	5%	8%	6%	5%	4%	4%
Debt to Equity ratio (as per book)	(Times)	0.00	0.06	0.31	0.50	0.76	1.07
Debt to Equity ratio (as per market value)	(Times)	0.00	0.10	0.39	0.46	0.57	0.73
Interest cover ratio	(Times)	79.39	19.61	10.61	9.83	7.24	7.19

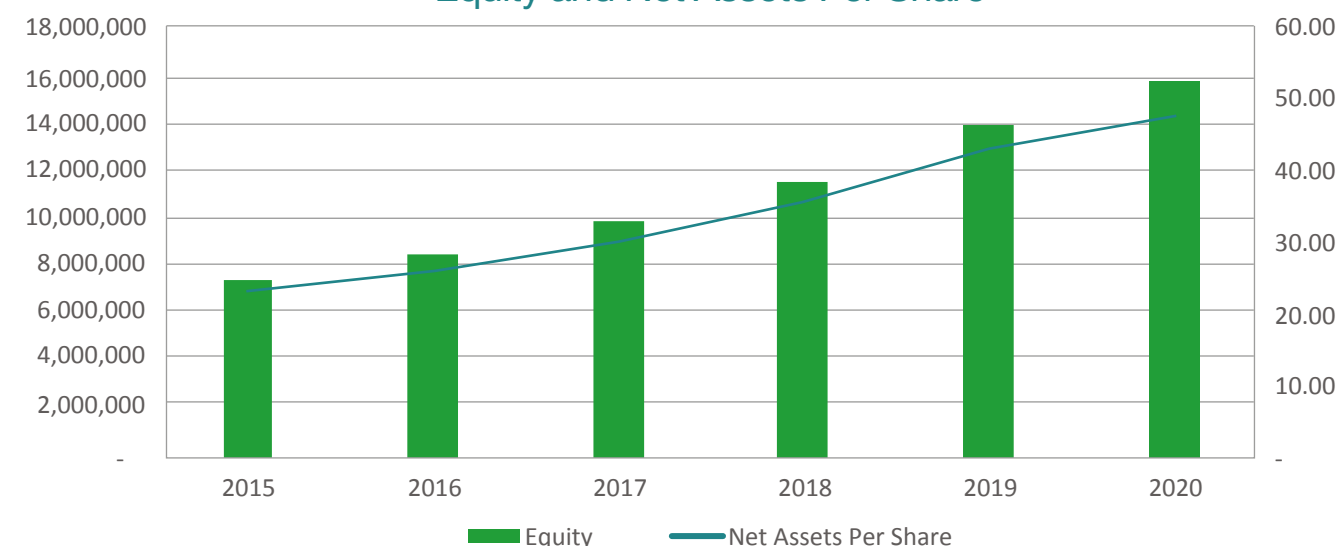
Statements of analysis

The gross profit margin of the Company has decreased compared to 2019 on account of lower dispatch as well as debt servicing component of tariff no longer being applicable from March 27,2020.

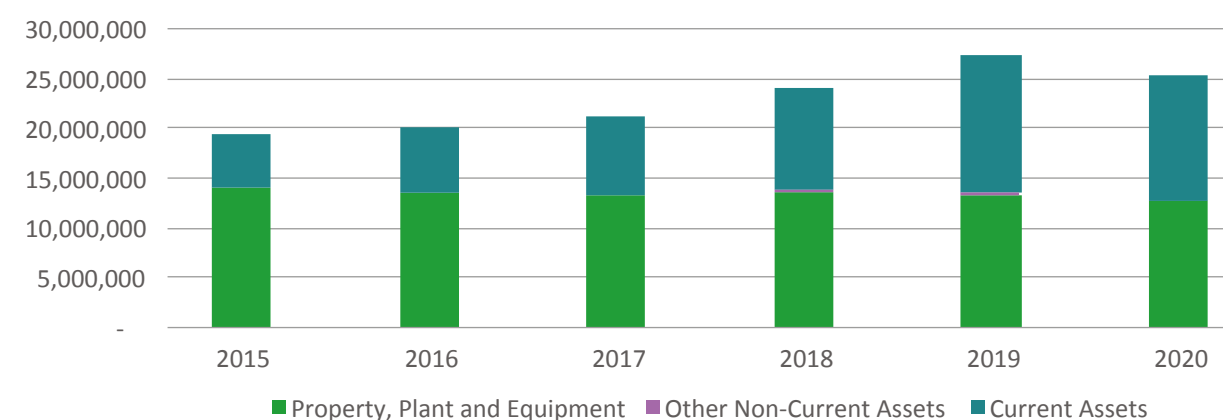
Effective working capital management has helped us to maintain our liquidity ratios at a comfortable level despite a surge in circular debt buildup this year.

snapshots

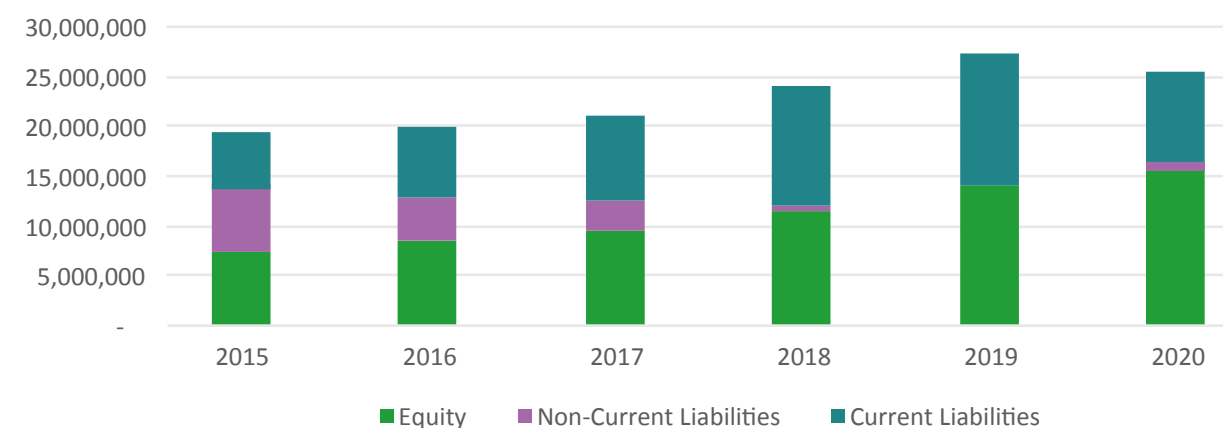
Equity and Net Assets Per Share



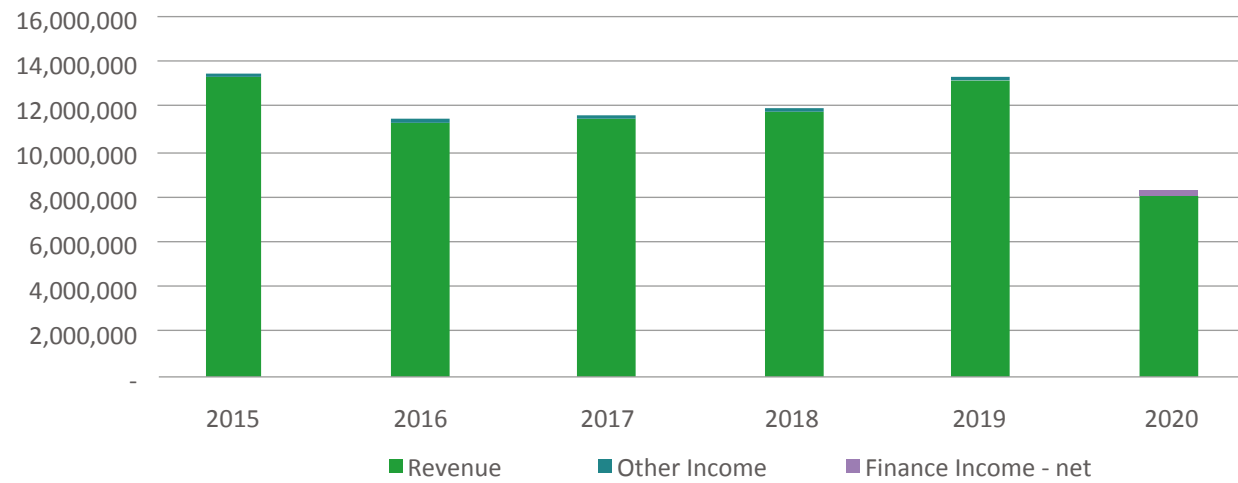
Balance Sheet Analysis (Assets) (Rs. 000's)



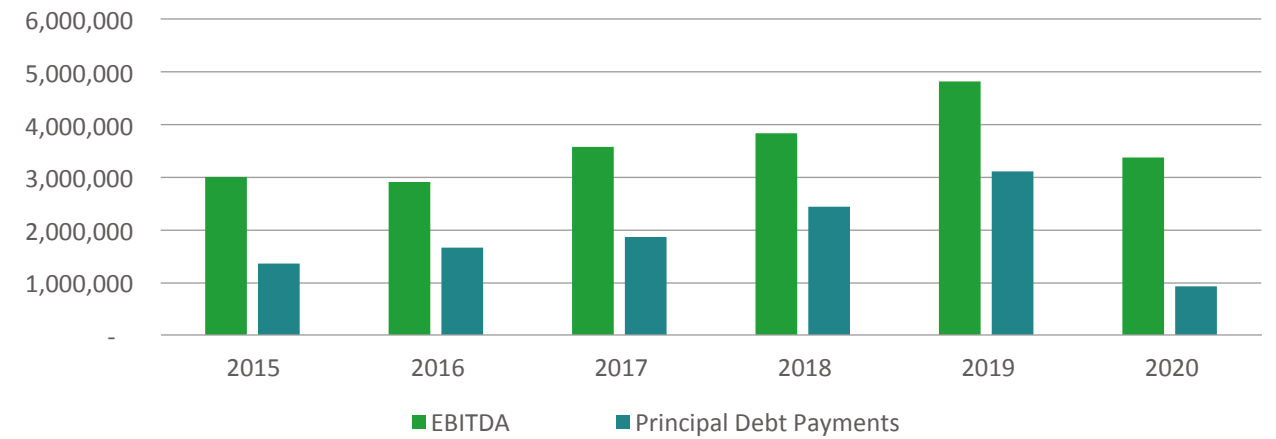
Balance Sheet Analysis (Equity and Liabilities) (Rs. 000's)



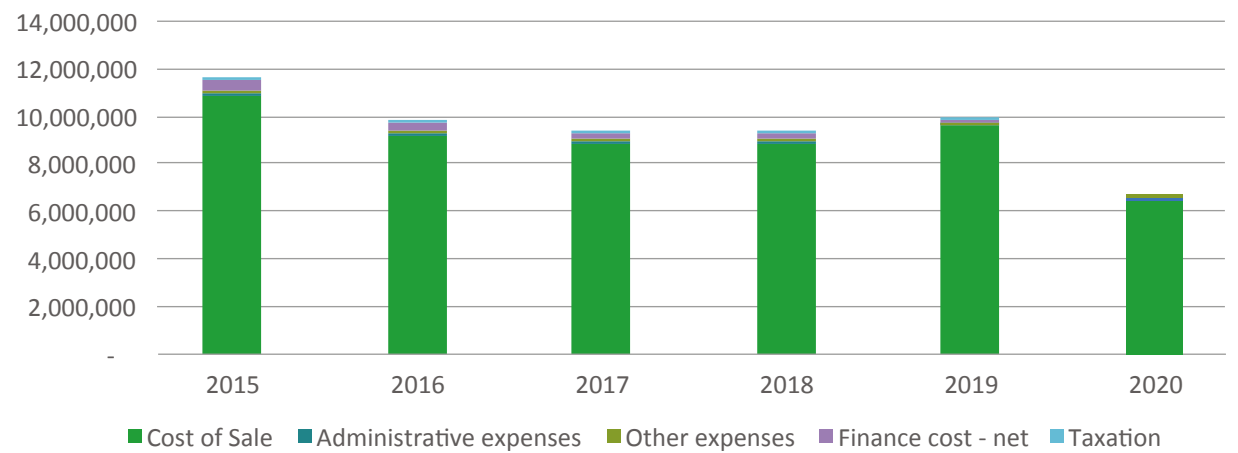
Profit and Loss Analysis (Income) (Rs. 000's)



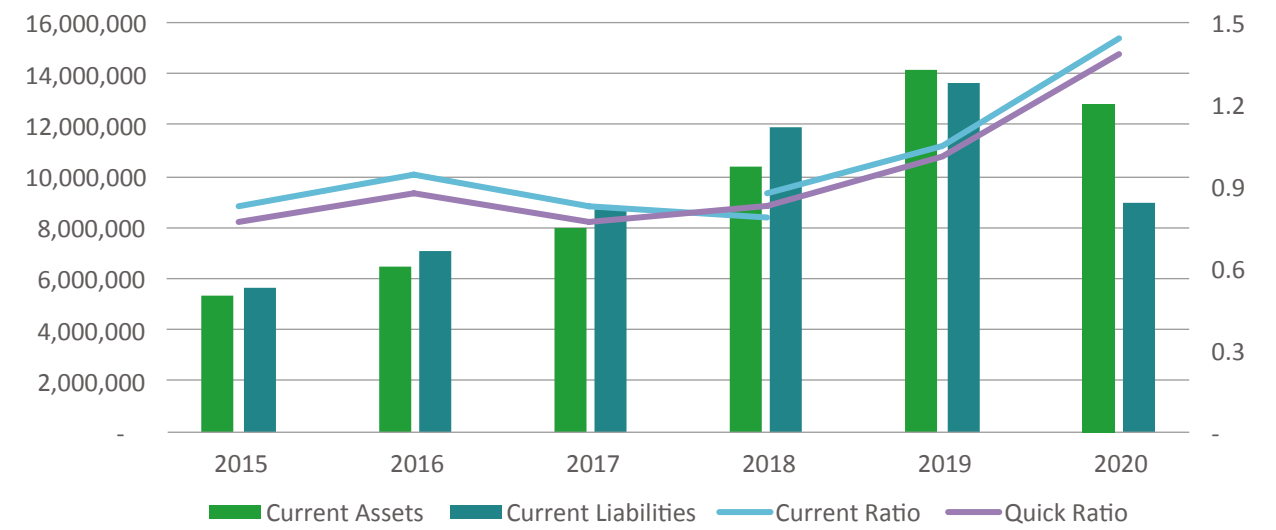
EBITDA and Principal Debt Repayments (Rs. in 000's)



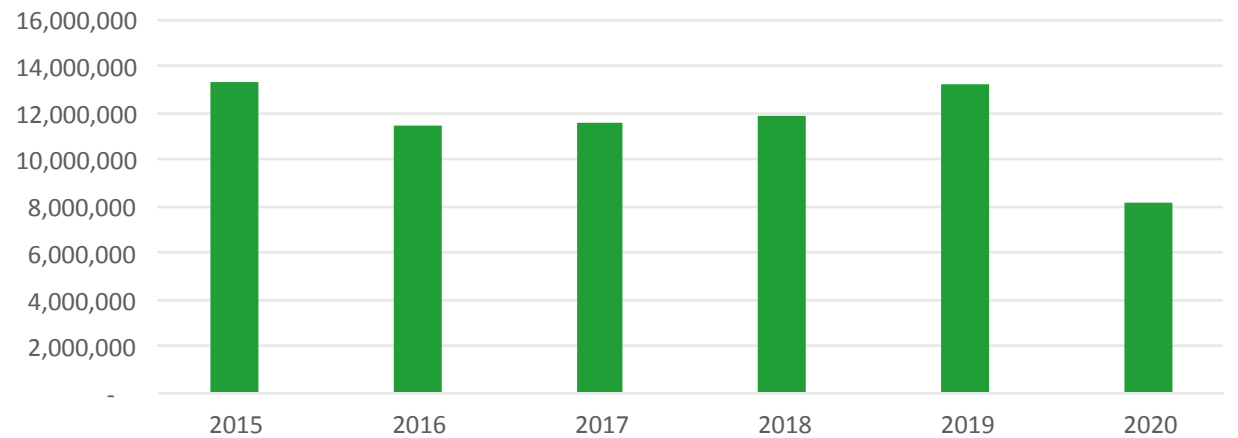
Profit and Loss Analysis (Expenses) (Rs. 000's)



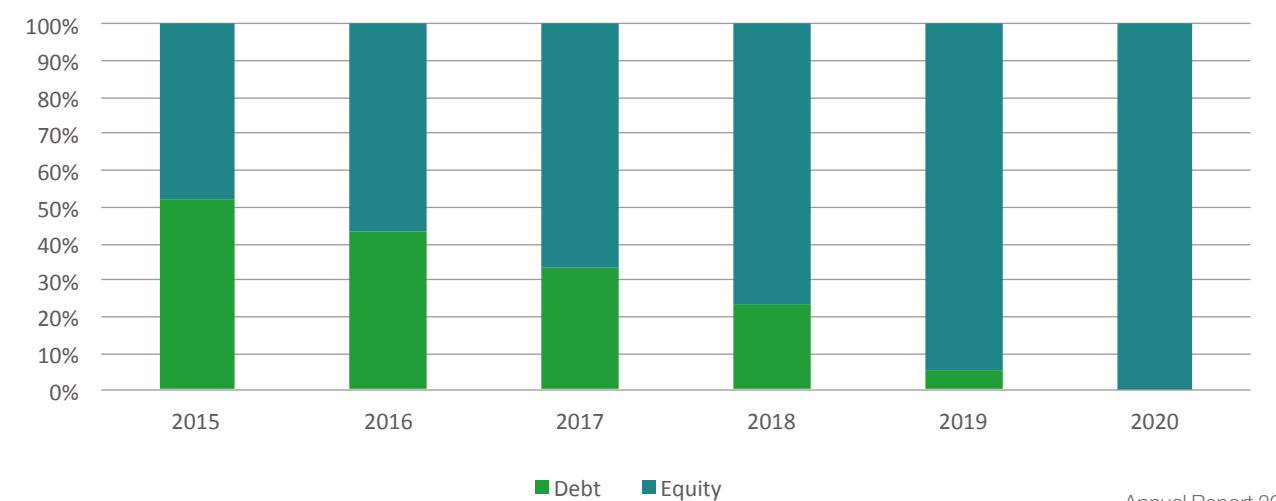
Liquidity Analysis (Rs. in 000's)



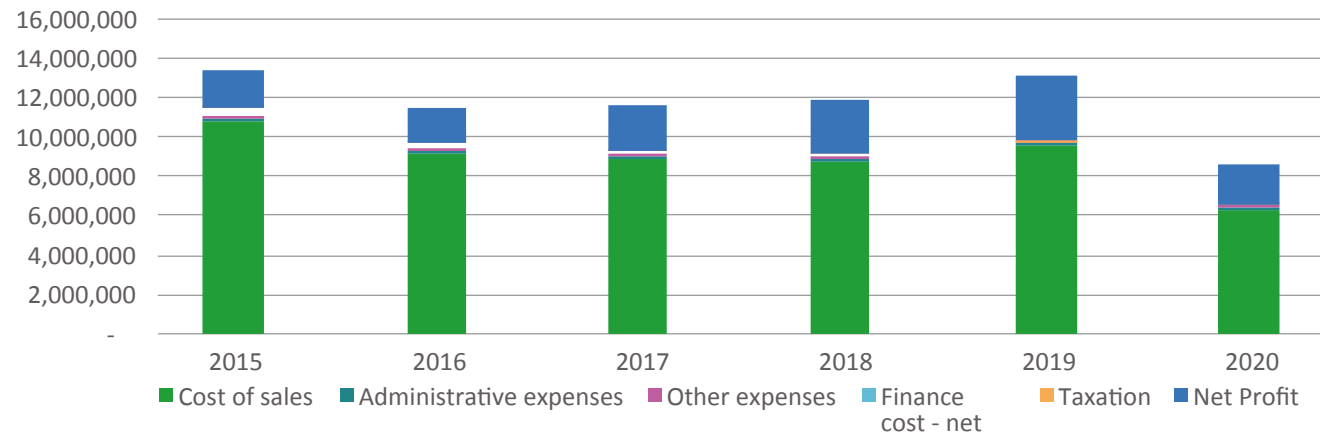
Sales (Rs. in 000's)



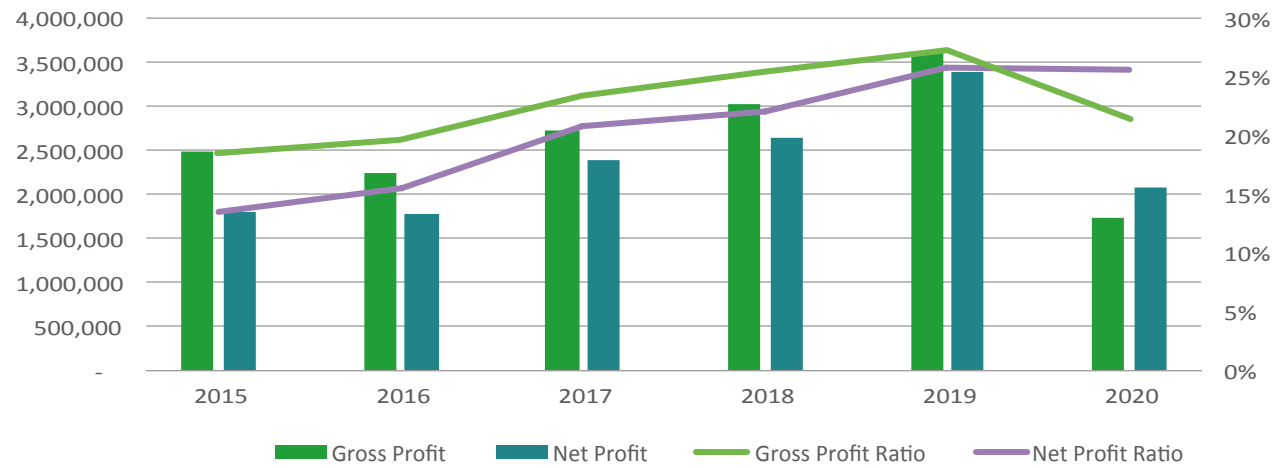
Capital Structure



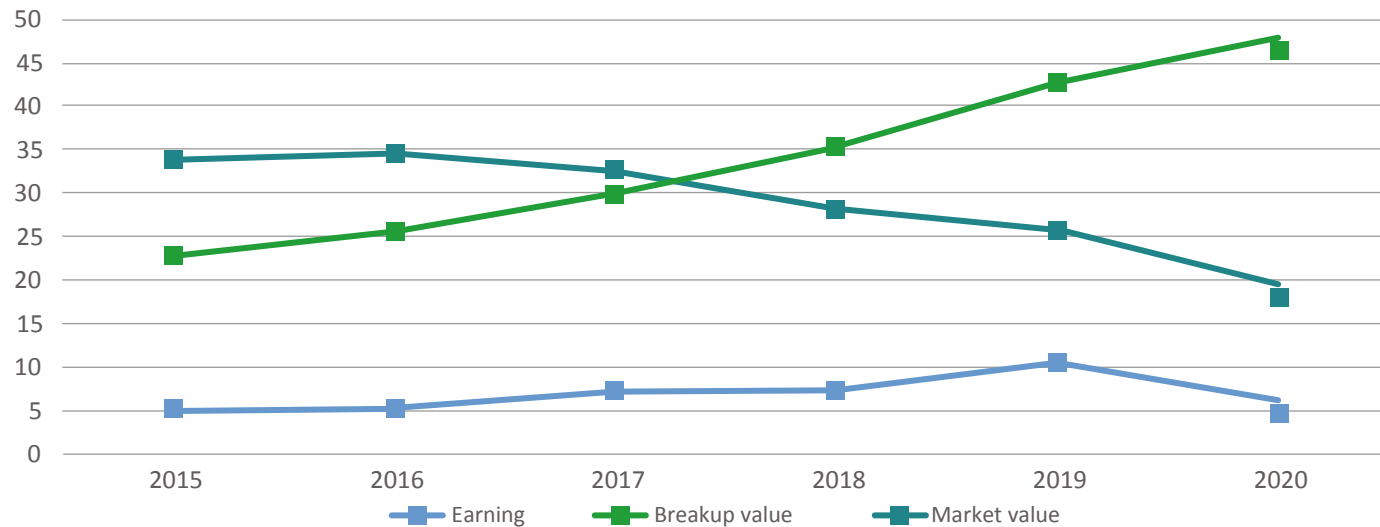
Income Analysis (Rs. 000's)



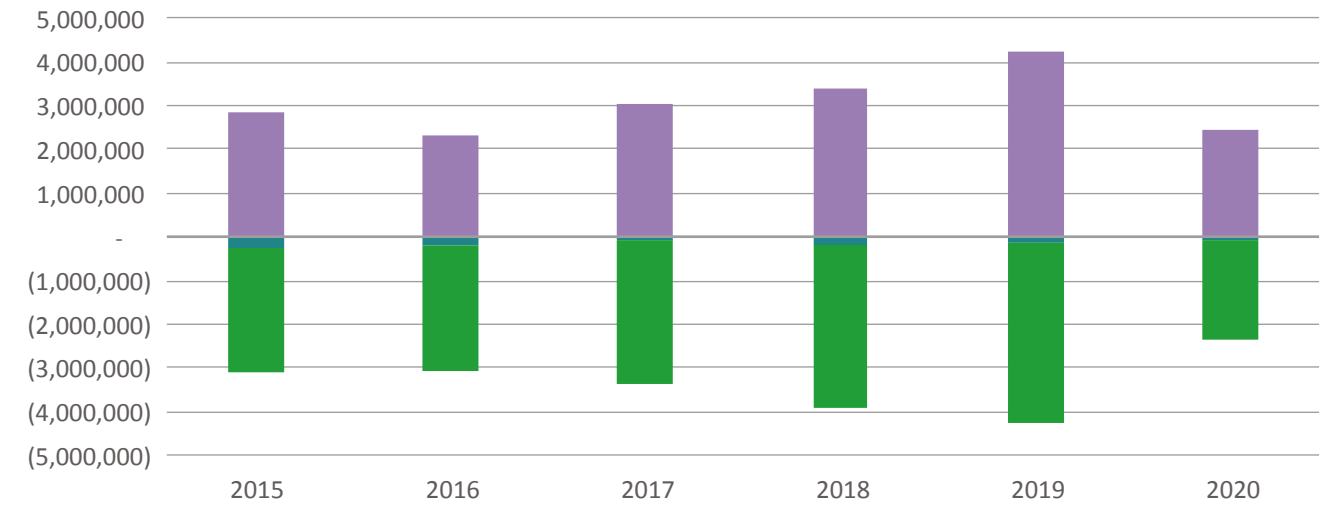
Gross Profit and Net Profit (Rs. in 000's)



Earnings, Break Up Value and Market Value (in Rs. per share)

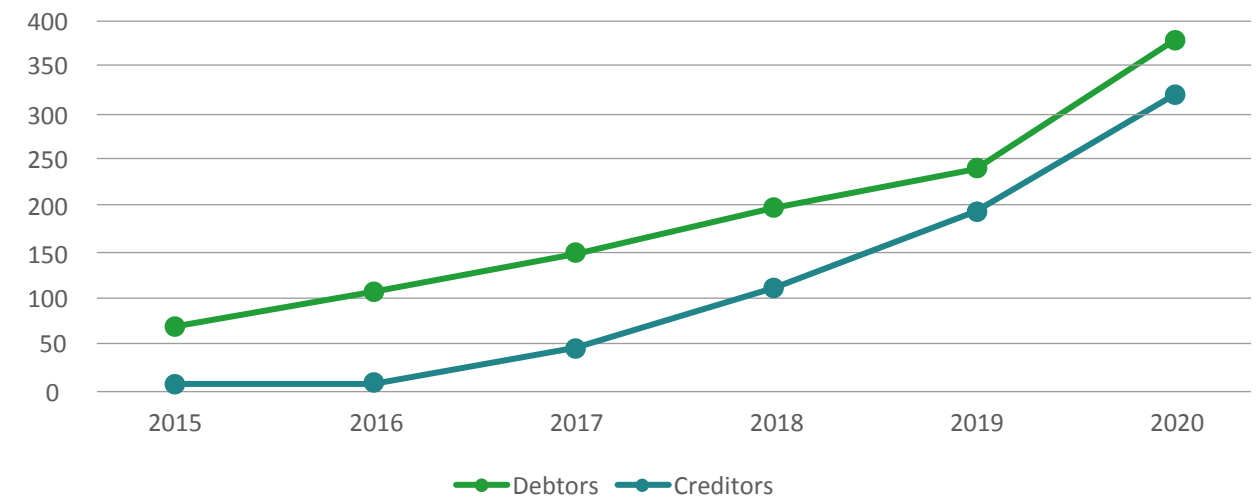


Cash Flow Analysis (Rs. in 000's)

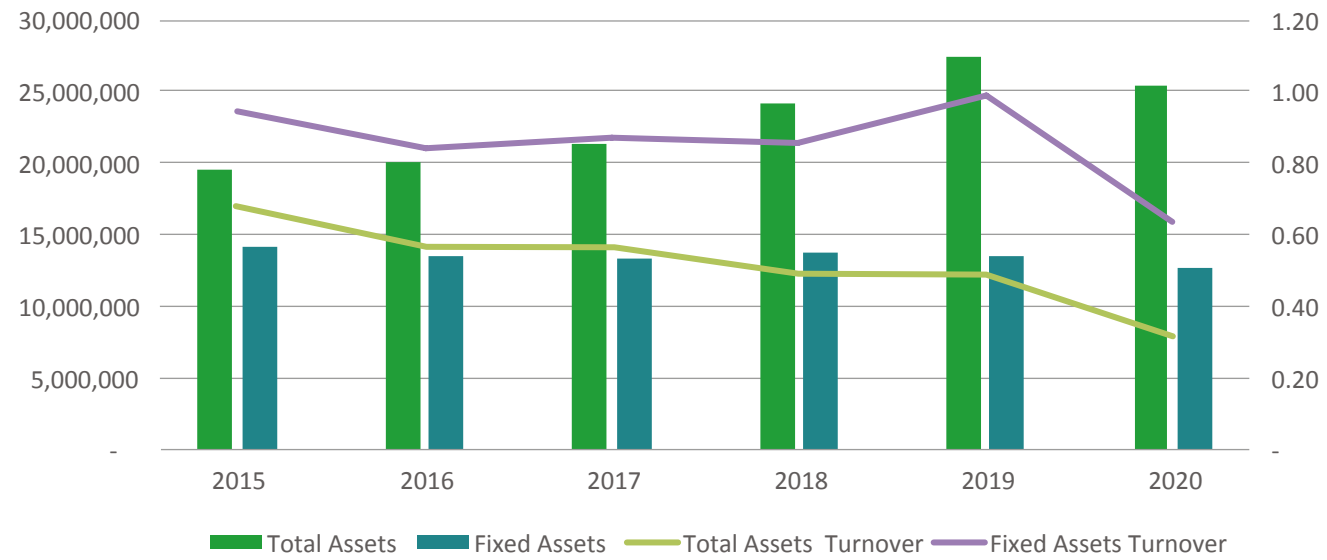


■ Net cash generated from operating activities
 ■ Net cash used in investing activities
 ■ Net cash used in financing activities

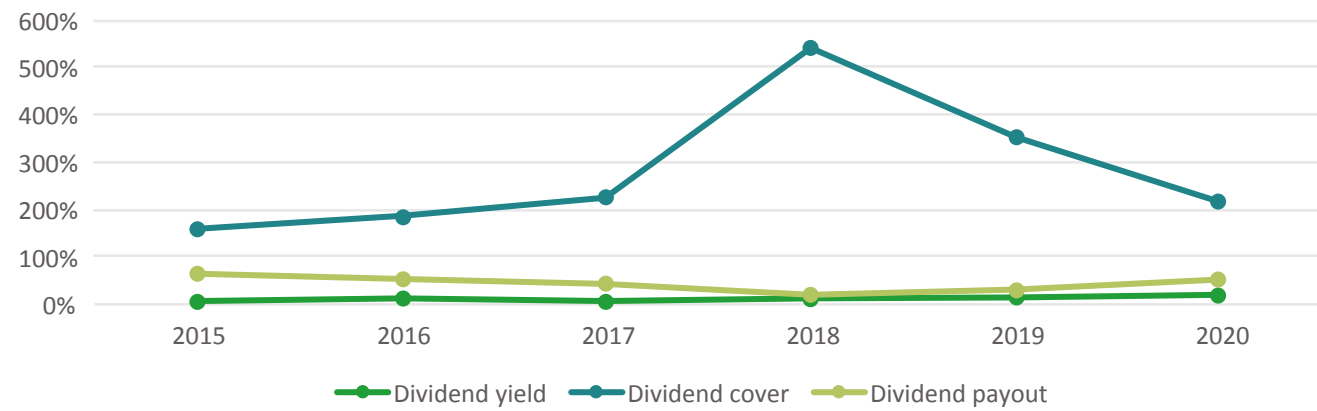
Operating Life Cycle Ratios in Days



Total Assets and Fixed Assets Turnover (Rs. in 000's & in Times)

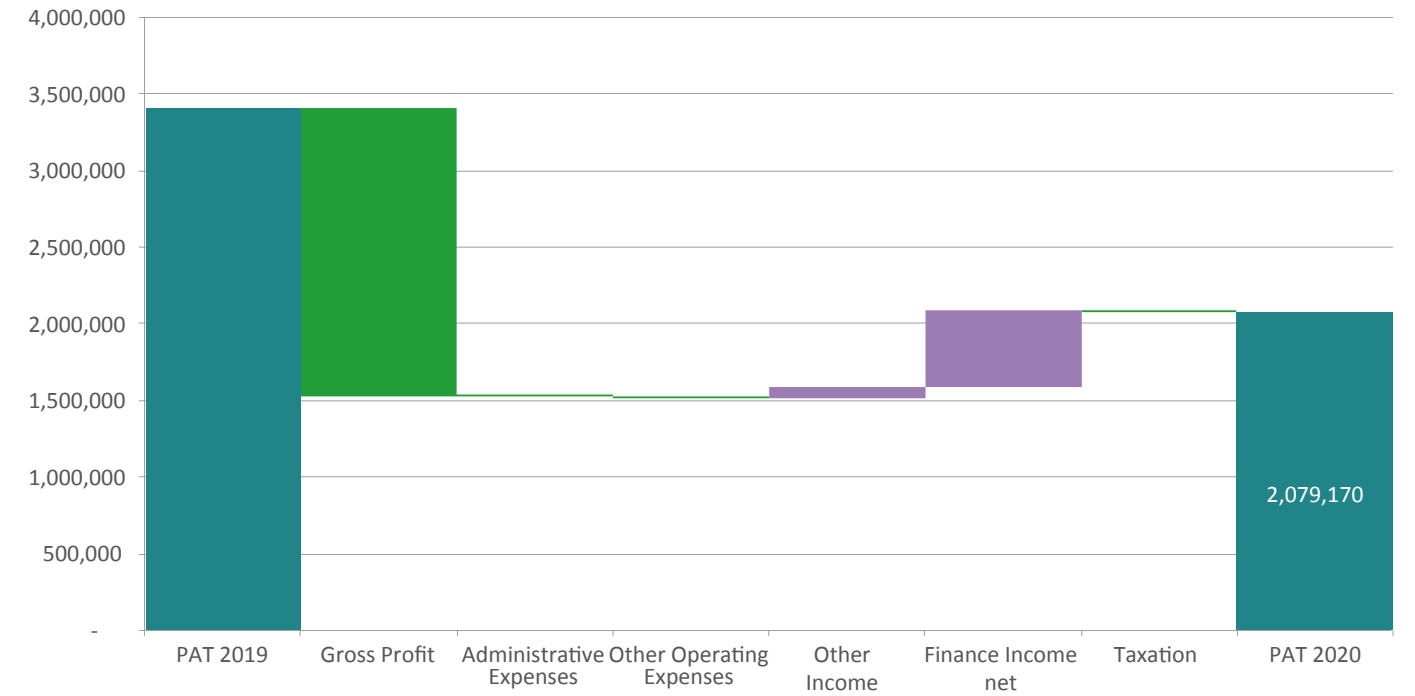


Dividend Yield, Cover and Payout (in Percentages)

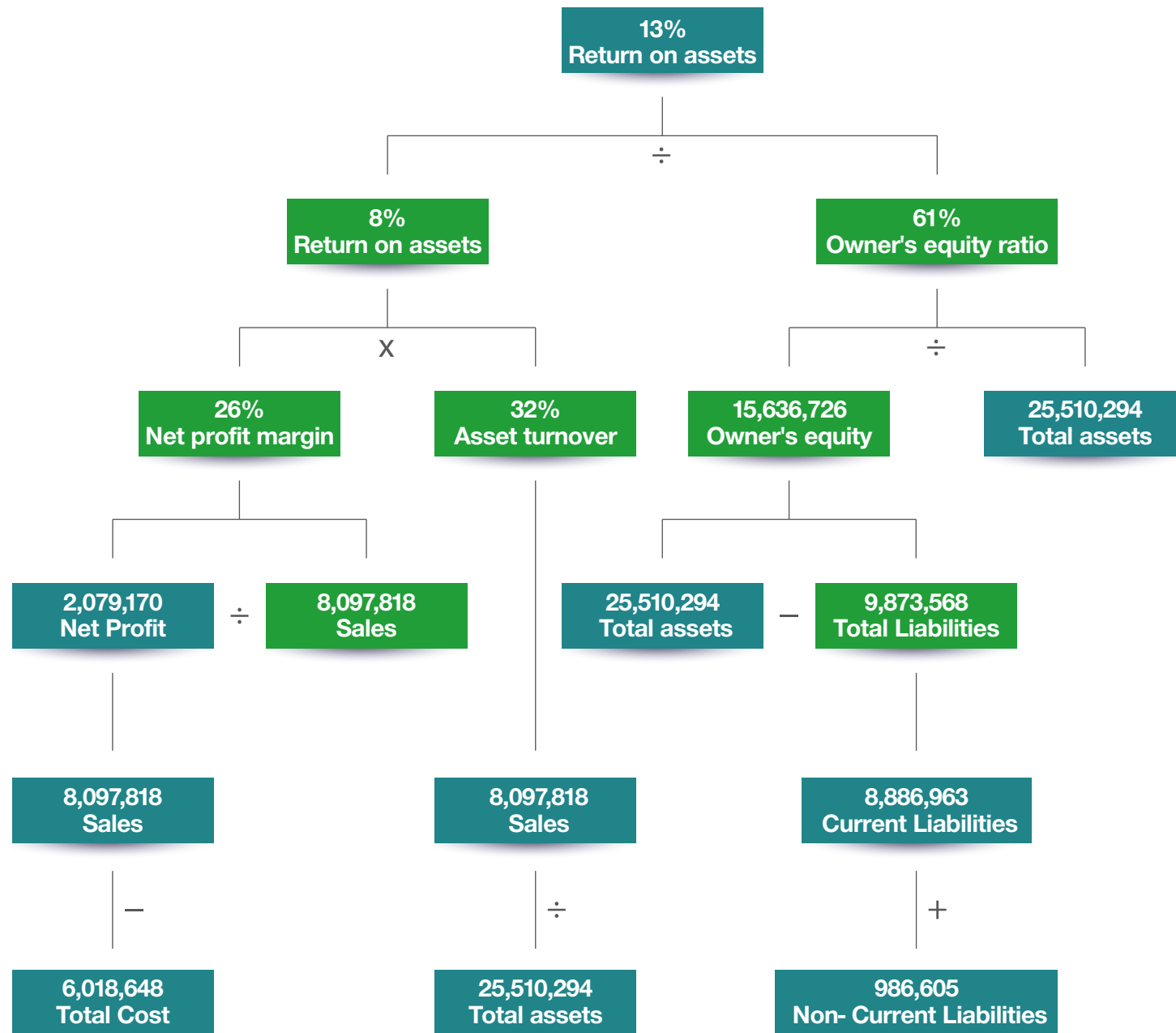


variance analysis

Variance Analysis (Rs. in 000's)



dupont analysis



* Amounts in Thousands

statement of value addition and distribution

(Amounts in thousand)

Wealth Generated

Total revenue inclusive of sales tax and other income - net
Bought-in-raw material and services

Wealth Distributed

To Employees

Salaries, benefits and other costs

To Government

Taxes and duties

To Society

Donation towards education, health, environment and natural disaster

To Providers of Capital

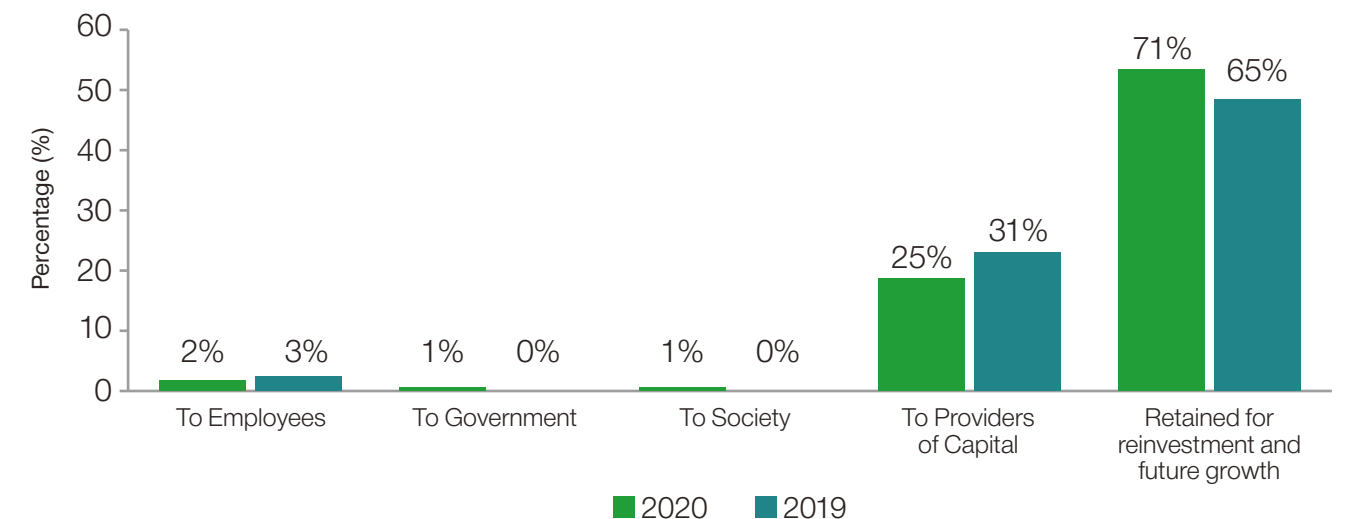
Dividend to shareholders
Mark-up/interest expense on borrowed money

Retained for reinvestment and future growth

Depreciation, amortization and retained profit (net of dividend paid)

	2020	2019
	(Rupees)	
	9,909,190	15,136,554
	(6,425,638)	(10,126,156)
	<u>3,483,552</u>	<u>5,010,398</u>
	78,870	171,513
	25,381	18,371
	28,680	23,867
	404,751	971,400
	463,758	570,364
	<u>1,419,199</u>	<u>2,164,075</u>
	2,482,112	3,254,883
	<u>3,483,552</u>	<u>5,010,398</u>

Statement of Value Addition 2020 vs. 2019



engaging stakeholders

EPQL understands the importance of stakeholder engagement and recognizes that there is no better way to ensure that our Company remains a responsible corporate citizen having a positive impact on all our stakeholders. We engage with our stakeholders both formally and informally, periodically and regularly.

EPQL's stakeholders include:

Investors, lenders and shareholders

Investors and shareholders are engaged through our Annual General Meeting as well as our Corporate Reports (quarterly, half yearly & annual reports), which include comprehensive information on both financial and non-financial matters related to the Company. Further, analyst briefings are conducted on quarterly basis, while disclosures to the stock exchange on strategic events are made as and when required.

Customers

Our primary customer is National Transmission and Despatch Company (NTDC). We are in continuous contact and dialogue with our customer through regular meetings and correspondences on business issues.

Suppliers

Our suppliers are engaged through periodic formal and informal meetings/conferences. We regularly provide them with technical assistance related to their business, to benefit both the industry and the economy in which we operate.

Host communities (local to our facilities and throughout Pakistan)

We consider ourselves responsible for our host communities and hold regular interaction in order to understand how we can improve our relationship. The Company is extremely active in health, education, livelihood and environmental projects for the betterment of these communities.

Employees

We concentrate on employee engagement as it is key to performance. A survey is carried out at regular intervals to assess the levels of engagement and motivation at the workplace and based on feedback, areas of weaknesses are improved and strengths held stable.

Government

Moving beyond regulatory compliances, we continue to engage with the government and regulators in public policy lobbying and policy reforms at local, provincial and federal level. EPQL's management frequently engages with government officials on various matters including energy crisis, alternative power, local community development and infrastructure related issues.

Regulators

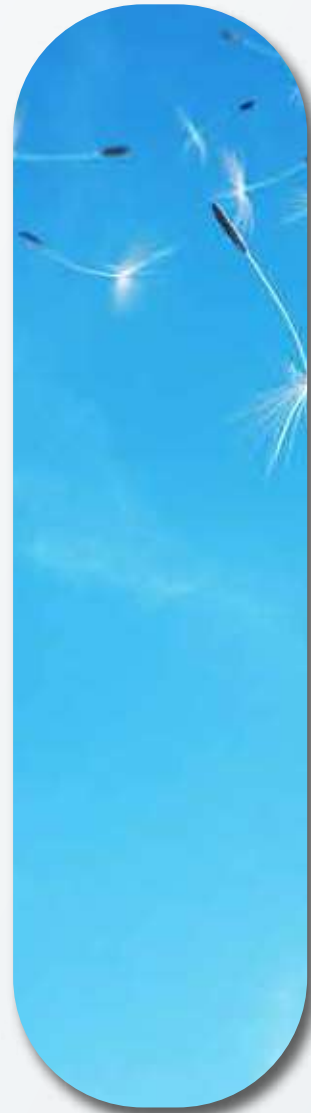
The Company complies with regulatory requirements and in this regard maintains close coordination with relevant regulators including the National Electric Power Regulatory Authority (NEPRA), stock exchange, tax authorities, and Securities and Exchange Commission of Pakistan (SECP).

Media

We engage with the print and visual media through regular press releases on key achievements and disclosures. Throughout the year the Company schedules regular media interactions via briefings on quarter and year-end results; through Plant visits; and through informal conversations throughout the year on the Company's news and updates.

a better world

Our Environmental Stewardship Agenda



our environmental performance

As a leading energy player, we are aware of our commitment to include a broader stakeholder community so we can establish a truly sustainable framework of doing business. We, as a company are passionate about ensuring that our policies & procedures remain eco-friendly and over the years, we have demonstrated our focus on the environment by taking ownership of our environmental footprint year on year.

Environmental Stewardship Strategy

To align our focus on driving an eco-friendlier approach towards doing business we continue to focus our efforts on a four-pronged strategy to manage our investments in health, safety and environment. Based on these identified focus areas, we formulate our own health, safety and environmental stewardship strategy catering to our specific business operations. This agenda includes:

- Environmental Footprint Management
- Adherence to Local Laws and Global Standards
- Occupational Health & Safety
- Conservation of Natural Resources

Over the years, we have been able to maintain business growth while reducing our environmental impact through a focused eco-efficient approach. Our operations are ISO 14001 certified and fully compliant with the national environmental regulations. Moving beyond regulations and compliances, we have adopted strict international best practices on environmental management, like British Safety Council Environmental Program and WWF Green Office certification. We have a sound policy in place with regards to this agenda, which is factually enforced, across our business by designated teams having environmental experts. Our environmental management function is subject to internal audit and independent third-party audits as well.

During the year 2020, Environmental Action Plan and the Social & environmental covenants were regularly monitored, and quarterly reports were sent to Sindh Environmental Protection Agency as per legal requirement with no deviations reported during the year. The major results of the operations-phase environmental monitoring plan are as follows:

Activity	Objectives of monitoring	Parameters to be monitored	Measurements	Location	Frequency	Remarks
Plant noise Emission	To ensure that the noise levels at the plant boundary wall comply with the world bank noise standards	Ambient noise level at the boundary and various locations within the plant	A-weighted noise levels – 24 hours, readings taken at 15 s intervals over 15 min. every hour, and then averaged	Along the plant boundary wall at 100 m intervals and near the various noise emission sources in the plant 15.2 m from the source in four direction	Once in 3-months	Done as per plan. No deviation occurred.

Activity	Objectives of monitoring	Parameters to be monitored	Measurements	Location	Frequency	Remarks
Liquid Effluent Discharge	To ensure the discharge of liquid effluent in compliance with NEQS				Once in 3-months detail analysis. Daily monitoring of pH, TSS and sulphates	Done as per plan. No deviation occurred.
Plant Air Emissions	To ensure that the air emissions from the plant are in compliance with the NEQS and IFC standards	NOx, SOx, CO, and PM10	Plant stack emissions through sampling	At the plant stack	Once every three months on a typical working day	Done as per plan. No deviation occurred.
	To estimate the air emissions from actual fuel consumption	Fuel consumed per day	Estimated through actual fuel usage	Import pipeline gas metering station	Daily	Done as per plan. No deviation occurred.
Ambient Air Quality	To ensure that the ambient air quality around the plant site is within the required standards	NOx, SOx, CO, and PM10	12-hour ambient air sampling at each of the selected points	Maximum points of pollutant concentration worked out from air dispersion modeling	Once in 3 months	Done as per plan. No deviation occurred.
Solid Waste Disposal	To check the availability of waste management system and implementation	Inspection of waste generation, collection, segregation, storage, recycling and disposal will be undertaken at each site of the project activity	Visual inspections, waste records	Plant and office areas	Daily	Done as per plan. No deviation occurred.

certifications

Green Office Certification

The EPQL Site has been certified by WWF as a Green Office. Three (3) indicators were audited for the said purpose; paper reduction, energy conservation and waste reduction, which were all found to be satisfactory by WWF.

DuPont Certification

DuPont's Process Safety system has been acknowledged as one of the top safety management systems worldwide and implemented at site from COD to cater all the process and personal safety risks.

5-S Certification

EPQL has been awarded the 5-S Certification for Warehouse Management by National Productivity Organization (NPO), Ministry of Industries, and Government of Pakistan

ISO-14001 & ISO-45001

The Company conforms to the standards of ISO-14001 and ISO 45001. Surveillance audits are regularly carried out to ensure that the Company remains in conformity with the above certifications.

ISO 55001: 2014 Certification:

In 2020 EPQL was recertified for the ISO 55001:2014 certification by the British Standards Institute (BSI) for effective asset management – making it the first subsidiary in the group to achieve this certification.

occupational health and safety performance of the company:

Indicators:	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Total Number of Man-Hours Worked	709,931	808,501	781,332	982,596	781,332	813,331	834,915	876,296	793,238	551,236
	496,103	587,619	543,877	667,423	543,877	497,340	527,540	589,528	535,003	303,576
Total Number of Fatalities	0	0	0	0	0	0	0	0	0	0
Total Number of Lost Time Accidents	0	0	0	0	0	0	0	0	0	0
Lost Day Rate	0	0	0	0	0	0	0	0	0	0
Fatality Rate	0	0	0	0	0	0	0	0	0	0

Incident Statistics for the year 2020

Total Injuries	0
Fatalities	0
LWIs	0
RWCs	0
MTCs	0
1st Aids	0
Fire	1
Violation of Safety Procedure	42
Environmental Accident	1
Process Safety Incident	5
Near misses	23
Vehicle Incident	1

*MTC: Medical Treatment case

*LWI: Lost Workday Injury

*RWC: Restricted Work Case

summary of waste management

Type of Wastes		Generation (kg/year)	Recovery & Reuse (kg/year)	Treatment / Destruction / Disposal (kg/year)	Recycling Rate (%)
	Item	A	B	C = A - B	D = B / A (%)
Non-hazardous wastes	Iron pieces, Wooden pieces, Papers, Food waste, Toilet waste	11219 Kg (approx.)	0	0	0%
Hazardous wastes	Mixture of Diesel and water	16000 tr (approx.)	0	0	0

For housing colony, the municipal liquid is treated through Effluent Treatment Plant (ETP) and water is discharged to nearby canal after meeting all National Environmental Quality Standard. The solid waste like leaves/paper/wood is given to recycling approved vendors while kitchen waste is incinerated in the incinerator.

ambient air quality compliance

	unit	World Bank Ambient Air Quality Guidelines	Pakistan Ambient Air Quality Standard	Result of Monitoring	Compliance Status
Particulate Matter (<10µm) - Annual Mean - Max 24-hour Average	µg/Nm ³	50 / 150	50 / 150	92	Compliant
SO ₂ - Annual Mean - Max 24-hour Average	µg/Nm ³	80 / 150	80 / 150	6.3	Compliant
NO _x as NO ₂ - Annual Mean - Max 24-hour Average - Max 1-hour Average	µg/Nm ³	100 / 150 / N.A.	100 / 150 / N.A.	11.4	Compliant

Liquid Effluents & Water Usage in 2020



a continual progress

Shareholder Information



notice of the meeting

NOTICE IS HEREBY GIVEN that the Fifteenth Annual General Meeting of Engro Powergen Qadirpur Limited (the “Company”) will be held at Karachi via Video Conferencing, on Wednesday, March 31, 2021 at 10:00 a.m. to transact the following business.

Due to the current situation caused by COVID-19 pandemic, shareholders are requested to attend the meeting through video conference facility managed by the Company as per the instructions given in the notes section.

A. Ordinary Business:

- (1) To receive, consider and adopt the Audited Financial Statements of the Company for the year ended December 31, 2020 along with the Directors' and Auditors' Reports, thereon and the Chairman's Review Report.
- (2) To declare, as recommended by the Directors, the payment of final cash dividend at the rate of PKR 1.75 per share (17.5%) for the year ended December

31, 2020. This is in addition to interim dividends of PKR 1.25 per share (12.5%).

- (3) To appoint Auditors for the year 2021 and fix their remuneration. The Members are hereby notified that the Board Audit Committee and the Board of Directors have recommended the name of retiring Auditors M/s. A.F. Ferguson & Co., Chartered Accountants for re-appointment as Auditors of the Company.

By Order of the Board



SAMEEN ASAD
Company Secretary

Karachi,
February 11, 2021

Participation in the AGM proceeding via the video conference facility:

Due to current COVID-19 situation, the AGM proceedings shall be held via video conference facility only.

Shareholders interested to participate in the meeting are requested to email their Name, Folio Number/Participant's ID number, Cell Number, CNIC/Passport Number with subject "Registration for Engro Powergen Qadirpur Limited AGM" along with valid copy of both sides of Computerized National Identity Card (CNIC) at agm.epql@engro.com, video link and login credentials will be shared with only those members whose emails, containing all the required particulars, are received at least 48 hours before the time of AGM.

Shareholders can also provide their comments and questions for the agenda items of the AGM at the email address agm.epql@engro.com.

- The Share Transfer Books of the Company will be closed from Thursday, March 25, 2021 to Wednesday, March 31, 2021 (both days inclusive). The transfers received in order at the office of the Company's share registrar, M/s. FAMCO Associates (Private) Limited, 8-F, near hotel Faran, Block 6, PECHS, Shahra-e-Faisal, Karachi PABX Nos. (92-21) 34380101-5 and email info.shares@famco.com.pk by the close of business (5:00 p.m.) on Wednesday, March 24, 2021 will be treated to have been in time for the purposes of payment of final dividend to the transferees and to attend and vote at the meeting.

- A member entitled to attend and vote at this meeting shall be entitled to appoint another person as his/her proxy to attend, speak and vote instead of him/her, and a proxy so appointed shall have all such rights, (in respect of) attending, speaking and voting at the meeting as are available to a member. Proxy forms, in order to be effective, must be received by the Company not less than forty-eight (48) hours before the meeting. A proxy need not be a member of the Company.
- Pursuant to Companies (Postal Ballot) Regulations, 2018, for the purpose of any agenda item subject to the requirements of sections 143 and 144 of the Companies Act, 2017, members will be allowed to exercise their right of vote through postal ballot, that is voting by post or through an electronic mode, in accordance with the requirements and procedures contained in the aforesaid Regulations.
- In accordance with the provisions of section 242 of the Companies Act, 2017, a listed Company is required to pay cash dividend only through electronic mode directly into the bank account designated by the entitled shareholders. Accordingly, the shareholders not receiving credit of their dividend are requested to provide the information mentioned on an E-Dividend Mandate Form available at the website of the Company to the share registrar. The CDC account holders must submit their information directly to their broker (participant)/ Central Depository Company of Pakistan Limited.
- In accordance with the directives of the SECP, the dividends of shareholders whose CNIC copies have not been received by the Company shall not be electronically credited until receipt thereof. Therefore, the individual shareholders who have not submitted

their CNIC copies are requested to send the same at the earliest to the share registrar of the Company. Corporate entities are requested to provide their NTN. While providing their CNIC/NTN, shareholders must quote their respective folio numbers. The physical shareholders are requested to notify any change in their addresses to the share registrar of the Company and in case of CDC shareholders to their broker (participant) or Investor Account Services of CDC, where their shares are kept.

- In compliance with Section 150 read with Division I of Part III of the First Schedule of the Income Tax Ordinance, 2001 withholding tax on dividend income will be deducted for shareholders appearing in Active Taxpayers List (ATL) at 7.5%. For shareholders whose name is not appearing in ATL, section 100BA read with the Tenth schedule of the Income Tax Ordinance, 2001 requires withholding tax on dividend income to be increased to 15%. To enable the Company to withhold tax at 7.5%, all shareholders are advised to ensure that their names appear in the latest available ATL on FBR website, otherwise tax on their cash dividend will be deducted at 15%. Withholding tax exemption from the dividend income shall only be allowed to a corporate shareholder if a copy of valid tax exemption certificate is made available to the share registrar of the Company by the first day of book closure.

- The FBR has clarified that in case of joint account, each holder is to be treated individually as either a filer or non-filer and tax will be deducted on the basis of shareholding of each joint holder as may be notified by the shareholder, in writing as follows, to the Company's share registrar, otherwise it will be assumed that the shares are equally held by the joint shareholders:

Company Name	Folio/CDS Account No.	Total Shares	Principal Shareholder	Joint Shareholder (s)
			Name & CNIC No. Shareholding proportion (No. of Shares)	Name & CNIC No. Shareholding proportion (No. of Shares)

key shareholding & shares traded

Information of Shareholding required under the reporting framework is as follows:

1. Associated Companies, Undertakings and Related Parties

Name of Shareholders	No. of Shares Held
Engro Energy Limited (Formerly Engro Powergen Limited)	223,049,992

2. Modarabas and Mutual Funds

Name of Shareholders	No. of Shares Held
CDC Trustee AKD Opportunity Fund	155,500
CDC Trustee Golden Arrow Stock Fund	85,500
Total:	241,000

3. Directors, Chief Executive Officer and their spouse (s) and minor children

Name of Shareholders	No. of shares Held
Mr. Shabbir Hashmi	1
Mr. Vaqar Zakaria	1
Mr. Ahsan Zafar Syed	1
Mr. Shahab Qader Khan	1
Ms. Fauzia Viqar	1
Mr. Kaiser Bengali	1
Mr. Farooq Barkat Ali	1
Total:	7

4. Executives (approximately)

24,003

5. Public sector companies and corporations

-

6. Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance, Takaful, Modarabas & Pension Funds

5,370,500

7. Shareholding five percent or more voting interest in the Company

Names of holders	No. of Shares Held
Engro Energy Limited (Formerly Engro Powergen Limited)	223,049,992

8. Details of purchase/sale of shares by Directors, Executives and their spouse (s) /minor children during 2020

Name	Shares Purchased	Shares Sold	Rate	Date of Purchase / Sale
N/A	N/A	N/A	N/A	N/A

Categories of shareholding

As at December 31, 2020

Shareholders' Category	No. of Shareholders	No. of Shares	Percentage of Holding
Directors, Chief Executive Officer, and their spouse and minor children.	7	7	0.00
Associated Companies, undertaking and related parties.	1	223,049,992	68.89
Banks, Development Financial Institutions, Non Banking Financial Institutions.	3	5,370,500	1.66
Insurance Companies	-	-	-
Modarabas and Mutual Funds	2	241,000	0.07
Share holders holding 10%	1	223,049,992	68.89
General Public :			
a. Local (Individuals)	17,805	73,563,829	22.72
b. Foreign	-	-	-
Others	95	21,574,672	6.66

pattern of shareholding

As at December 31, 2020

No. of Shareholders	No. of Shareholdings		Total Shares
	From	To	
358	1	100	15,484
10,583	101	500	5,212,018
3,382	501	1,000	3,357,371
2,290	1,001	5,000	5,899,909
512	5,001	10,000	4,079,574
172	10,001	15,000	2,205,290
118	15,001	20,000	2,209,035
89	20,001	25,000	2,107,138
48	25,001	30,000	1,362,209
38	30,001	35,000	1,264,041
38	35,001	40,000	1,474,112
15	40,001	45,000	644,000
47	45,001	50,000	2,315,500
16	50,001	55,000	845,000
18	55,001	60,000	1,053,749
9	60,001	65,000	577,000
10	65,001	70,000	692,500
6	70,001	75,000	437,500
7	75,001	80,000	547,500
6	80,001	85,000	502,247
6	85,001	90,000	520,000
5	90,001	95,000	469,000
22	95,001	100,000	2,194,500
5	100,001	105,000	518,000
7	105,001	110,000	754,500
1	110,001	115,000	112,500
7	115,001	120,000	830,500
6	120,001	125,000	746,500
1	125,001	130,000	130,000
1	130,001	135,000	132,500
1	140,001	145,000	144,000
7	145,001	150,000	1,047,500
2	150,001	155,000	305,500
3	155,001	160,000	475,500
3	160,001	165,000	490,000
3	165,001	170,000	507,000
4	170,001	175,000	693,000
3	180,001	185,000	549,500
1	185,001	190,000	187,500
1	190,001	195,000	194,500
3	195,001	200,000	600,000
1	200,001	205,000	202,000
2	205,001	210,000	420,000
1	210,001	215,000	210,500
2	215,001	220,000	439,000
1	230,001	235,000	233,500
1	245,001	250,000	250,000

No. of Shareholders	No. of Shareholdings		Total Shares
	From	To	
3	255,001	260,000	780,000
3	260,001	265,000	791,000
1	265,001	270,000	270,000
1	270,001	275,000	272,000
2	295,001	300,000	600,000
1	305,001	310,000	310,000
1	310,001	315,000	312,000
1	315,001	320,000	319,500
1	350,001	355,000	351,000
1	385,001	390,000	386,000
1	395,001	400,000	400,000
2	400,001	405,000	805,500
1	415,001	420,000	420,000
1	435,001	440,000	438,000
1	445,001	450,000	450,000
1	450,001	455,000	455,000
4	495,001	500,000	2,000,000
1	505,001	510,000	510,000
1	540,001	545,000	542,000
1	635,001	640,000	635,500
1	660,001	665,000	662,679
1	715,001	720,000	716,000
1	770,001	775,000	771,552
1	785,001	790,000	786,000
1	820,001	825,000	825,000
1	845,001	850,000	846,500
1	865,001	870,000	869,100
1	895,001	900,000	900,000
1	1,150,001	1,155,000	1,154,000
1	1,265,001	1,270,000	1,267,000
1	1,470,001	1,475,000	1,473,500
1	1,655,001	1,660,000	1,659,100
1	1,720,001	1,725,000	1,725,000
1	1,855,001	1,860,000	1,855,500
1	2,010,001	2,015,000	2,012,500
1	2,170,001	2,175,000	2,175,000
1	2,595,001	2,600,000	2,600,000
1	3,420,001	3,425,000	3,425,000
1	3,590,001	3,595,000	3,591,900
1	4,965,001	4,970,000	4,966,000
1	5,260,001	5,265,000	5,263,000
1	223,045,001	223,050,000	223,049,992
17,913			323,800,000

shareholder information

Annual General Meeting

The annual shareholders meeting will be held at 10:00 a.m. on March 31, 2021 at Karachi via video conferencing.

Shareholders as of March 25, 2021 are encouraged to participate and vote.

Any shareholder may appoint a proxy to vote on his or her behalf. Proxies should be filed with the company at least 48 hours before the meeting time.

CDC Shareholders or their Proxies are requested to bring with them copies of their Computerized National Identity Card or passport along with the Participant's ID number and their account number at the time of attending the Annual General Meeting in order to facilitate their identification.

Ownership

On December 31, 2020 there were 17,913 shareholders on record of the Company's ordinary shares.

Circulation of Annual Audited Accounts through CD/DVD/USB

As notified by the Securities and Exchange Commission of Pakistan (SECP) vide S.R.O. 470(I)/2016 dated May 21, 2016 and in continuation with the SRO.787(1)/2014 dated 8th September, 2014, and approved by the Shareholders in the Extraordinary General Meeting of the Company held on October 14, 2016, the Company is circulating its annual balance sheet, and profit and loss account, auditor's report and directors report etc. ("Annual Audited Accounts") to its members through CD/DVD/USB at their registered addresses, save for those who opt for a hardcopy of the Annual Audited Accounts. The standard request form for electronic transmission is available at the Company's website www.engroenergy.com.

Alternatively members can fill up the Standard Request Form respectively in the Annexures section at the end of the report.

E-dividend Mandate (Mandatory)

In accordance with the provisions of Section 242 of the Companies Act, a listed company, is required to pay cash dividend to the shareholders ONLY through electronic

mode directly into the bank account designated by the entitled shareholders. In compliance with the said law, in order to receive your future dividends directly in your Bank account, you are required to provide the information mentioned on the Form placed on the Company's website and send the same to your brokers/the Central Depository Company Ltd. if the shares are held in the electronic form or to the Company's Shares Registrar if the shares are held in paper certificate form.

Quarterly Results

The Company issues quarterly financial statements. The planned dates for release of the quarterly results in 2021 are:

- 1st quarter: April 14, 2021
- 2nd quarter: August 05, 2021
- 3rd quarter: October 12, 2021

The Company holds quarterly briefings with Security Analysts to discuss the results and the business environment. These sessions are planned to be held on:

- 1st quarter: April 19, 2021
- 2nd quarter: August 09, 2021
- 3rd quarter: October 15, 2021

All annual/quarterly reports and presentations from quarterly briefings are regularly posted at the Company's website: www.engroenergy.com.

The Company reserves the right to change any of the above dates.

Change of Address

All registered shareholders should send information on changes of address to:

M/s. FAMCO Associates (Private) Limited
8-F, Near Hotel Faran Nursery,
Block-6 P.E.C.H.S. Shakra-e-Faisal, Karachi-74000
Telephone +92(21) 34380101-5
Fax +92(21) 34380106

epql calendar 2020

	Dates
EPQL Board Audit Committee Meeting	February 06, 2020
EPQL Board Meeting	February 07, 2020
EPQL Board Audit Committee Meeting	April 10, 2020
EPQL Board Meeting	April 13, 2020
EPQL Annual General Meeting	May 07, 2020
EPQL Board Meeting	May 13, 2020
EPQL Board Audit Committee Meeting	August 05, 2020
EPQL Board Meeting	August 06, 2020
EPQL Board Meeting	August 17, 2020
EPQL Board Audit Committee Meeting	October 15, 2020
EPQL Board Meeting	October 16, 2020
EPQL Board Meeting	November 20, 2020

major activities in 2020



a potential benefit

Financial Statements





INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Engro Powergen Qadirpur Limited

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Engro Powergen Qadirpur Limited (the Company) for the year ended December 31, 2020 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended December 31, 2020.

A. F. Ferguson & Co.
Chartered Accountants
Karachi

Date: March 5, 2021



INDEPENDENT AUDITOR'S REPORT

To the members of Engro Powergen Qadirpur Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Engro Powergen Qadirpur Limited (the Company), which comprise the statement of financial position as at December 31, 2020, and the statement of profit or loss, the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at December 31, 2020 and of the profit and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

S. No.	Key audit matter	How the matter was addressed in our audit
i)	<p>Receivables from National Transmission and Despatch Company</p> <p>(Refer notes 9 and 12 to the financial statements)</p> <p>The Company has following balances receivable from National Transmission and Despatch Company as at December 31, 2020:</p> <ul style="list-style-type: none"> Trade debts amounting to Rs. 7,040 million which include overdue debts of Rs. 6,171 million; and Delayed payment charges amounting to Rs. 3,838 million which include overdue receivables of Rs. 2,736 million. <p>In view of the significant delay in settlement, materiality of the amount involved and consequential impact of the delay in settlement on liquidity and operations of the Company, we have considered this to be an area of higher assessed risk and a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> assessed whether revenue and related receivables have been recognized in accordance with the applicable accounting policies; tested whether invoices raised during the year were in accordance with the requirements of the Power Purchase Agreement (PPA); circularized confirmation of receivables to the Central Power Purchasing Agency (CPPA-G); made inquiries from the management and read minutes of the meetings of the Board of Directors and Board Audit Committee to ascertain actions taken by them for the recoverability of these amounts; checked Implementation Agreement and assessed whether receivables are secured against guarantee from the Government of Pakistan and whether any impairment is required to be recognized thereagainst; assessed the availability of finance with the Company to fund its business operations through committed credit lines obtained from various financial institutions; and assessed adequacy of the related disclosures in the financial statements in accordance with the applicable accounting and reporting standards.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.





We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- (a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- (b) the statement of financial position, the statement of profit or loss, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- (c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- (d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

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

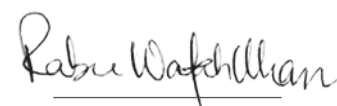
A. F. Ferguson & Co.
Chartered Accountants
Karachi

Date: March 5, 2021

statement of financial position as at december 31, 2020

(Amounts in thousand)

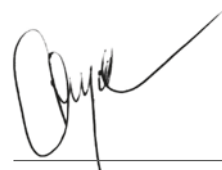
	Note	2020 ----- (Rupees)	2019 ----- (Rupees)
ASSETS			
Non-current assets			
Property, plant and equipment	5	12,685,728	13,299,480
Intangible assets	6	60,459	68,651
Long-term loans and advances	7	23,233	34,659
Long-term deposits		2,574	2,574
		<u>12,771,994</u>	<u>13,405,364</u>
Current assets			
Inventories	8	853,335	863,183
Trade debts	9	7,040,059	9,806,697
Short-term investments	10	49,321	49,963
Loans, advances, deposits and prepayments	11	104,018	113,298
Other receivables	12	4,644,272	3,225,441
Taxes recoverable		34,254	64,919
Balances with banks	13	13,041	12,386
		<u>12,738,300</u>	<u>14,135,887</u>
TOTAL ASSETS		<u><u>25,510,294</u></u>	<u><u>27,541,251</u></u>



Rabia Wafah Khan
Chief Financial Officer



Shahab Qader
Chief Executive Officer

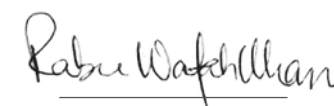


Ahsan Zafar Syed
Chairman

(Amounts in thousand)

	Note	2020 ----- (Rupees)	2019 ----- (Rupees)
EQUITY AND LIABILITIES			
EQUITY			
Share capital	14	3,238,000	3,238,000
Share premium		80,777	80,777
Maintenance reserve	15	227,182	227,182
Unappropriated profit		12,078,318	10,403,899
Hedging reserve	16	12,449	13,325
Total equity		<u>15,636,726</u>	<u>13,963,183</u>
LIABILITIES			
Non-current liability			
Long-term borrowings	17	-	-
Other payable	18	986,605	-
		<u>986,605</u>	<u>-</u>
Current liabilities			
Trade and other payables	19	5,190,675	8,406,839
Unclaimed dividend		22,575	23,002
Accrued interest / mark-up		55,268	92,640
Short-term borrowings	20	3,618,445	3,712,840
Unpaid dividend		-	485,700
Current portion of long-term borrowings	17	-	857,047
		<u>8,886,963</u>	<u>13,578,068</u>
Total liabilities		<u>9,873,568</u>	<u>13,578,068</u>
Contingencies and Commitments	21		
TOTAL EQUITY AND LIABILITIES		<u><u>25,510,294</u></u>	<u><u>27,541,251</u></u>

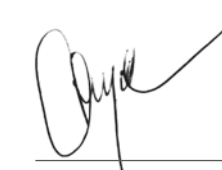
The annexed notes from 1 to 44 form an integral part of these financial statements.



Rabia Wafah Khan
Chief Financial Officer



Shahab Qader
Chief Executive Officer



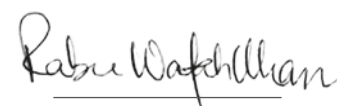
Ahsan Zafar Syed
Chairman

statement of profit or loss for the year ended december 31, 2020

(Amounts in thousand except for earnings per share)

	Note	2020 ------(Rupees)-----	2019 ------(Rupees)-----
Sales	22	8,097,818	13,201,094
Cost of sales	23	(6,358,895)	(9,584,745)
Gross profit		1,738,923	3,616,349
Administrative expenses	24	(103,724)	(99,509)
Other expenses	25	(66,350)	(54,807)
Other income	26	79,681	1,633
Profit from operations		1,648,530	3,463,666
Finance income / (cost) - net	27	445,715	(57,663)
Workers' profits participation fund	28	-	-
Profit before taxation		2,094,245	3,406,003
Taxation	29	(15,075)	(3,321)
Profit for the year		2,079,170	3,402,682
Earnings per share - basic and diluted	30	6.42	10.51

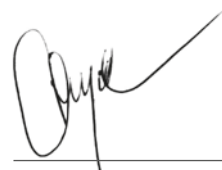
The annexed notes from 1 to 44 form an integral part of these financial statements.



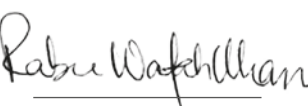
Rabia Wafah Khan
Chief Financial Officer



Shahab Qader
Chief Executive Officer



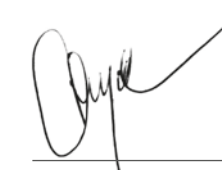
Ahsan Zafar Syed
Chairman



Rabia Wafah Khan
Chief Financial Officer



Shahab Qader
Chief Executive Officer



Ahsan Zafar Syed
Chairman

statement of profit or loss and other comprehensive income for the year ended december 31, 2020

(Amounts in thousand)

	Note	2020 ------(Rupees)-----	2019 ------(Rupees)-----
Profit for the year		2,079,170	3,402,682
Other comprehensive loss:			
<i>Item that may be reclassified subsequently to statement of profit or loss</i>			
Hedging reserve - reclassified to statement of profit or loss	26	(876)	(874)
Total comprehensive income for the year		2,078,294	3,401,808

The annexed notes from 1 to 44 form an integral part of these financial statements.

statement of changes in equity for the year ended december 31, 2020

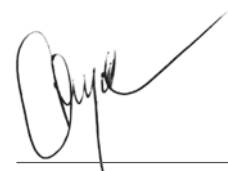
(Amounts in thousand)

	Reserves					Total
	Capital		Revenue			
	Share capital	Share premium	Maintenance reserve (note 15)	Unappropriated profit	Hedging reserve	
	Rupees					
Balance as at January 1, 2019	3,238,000	80,777	227,182	7,972,617	14,199	11,532,775
Profit for the year	-	-	-	3,402,682	-	3,402,682
Other comprehensive loss for the year	-	-	-	-	(874)	(874)
Total comprehensive income for the year	-	-	-	3,402,682	(874)	3,401,808
Transactions with owners						
1st interim dividend @ Rs. 1.50 per share	-	-	-	(485,700)	-	(485,700)
2nd interim dividend @ Rs. 1.50 per share	-	-	-	(485,700)	-	(485,700)
	-	-	-	(971,400)	-	(971,400)
Balance as at December 31, 2019	3,238,000	80,777	227,182	10,403,899	13,325	13,963,183
Profit for the year	-	-	-	2,079,170	-	2,079,170
Other comprehensive loss for the year	-	-	-	-	(876)	(876)
Total comprehensive income for the year	-	-	-	2,079,170	(876)	2,078,294
Transactions with owners						
Interim dividend @ Rs. 1.25 per share	-	-	-	(404,751)	-	(404,751)
Balance as at December 31, 2020	3,238,000	80,777	227,182	12,078,318	12,449	15,636,726

The annexed notes from 1 to 44 form an integral part of these financial statements.


Rabia Wafah Khan
Chief Financial Officer


Shahab Qader
Chief Executive Officer


Ahsan Zafar Syed
Chairman

statement of cashflows for the year ended december 31, 2020

(Amounts in thousand)

	Note	2020	2019
		(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	31	2,390,926	4,148,570
Taxes recovered / (paid) - net		15,590	(4,088)
Interest received		11,289	11,484
Long-term loans, advances and deposits - net		21,596	78,324
Other payable - net		17,907	-
Net cash generated from operating activities		2,457,308	4,234,290
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(71,471)	(29,860)
Purchase of intangible assets		(61,732)	(34,564)
Investments made during the year		(1,898,259)	(49,963)
Investments encashed/matured during the year		1,977,573	-
Net cash utilised in investing activities		(53,889)	(114,387)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of long-term borrowings	17.2	(916,361)	(3,106,359)
Finance cost paid		(501,130)	(531,616)
Dividends paid		(890,878)	(486,631)
Net cash utilised in financing activities		(2,308,369)	(4,124,606)
Net increase / (decrease) in cash and cash equivalents		95,050	(4,703)
Cash and cash equivalents at beginning of the year		(3,700,454)	(3,695,751)
Cash and cash equivalents at end of the year	32	(3,605,404)	(3,700,454)

The annexed notes from 1 to 44 form an integral part of these financial statements.


Rabia Wafah Khan
Chief Financial Officer


Shahab Qader
Chief Executive Officer


Ahsan Zafar Syed
Chairman

notes to the financial statements for the year ended december 31, 2020

(Amounts in thousand)

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
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1.4 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. The Board of Directors of the Company in their meeting dated August 17, 2020 in-principle approved the terms of this MOU. In line with the understanding reached in the MOU, the Company and Central Power Purchasing Agency (Guarantee) Limited (the "Parties") entered into a binding agreement on February 11, 2021, based on the terms of the MOU. Under key terms of the agreement, all undisputed outstanding amounts due and payable to the Company under the power purchase agreement, as on 30th November 2020, will be paid in two (2) instalments (each instalment comprising of one-third cash and two-thirds government issued PIBs and Sukuks). Further, in the larger national interest, the Company has agreed to a prospective reduction in the tariff component, whereby the Return on Equity ("RoE") and the Return on Equity During Construction ("RoEDC") will be fixed at 17% per annum in PKR (on NEPRA approved equity at Commercial Operation Date for RoE and RoEDC, calculated at USD/PKR exchange rate of PKR 148/USD, with no future USD indexation. However, this Revised RoE and RoEDC shall become applicable and shall apply for the remainder of the term of the Power Purchase Agreement, when the applicable exchange rate under the present Tariff reaches PKR 168/USD. Till then the existing tariff for RoE and RoEDC, together with the applicable indexations, shall continue to be applied.

1.5 IMPACT OF COVID-19 ON THE FINANCIAL STATEMENTS

During the year, the World Health Organization (WHO) declared COVID-19 a pandemic. To reduce the impact on businesses and economies in general, regulators / governments across the globe introduced a host of measures on social and economic fronts. While this has impacted the Country's economy, the Company's operations and financial results have not been materially impacted by such measures.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRSs) 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.

(Amounts in thousand)

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRSs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Accounting convention

These financial statements have been prepared under the historical cost convention except that certain financial assets and financial liabilities, including derivative financial instruments, have been measured at fair value.

2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupee, which is Company's functional currency.

2.4 Critical accounting estimates and judgements

The preparation of financial statements in conformity with the above requirements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

3.1 Initial application of standards, amendments or interpretations to existing standards

3.1.1 Amendments to accounting and reporting standards that became effective during the year

There are certain amendments to the accounting and reporting standards that became effective during the year ended December 31, 2020, however, these are considered not to have a significant impact on the Company's financial reporting and operations and therefore have not been presented here.

3.1.2 Standards, amendments and interpretation to published standards that are not yet effective and have not been early adopted by the Company

There is a standard and certain amendments to the accounting and reporting standards that are not yet effective and are also not expected to have a significant impact on the Company's financial reporting and therefore, have not been presented in these financial statements.

3.2 Property, plant and equipment

Except for freehold land, capital work-in-progress and capital spares, all assets are stated at cost less accumulated depreciation and impairment, if any. Freehold land, capital spares and capital work-in-progress is stated at cost less impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items including borrowing costs. Self constructed assets include the cost of materials, direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use and exchange losses as explained in note 5.1.3. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Major components of an item of property, plant and equipment having different useful lives are accounted for as separate items of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are recognised in the statement of profit or loss.

(Amounts in thousand)

Disposal of assets is recognised when significant risk and rewards incidental to ownership have been transferred to buyers. Gains and losses on disposals or retirement of an asset are recognised in the statement of profit or loss.

Depreciation is charged to the statement of profit or loss using the straight line method whereby the cost of an operating asset less its estimated residual value is written-off over its estimated useful life at rates given in note 5.1. Depreciation on additions is charged from the month following the month in which the asset is available for use and on disposals upto the month the asset was in use.

Assets residual values and useful lives are reviewed, and adjusted, if appropriate, at each reporting date.

3.3 Intangible assets

a) Computer software

Costs associated with maintaining computer software programmes are recognised as an expense in the statement of profit or loss when incurred. Costs directly attributable to identifiable software having probable economic benefits exceeding one year, are recognised as intangible assets. Direct costs include purchase costs (license fee) and related overheads.

Expenditure which enhances or extends the performance of the software programme beyond its original specification and useful life is capitalised.

Software costs and license fees capitalised as intangible assets are amortised to the statement of profit or loss from the date of use on a straight-line basis over a period of 4 years.

b) Right to use infrastructure facilities

Costs representing the right to use various infrastructure facilities are stated at historical cost. These costs are amortised to the statement of profit or loss over a period of 25 years.

3.4 Impairment of non-financial assets

Property, plant and equipment's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised in the statement of profit or loss for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sale and value in use. Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

3.5 Financial assets

3.5.1 Classification

The Company classifies its financial assets in the following measurement categories:

- a) those to be measured subsequently at fair value (either through OCI or through profit or loss); and
- b) those to be measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

A financial asset is measured at amortised cost if both of the following conditions are met:

- a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

(Amounts in thousand)

- b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

- a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income.

For assets measured at fair value, gains and losses will either be recorded in the statement of profit or loss or 'other comprehensive income' (OCI). For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

3.5.2 Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

3.5.3 Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in the statement of profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

(a) Amortized cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest method. Any gain or loss arising on derecognition is recognised directly in the statement of profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

(b) Fair Value through Other Comprehensive Income (FVOCI)

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in the statement of profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the statement of profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of comprehensive income.

(Amounts in thousand)

(c) **Fair Value through Profit or Loss (FVPL)**

Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Equity instruments

The Company, subsequently, measures all equity investments at fair value. If the management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investments. Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

3.5.4 Impairment

Amounts due from the Government of Pakistan are assessed in accordance with the provisions of IAS 39 at each reporting date to determine whether there is any objective evidence that one or more events have had a negative effect on the estimated future cash flows of these receivables.

For financial assets other than trade debts, the Company recognises lifetime Expected Credit losses (ECL) when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial assets has not increased significantly since initial recognition, the Company measures the loss allowance for that financial asset at an amount equal to 12-month ECL under IFRS 9.

3.6 Financial liabilities

The Company recognises a financial liability in its statement of financial position when, and only when, it becomes party to the contractual provisions of the instrument. At initial recognition, the Company measures a financial liability at its fair value minus, in the case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial liability. Financial liabilities are subsequently measured at amortised cost except for financial liabilities at fair value through profit or loss (FVPL) which are subsequently measured at fair value.

3.7 Offsetting of financial assets and liabilities

Financial assets and liabilities are off-set and the net amount is reported in the statement of financial position when there is a legally enforceable right to set-off the recognised amounts and there is an intention to settle on a net basis or to realize the asset and settle the liability simultaneously.

3.8 Cash flow hedge

Cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with all, or a component of, a recognised asset or liability (such as all or some future interest payments on variable-rate debt) or a highly probable forecast transaction, and could affect the statement of profit or loss.

The Company entered into hedging relationships to hedge the repayments of long term borrowings which were taken for the purpose of the power plant. The unrealized exchange gain/loss on long term borrowing is capitalized in the cost of power plant and is being depreciated over the useful life of the Plant. The corresponding hedging reserve is also being amortised over the useful life of Power Plant.

(Amounts in thousand)

3.9 Inventories

These are valued at weighted average cost except for items in transit which are stated at invoice value plus other charges paid thereon till the reporting date. For stores and spares which are slow moving and / or identified as surplus to the Company's requirements, adequate provision is made for any excess book value over estimated residual value.

3.10 Trade debts and other receivables

Trade debts and other receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, in which case they are recognised at fair value. The Company holds trade debts and other receivables with the objective to collect contractual cash flows and, therefore, measures them subsequently at amortised cost using the effective interest method. Provision for impairment is recognized as per note 3.5.4.

3.11 Contract assets and contract liabilities

A contract asset is recognised for the Company's right to consideration in exchange for goods or services that it has transferred to a customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, the Company presents the amount as a contract asset, excluding any amounts presented as a receivable.

A contract liability is recognised for the Company's obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration, or the Company has a right to an amount of consideration that is unconditional (i.e. a receivable), before the Company transfers a good or service to the customer, the entity shall present the contract as a contract liability when the payment is made or the payment is due (whichever is earlier).

3.12 Cash and cash equivalents

Cash and cash equivalent in the statement of cash flows includes cash in hand and in transit, balances with banks on current, deposit and savings accounts, other short-term highly liquid investments with original maturities of three months or less and short-term borrowings other than term finance.

3.13 Share capital

Ordinary shares are classified as equity and recognised at their face value. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

3.14 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost, any difference between the proceeds (net of transaction costs) and the redemption value is amortised over the period of the borrowings.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

3.15 Trade and other payables

These are recognised initially at fair value and subsequently measured at amortised cost. Exchange gains and losses arising in respect of liabilities in foreign currency are added to the carrying amount of the respective liabilities.

Trade and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business, if longer). If not, they are presented as non-current liabilities.

3.16 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are not recognised for future operating losses. Provisions are reviewed at each reporting date and adjusted to reflect current best estimate.

(Amounts in thousand)

3.17 Leases

The Company recognises leases as a right-of-use asset and corresponding liability at the date at which the leased asset is available for use by the Company, except for the assets under the Power Purchase Agreement (PPA) which are exempted from the applicability of this standard. The SECP through its S.R.O. 986 (I)/2019 dated September 2, 2019 extended its exemption from the requirements of IFRS 16 to all companies that have executed their power purchase agreements before January 1, 2019.

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the statement of profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight line basis.

3.18 Taxation

The Company's profits and gains from power generation are exempt from tax under clause 132 of Part I of the Second Schedule to the Income Tax Ordinance, 2001. The Company is also exempt from minimum tax on turnover under clause 11 A of part IV of the Second Schedule to the Income Tax Ordinance, 2001. However, the Company's income from other sources is subject to taxation.

3.19 Retirement and other service benefits obligations

3.19.1 Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contribution into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the statement of profit or loss when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

The intermediary Holding Company - Engro Corporation Limited, operates a defined contribution provident fund and a defined contribution gratuity fund in which the permanent employees of the Company are members. Monthly contributions are made both by the Company and employees to the fund at the rate of 10% of basic salary in case of provident fund and, only by the Company, at the rate of 8.33% of basic salary in case of gratuity fund.

3.19.2 Compensated absences

The Company accounts for compensated absences on the basis of unavailed leave balance of each employee at the end of the reporting period.

3.20 Foreign currency transactions and translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at period-end exchange rates are recognised in the statement of profit or loss, except as referred to in note 5.1.3.

3.21 Revenue recognition

The Company recognises revenue when the following performance obligations are satisfied:

- Capacity revenue is recognised based on the capacity made available to NTDC; and
- Energy revenue is recognised based on the Net Electrical Output (NEO) delivered to NTDC.

Capacity and Energy revenue is recognised overtime based on the rates determined under the mechanism laid down in the PPA. The payment is due 30 days after the acknowledgement of the invoice.

3.22 Interest on bank deposits and delayed payment income

Interest income on bank deposits and delayed payment income on overdue trade receivables is recognised on accrual basis.

(Amounts in thousand)

3.23 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred except where such costs are directly attributable to the acquisition, construction or production of a qualifying asset in which case such costs are capitalised as part of the cost of that asset. Borrowing costs include exchange differences arising from foreign currency borrowings to the extent these are regarded as an adjustment to borrowing costs.

3.24 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, if any.

3.25 Dividend and appropriation to reserves

Dividend and appropriation to reserves are recognised in the financial statements in the period in which these are approved.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are in respect of:

4.1 Property, plant and equipment and intangible assets

The Company reviews the appropriateness of the rates of depreciation / amortisation, useful lives and residual values used in the calculation of depreciation / amortisation on an annual basis. Further, if any indication exists, the Company makes an estimate of recoverable amount of assets for possible impairment.

5. PROPERTY, PLANT AND EQUIPMENT

Operating assets, at net book value (note 5.1)

Capital work-in-progress (note 5.2)

Capital spares (note 5.3)

	2020	2019
	----- (Rupees) -----	
Operating assets, at net book value (note 5.1)	12,252,704	12,963,529
Capital work-in-progress (note 5.2)	163,261	66,188
Capital spares (note 5.3)	269,763	269,763
	<u>12,685,728</u>	<u>13,299,480</u>

(Amounts in thousand)

5.1 Operating assets

	Freehold land	Plant & machinery	Buildings & civil works	Furniture, fixtures and equipment	Vehicles	Total
Rupees						
As at January 1, 2019						
Cost	110,065	16,133,714	2,578,277	155,896	99,331	19,077,283
Accumulated depreciation	-	(4,893,900)	(660,013)	(110,664)	(89,902)	(5,754,479)
Net book value	<u>110,065</u>	<u>11,239,814</u>	<u>1,918,264</u>	<u>45,232</u>	<u>9,429</u>	<u>13,322,804</u>
Year ended December 31, 2019						
Opening net book value	110,065	11,239,814	1,918,264	45,232	9,429	13,322,804
Additions to operating assets:						
- Transfers from capital work-in-progress (note 5.2)	-	19,985	3,160	675	-	23,820
- Transfers from capital spares (note 5.3)	-	38,073	-	-	-	38,073
- Capitalisation adjustment for exchange loss (note 5.1.3)	-	392,185	-	-	-	392,185
Depreciation charge (note 5.1.1)	-	(717,232)	(78,949)	(16,832)	(340)	(813,353)
Closing net book value	<u>110,065</u>	<u>10,972,825</u>	<u>1,842,475</u>	<u>29,075</u>	<u>9,089</u>	<u>12,963,529</u>
As at January 1, 2020						
Cost	110,065	16,583,957	2,581,437	156,571	99,331	19,531,361
Accumulated depreciation	-	(5,611,132)	(738,962)	(127,496)	(90,242)	(6,567,832)
Net book value	<u>110,065</u>	<u>10,972,825</u>	<u>1,842,475</u>	<u>29,075</u>	<u>9,089</u>	<u>12,963,529</u>
Year ended December 31, 2020						
Opening net book value	110,065	10,972,825	1,842,475	29,075	9,089	12,963,529
Additions to operating assets:						
- Transfers from capital work-in-progress (note 5.2)	-	19,161	1,059	1,286	13,472	34,978
- Capitalisation adjustment for exchange loss (note 5.1.3)	-	52,546	-	-	-	52,546
Depreciation charge (note 5.1.1)	-	(710,154)	(78,983)	(8,716)	(496)	(798,349)
Closing net book value	<u>110,065</u>	<u>10,334,378</u>	<u>1,764,551</u>	<u>21,645</u>	<u>22,065</u>	<u>12,252,704</u>
As at December 31, 2020						
Cost	110,065	16,655,664	2,582,496	157,857	112,803	19,618,885
Accumulated depreciation	-	(6,321,286)	(817,945)	(136,212)	(90,738)	(7,366,181)
Net book value	<u>110,065</u>	<u>10,334,378</u>	<u>1,764,551</u>	<u>21,645</u>	<u>22,065</u>	<u>12,252,704</u>
Annual rate of depreciation		<u>4% - 16%</u>	<u>2.5% - 8%</u>	<u>15% - 25%</u>	<u>19% - 23%</u>	

(Amounts in thousand)

5.1.1 The depreciation charge for the year has been allocated as follows:
 Cost of sales (note 23)
 Administrative expenses (note 24)

	2020	2019
Rupees		
Cost of sales (note 23)	797,143	812,308
Administrative expenses (note 24)	1,206	1,045
	<u>798,349</u>	<u>813,353</u>

5.1.2 The details of immovable fixed assets (i.e. land and buildings) are as follows:

Description of location	Address	Total area of land (Acres)
Power plant and associated buildings	Deh Belo Sanghari, Ghotki, Sindh	41.5
Colony land	Colony Road, Daharki, Ghotki, Sindh	16.4

5.1.3 The SECP, through its S.R.O. 986(1)/2019 dated September 2, 2019 partially modified its previously issued S.R.O. 24/(1)/2012 dated January 16, 2012 and granted exemption to all companies that have executed their power purchase agreements before January 1, 2019, from the application of IAS 21 'The Effects of Changes in Foreign Exchange Rates' to the extent of capitalisation of exchange differences. Accordingly, the Company has capitalised exchange losses aggregating to Rs. 52,546 (2019: Rs. 392,185) arising on foreign currency borrowings to the cost of the related property, plant and equipment.

5.2 Capital work-in-progress

	Plant and machinery	Buildings & civil works	Furniture, fixtures and equipment	Vehicles	Intangible assets	Total
Rupees						
Year ended December 31, 2019						
Balance as at January 1, 2019	15,799	509	782	-	17,511	34,601
Additions / reclassifications during the year	23,548	3,610	2,702	-	34,564	64,424
Transferred to intangible assets (note 6)	-	-	-	-	(7,955)	(7,955)
Transferred to capital spares (note 5.3)	(1,062)	-	-	-	-	(1,062)
Transferred to operating assets (note 5.1)	(19,985)	(3,160)	(675)	-	-	(23,820)
Balance as at December 31, 2019	<u>18,300</u>	<u>959</u>	<u>2,809</u>	<u>-</u>	<u>44,120</u>	<u>66,188</u>
Year ended December 31, 2020						
Balance as at January 1, 2020	18,300	959	2,809	-	44,120	66,188
Additions / reclassifications during the year	56,893	100	1,006	13,472	61,732	133,203
Transferred to intangible assets (note 6)	-	-	-	-	(1,152)	(1,152)
Transferred to operating assets (note 5.1)	(19,161)	(1,059)	(1,286)	(13,472)	-	(34,978)
Balance as at December 31, 2020	<u>56,032</u>	<u>-</u>	<u>2,529</u>	<u>-</u>	<u>104,700</u>	<u>163,261</u>

(Amounts in thousand)

	2020	2019
	------(Rupees)-----	
5.3 Capital spares		
Balance at beginning of the year	269,763	306,774
Add / (less):		
- Additions (note 5.2)	-	1,062
- Transfers to operating assets (notes 5.1)	-	(38,073)
Balance at end of the year	<u>269,763</u>	<u>269,763</u>

6. INTANGIBLE ASSETS

	Computer software	Right to use infrastructure facilities (note 6.2)	Total
	----- Rupees -----		
As at January 1, 2019			
Cost	64,132	96,627	160,759
Accumulated amortisation	(53,016)	(36,798)	(89,814)
Net book value	<u>11,116</u>	<u>59,829</u>	<u>70,945</u>
Year ended December 31, 2019			
Opening net book value	11,116	59,829	70,945
Additions during the year (note 5.2)	7,955	-	7,955
Amortisation for the year (note 6.1)	(6,384)	(3,865)	(10,249)
Closing net book value	<u>12,687</u>	<u>55,964</u>	<u>68,651</u>
As at January 1, 2020			
Cost	72,087	96,627	168,714
Accumulated amortisation	(59,400)	(40,663)	(100,063)
Net book value	<u>12,687</u>	<u>55,964</u>	<u>68,651</u>
Year ended December 31, 2020			
Opening net book value	12,687	55,964	68,651
Additions during the year (note 5.2)	1,152	-	1,152
Amortisation for the year (note 6.1)	(5,478)	(3,866)	(9,344)
Closing net book value	<u>8,361</u>	<u>52,098</u>	<u>60,459</u>
As at December 31, 2020			
Cost	73,239	96,627	169,866
Accumulated amortisation	(64,878)	(44,529)	(109,407)
Net book value	<u>8,361</u>	<u>52,098</u>	<u>60,459</u>
Amortisation rate (% per annum)	<u>25%</u>	<u>4%</u>	

(Amounts in thousand)

	2020	2019
	------(Rupees)-----	
6.1 Amortisation charge for the year has been allocated as follows:		
Cost of sales (note 23)	8,700	9,215
Administrative expenses (note 24)	644	1,034
	<u>9,344</u>	<u>10,249</u>
6.2 Represents right to use Engro Fertilizers Limited's (an associated undertaking) various infrastructure facilities. This entitles the employees of the Company to full use of the Engro Fertilizers Limited's facilities. The amount paid by the Company is being amortised over 25 years.		

7. LONG-TERM LOANS AND ADVANCES

	2020	2019
	------(Rupees)-----	
Executives (notes 7.1, 7.2 and 7.3)	41,190	62,786
Less: Current portion shown under current assets (note 11)	(17,957)	(28,127)
Balance as at end of the year	<u>23,233</u>	<u>34,659</u>
7.1 Reconciliation of the carrying amount of loans and advances		
Balance at beginning of the year	62,786	141,110
Add: Disbursements	-	7,855
Less: Repayments / amortisation	(21,596)	(86,179)
Balance at end of the year	<u>41,190</u>	<u>62,786</u>
7.2 Loans and advances include interest-free investment loan plan to executives amounting to Rs. 4,584 (2019: Rs. 5,936) repayable in equal monthly instalments over a three year period or in one lump sum at the end of such period. It also includes loans and advances amounting to Rs. 36,606 (2019: Rs. 56,850) for car earn out assistance, house rent, long-term incentive and relocation assistance loans, as per Company policy.		
7.3 Loans and advances include Rs. 1,248 (2019: Rs. 3,815) to key management personnel which are unsecured. The maximum amount outstanding at the end of any month in respect of these amounted to Rs. 2,501 (2019: Rs. 5,241).		

	2020	2019
	------(Rupees)-----	
8. INVENTORIES		
High Speed Diesel (note 8.1)	374,493	379,474
Consumable stores	35,968	38,888
Spares	442,874	444,821
	<u>853,335</u>	<u>863,183</u>

(Amounts in thousand)

8.1 This comprises High Speed Diesel (HSD) inventory required to be maintained for operating the power plant in case supply of gas is unavailable to the Company. As per clause (b) of section 5.14 of the Power Purchase Agreement (PPA), the Company is required to maintain HSD inventory at a level sufficient for operating the power plant at full load for seven days. However, due to non-payment of dues in full by NTDC, the Company is maintaining HSD inventory at a level sufficient for operating the power plant at full load for around five days.

2020 2019
------(Rupees)-----

9. **TRADE DEBTS - secured**

Receivable from NTDC - Considered good

7,040,059	9,806,697
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9.1 Trade debts, including delayed payment charges (note 12), are secured by a guarantee from the Government of Pakistan under the Implementation Agreement and as such are considered good.

9.2 Trade debts include:

- Rs. 868,627 (2019: Rs. 2,108,293) which is neither past due nor impaired; and
- Rs. 6,171,432 (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:

2020 2019
------(Rupees)-----

Upto 3 months
3 to 6 months
More than 6 months

1,252,682	2,729,475
1,024,761	3,598,878
3,893,989	1,370,051
6,171,432	7,698,404

10. **SHORT-TERM INVESTMENTS - Amortised Cost**

Treasury Bills (note 10.1)

49,321	49,963
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10.1 Investments have been made in conventional Treasury Bills in respect of maintenance reserve (note 15). These are due to mature on March 11, 2021 and carry mark-up at the rate of 7.08% (2019: 13.60%) per annum.

2020 2019
------(Rupees)-----

11. **LOANS, ADVANCES, DEPOSITS AND PREPAYMENTS**

Current portion of long-term loans and advances to executives
- considered good (note 7)
Advances, deposits and other receivables
Prepayments

17,957	28,127
5,075	3,702
80,986	81,469
104,018	113,298

(Amounts in thousand)

12. **OTHER RECEIVABLES - considered good**

Delayed payment charges (notes 12.1 and 12.2)

Receivable from associated undertakings (note 12.3):

- Engro Energy Limited
- Engro Fertilizers Limited
- Engro Powergen Thar (Private) Limited
- Engro Energy Services Limited
- Engro Corporation Limited
- Sindh Engro Coal Mining Company Limited

Reimbursable cost from NEPRA in respect of:

- Workers' profits participation fund (note 12.4)
- expenses

Asset against take-or-pay (note 12.5)

Sales tax refundable

Others

2020 2019
------(Rupees)-----

3,838,111	2,485,061
-	2,537
1,074	-
271	792
33,665	-
-	1,706
-	3,981
35,010	9,016
406,421	301,709
21,827	-
204,286	416,382
130,968	5,566
7,649	7,707
4,644,272	3,225,441

12.1 This represents mark-up on overdue trade debts, as referred to in note 9.2, of which Rs. 2,736,248 (2019: Rs. 1,463,031) is overdue.

12.2 The ageing of overdue delayed payment charges is as follows:

2020 2019
------(Rupees)-----

Upto 3 months
3 to 6 months
More than 6 months

-	-
579,005	288,750
2,157,243	1,174,281
2,736,248	1,463,031

12.3 These receivables are unsecured and interest free. The maximum amount outstanding at the end of any month from related parties aggregated to Rs. 179,819 (2019: Rs. 92,304). None of the receivables are past due or impaired.

12.4 This includes outstanding invoiced amount of Rs. 131,434 (2019: Nil).

12.5 This represents asset against take-or-pay cost in accordance with section 3.3 of the GSA.

(Amounts in thousand)

	2020	2019
	----- (Rupees) -----	
13. BALANCES WITH BANKS		
Current accounts:		
- Local currency	1,499	3,200
Deposit accounts:		
- Foreign currency (note 13.1)	4,340	4,259
- Local currency (note 13.2)	5,242	4,927
Cheques in hand	1,960	-
	13,041	12,386

13.1 Foreign currency deposits carry return at the rate of 0.10% (2019: 0.05%) per annum.

13.2 Local currency deposits carry return at the rate of 5.50% (2019: 11.25%) per annum.

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

14. SHARE CAPITAL

14.1 Authorised capital

	2020	2019		2020	2019
	----- (Number of Shares) -----			----- (Rupees) -----	
	330,000,000	330,000,000	Ordinary shares of Rs. 10 each	3,300,000	3,300,000

14.2 Issued, subscribed and paid-up capital

	2020	2019		2020	2019
	----- (Number of Shares) -----			----- (Rupees) -----	
	323,800,000	323,800,000	Ordinary shares of Rs. 10 each, fully paid in cash	3,238,000	3,238,000

14.2.1 As at December 31, 2020, Engro Energy Limited, the Holding Company, held 223,050,000 (2019: 223,050,000) ordinary shares of the Company.

14.2.2 These ordinary shares carry one vote per share and right to dividend.

15. MAINTENANCE RESERVE

In accordance with the Power Purchase Agreement (PPA), the Company is required to establish and maintain a separate reserve fund (the Fund) with a depository institution for payment of major maintenance expenses. Any interest income resulting from the depository arrangements of the Fund is to remain in the Fund to the extent of any shortfall from the contractual limit.

(Amounts in thousand)

Under the PPA, 1/24th of the annual operating and maintenance budget of the Power Plant less fuel expenses is required to be deposited into the Fund on each capacity payment date until such reserve equals to nine such deposits. After the second agreement year and thereafter the Fund may be re-established at such other level that the Company and NTDC mutually agree.

In 2012 the Company, due to uncertain cash flows resulting from delayed payments by NTDC has, as per flexibility available under the PPA, reduced the amount deposited in a schedule bank, which has been invested in Treasury Bills having a face value of Rs. 50,000 (2019: Rs 56,200) as at December 31, 2020 (note 10). Till such time the amount is deposited again to the required level, the Company has unutilised short term financing available to meet any unexpected maintenance requirement that may arise in the foreseeable future.

16. HEDGING RESERVE

The Company entered into exchange rate forward agreements in prior years with its bank to manage exchange rate exposure on repayments of its long-term borrowing (note 17) and made gain on these covers. Under the aforementioned agreements the Company paid respective rates agreed at the initiation of the respective agreements on the settlement date.

	2020	2019
	----- (Rupees) -----	
17. BORROWINGS, secured		
Long-term borrowings	-	857,047
Less: Current portion shown under current liabilities	-	(857,047)
	-	-

17.1 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 December 31, 2020, the outstanding balance of the borrowing was Nil (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 21.

During the year, the mortgage, hypothecation and letter of credit have been released on the settlement of the borrowing.

17.2 Following are the changes in the borrowings for which cash flows have been classified as financing activities in the Statement of Cash Flows:

	2020	2019
	----- (Rupees) -----	
Balance as at January 1	857,047	3,563,099
Amortisation of transaction cost (note 27)	6,768	8,122
Repayments	(916,361)	(3,106,359)
Exchange loss	52,546	392,185
Balance as at December 31	-	857,047

(Amounts in thousand)

18. OTHER PAYABLE

	2020	2019
	------(Rupees)-----	
Gas Infrastructure Development Cess (GIDC) payable	3,295,495	3,380,181
Less: Current portion of GIDC payable (note 19)	(2,308,890)	(3,380,181)
	<u>986,605</u>	<u>-</u>

18.1 The Honorable Supreme Court of Pakistan ("SCP") through its judgment dated August 13, 2020 ("Judgment") declared that the levy imposed under the Gas Infrastructure Development Cess ("GIDC") Act, 2015 ("the Act") is valid and in accordance with the provisions of the Constitution of Pakistan 1973 ("the Constitution"). The SCP in its Judgment has issued the following directions:

- It restrained the Federal Government from charging further GIDC until such time that the GIDC already collected and accrued (but not yet collected), is expanded on the projects listed under the Act;
- All industrial and commercial entities which consume gas for their business activities pass on the burden to their customers, therefore, GIDC that has become due upto July 31, 2020, and has not been recovered so far shall be recovered by the Companies responsible under the Act to recover from their consumers;
- Gas companies responsible to collect GIDC under the Act should recover the unpaid GIDC (which has accrued but yet not collected) in twenty-four equal monthly installments starting from August 1, 2020, without the component of Late Payment Surcharge ("LPS"). The LPS shall only become payable for the delays that may occur in the payment of any of the twenty-four installments; and
- The Federal Government shall take all steps to commence work on the laying of the pipelines. In case, no work is carried out on the pipelines (in the manner and/or time specified in the Judgment), the purpose of levying GIDC shall be deemed to have been frustrated and the Act would become completely in-operational and considered dead for all intents and purposes.

In pursuance of the aforementioned decision, SNGPL has commenced invoicing of GIDC payable to the Company in 24 equal installments from August 2020. Considering the recent events and developments in GIDC case (including the Judgment), the Institute of Chartered Accountants of Pakistan (ICAP) released financial reporting guidance on the "Accounting of GIDC" via Circular No. 1/2021 dated January 19, 2021 (the Circular) which discusses key accounting considerations for gas consumer companies. Keeping in view the financial reporting guidance of ICAP and giving due consideration to the latest available information and the expected timing of the settlement (i.e. monthly instalment rather than lump sum amount), the Company has remeasured its previously undiscounted liability at its present value to incorporate the effect of time value of money arising from the expected settlement based on an instalment plan and has accordingly, recognised remeasurement gain on liability for GIDC amounting to Rs. 102,593 (note 27).

(Amounts in thousand)

19. TRADE AND OTHER PAYABLES

	2020	2019
	------(Rupees)-----	
Creditors	1,258,967	3,123,330
Accrued liabilities (note 19.1)	579,110	1,013,032
Current portion of GIDC payable (note 18)	2,308,890	3,380,181
Security deposits (note 19.2)	469	477
Payable to related parties:		
- Defined contribution funds maintained by Engro Corporation Limited	9,987	9,922
- Engro Corporation Limited	5,973	-
- Engro Vopak Terminal Limited	622	-
- Engro Energy Limited	40	-
- Engro Energy Services Limited	-	2,350
- Sindh Engro Coal Mining Company Limited	557	-
Provisions (note 19.3)	381,620	429,002
Contract liability (note 19.4)	637,126	416,382
Withholding tax payable	2,627	5,303
Workers' profits participation fund (note 19.5)	4,687	26,860
	<u>5,190,675</u>	<u>8,406,839</u>

19.1 These include accrual in respect of gas charges amounting to Rs. 167,582 (2019: Rs. 414,492).

19.2 The amount is kept in a separate bank account and not utilised in business in accordance with the requirements of section 217 of the Companies Act, 2017.

19.3 Movement in provision during the year:

	2020	2019
	------(Rupees)-----	
As at January 01	429,002	401,417
Add: Recognized during the year	-	27,585
Less: Reversals during the year	(47,382)	-
As at December 31	<u>381,620</u>	<u>429,002</u>

These represent provisions recognised in respect of certain claims raised against the Company.

19.4 This represents unrecognised revenue relating to 'Monthly Energy Shortfall' which CPPA-G is required to pay in the event net electrical output dispatched is lower than minimum monthly energy in accordance with Section 9.6 of the PPA. CPPA-G is entitled to dispatch of this undelivered and unexpired aggregate minimum energy shortfall in accordance with Section 9.2 of the PPA. Revenue recognised during the year also includes utilization of contract liability.

(Amounts in thousand)

	2020	2019
	------(Rupees)-----	
19.5 Workers' profits participation fund		
Payable at the beginning of the year	26,860	36,409
Add: Allocation for the year (note 28)	104,712	170,300
	<u>131,572</u>	<u>206,709</u>
Less:		
- Interest (note 27.2)	-	658
- Payment made during the year	(126,885)	(180,507)
Payable at the end of the year	<u>4,687</u>	<u>26,860</u>

20. SHORT-TERM BORROWINGS, secured

	2020	2019
Finances under mark-up arrangements (note 20.1 and 20.2)	<u>3,618,445</u>	<u>3,712,840</u>

20.1 The Company has Working Capital / Running Finance Facility Agreements with Allied Bank Limited, MCB Bank Limited, The Bank of Punjab, Soneri Bank Limited, Bank Alfalah and Habib Metropolitan Bank Limited under which Rs. 3,119,087 (2019: Rs. 2,762,840) have been utilised as at December 31, 2020. In addition, the Company has also utilised a money market loan facility with Pak Kuwait Investment Company (Private) Limited amounting to Rs. 499,358 (2019: 950,000) for a period of one year which has been extended upto April 2021. The Company also has a short term loan agreement with Allied Bank Limited amounting to Rs. 500,000 (2019: Nil) under which Nil (2019: Nil) has been utilised as at year end.

20.2 The available facilities under these mark-up arrangements aggregate to Rs. 6,900,000 (2019: Rs. 6,700,000). The facilities carry mark-up at the rate of 1 - 3 month KIBOR plus 0.0% - 0.75% (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.

21. CONTINGENCIES AND COMMITMENTS

	2020	2019
	------(Rupees)-----	
Contingent liabilities - guarantees (note 21.1 and 21.2)	<u>2,496,126</u>	<u>2,496,126</u>
Commitments in respect of :		
- letter of credit in favour of Company's senior lenders (note 17.1)	-	1,246,155
- letter of credit (note 21.2)	20,303	-
- others	488	518
	<u>20,791</u>	<u>1,246,673</u>

21.1 These represent bank guarantees given to Sui Northern Gas Pipelines Limited (SNGPL) representing an amount equivalent to three months contractual quantities of gas in accordance with the terms of Gas Supply Agreement (GSA) between the Company and SNGPL.

(Amounts in thousand)

21.2 The facilities for opening letters of credit and bank guarantees as at December 31, 2020 amounts to Rs. 2,596,126 (2019: Rs. 3,842,281) of which the amount remaining un-utilized as at year end was Rs. 68,036 (2019: Rs. 84,000).

21.3 There are no material ongoing legal proceedings / litigation involving the Company as at reporting date.

	2020	2019
	------(Rupees)-----	
22. SALES		
Capacity purchase price	3,301,051	4,889,307
Energy purchase price	5,612,217	9,724,791
	<u>8,913,268</u>	<u>14,614,098</u>
Less: Sales tax (note 22.1)	815,450	1,413,004
	<u>8,097,818</u>	<u>13,201,094</u>

22.1 Sales tax of Rs. 815,450 (2019: Rs. 1,413,004) relates to energy purchase price.

23. COST OF SALES

Gas and fuel oil consumed	4,404,545	7,535,693
Depreciation (note 5.1.1)	797,143	812,308
Amortisation (note 6.1)	8,700	9,215
Operation and maintenance expense (note 23.1)	809,107	851,291
Salaries, wages and staff welfare (note 23.2)	36,456	121,283
Insurance	242,549	213,294
Travelling	1,658	1,864
Repairs and maintenance	7,125	2,225
Purchased services (note 23.3)	29,494	23,754
Stores and spares consumed	-	316
Security	5,004	-
Communication and other office expenses	17,114	13,502
	<u>6,358,895</u>	<u>9,584,745</u>

23.1 With effect from January 3, 2019, the Company has entered into an Operations and Maintenance Agreement with Engro Energy Services Limited under the terms of which the Company is obtaining services from EESL for operations of its plant in Gothki. The agreement is valid till March 26, 2035.

23.2 Salaries, wages and staff welfare include Rs. 5,600 (2019: Rs. 3,199) in respect of staff retirement benefits.

23.3 These represent charges for services rendered by Engro Corporation Limited, Engro Fertilizers Limited, Engro Energy Limited and other associated undertakings, under respective service agreements.

(Amounts in thousand)

	2020	2019
	------(Rupees)-----	
24. ADMINISTRATIVE EXPENSES		
Salaries, wages and staff welfare (note 24.1)	42,414	45,263
Purchased services (note 23.3)	44,242	35,630
Communication and other office expenses	12,730	13,741
Depreciation (note 5.1.1)	1,206	1,045
Amortisation (note 6.1)	644	1,034
Travelling	2,488	2,796
	<u>103,724</u>	<u>99,509</u>

24.1 Salaries, wages and staff welfare include Rs. 8,400 (2019: Rs. 4,799) in respect of staff retirement benefits.

	2020	2019
	------(Rupees)-----	
25. OTHER EXPENSES		
Legal and professional services	35,413	28,185
Contributions for corporate social responsibility (note 25.1)	28,680	23,867
Auditors' remuneration (note 25.2)	2,257	2,755
	<u>66,350</u>	<u>54,807</u>

25.1 These include Rs. 11,250 (2019: Rs. 12,750) paid to Engro Foundation (an associated undertaking), Rs. 9,954 (2019: Rs.11,100) paid to Engro Corporation Limited for reimbursement of salaries of Engro Corporation Limited employees rendering services to Engro Foundation, and Rs. 6,000 (2019: Nil) for the construction of middle school.

	2020	2019
	------(Rupees)-----	
25.2 Auditors' remuneration		
Fee for:		
- annual statutory audit	705	690
- half yearly review	210	190
- other services	477	1,149
- taxation services	622	361
- review of compliance with the Code of Corporate Governance	55	50
Out of pocket expenses	188	315
	<u>2,257</u>	<u>2,755</u>

26. OTHER INCOME

Financial assets:

Exchange gain	133	415
Reclassification of hedge to profit or loss	876	874
Gain on sale of treasury bills	78,672	-

Non-financial assets:

Liabilities written back	-	344
	<u>79,681</u>	<u>1,633</u>

(Amounts in thousand)

	2020	2019
	------(Rupees)-----	
27. FINANCE INCOME / (COST) - NET		
Interest income on bank deposits	11,289	11,484
Delayed payment charges - overdue trade debts	1,353,049	1,131,650
Remeasurement gain on GIDC payable (note 18)	102,593	-
	<u>1,466,931</u>	<u>1,143,134</u>
Less:		
Interest / mark-up on:		
- long-term borrowing	(20,766)	(176,603)
- short-term borrowings	(442,992)	(393,761)
Amortisation of transaction cost (note 17.2)	(6,768)	(8,122)
Financial / bank charges (note 27.2)	(550,690)	(622,311)
	<u>(1,021,216)</u>	<u>(1,200,797)</u>
	<u>445,715</u>	<u>(57,663)</u>

27.1 Interest / mark-up on borrowings is based on conventional banking terms.

27.2 Includes interest of Nil (2019: Rs. 658) on payments due to Workers' profits participation fund.

28. WORKERS' PROFITS PARTICIPATION FUND

Provision for :

- Workers' profits participation fund (note 19.5)	104,712	170,300
Recoverable from CPPA	(104,712)	(170,300)
	<u>-</u>	<u>-</u>

28.1 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).

29. TAXATION - current

For the year

	2020	2019
	------(Rupees)-----	
	<u>15,075</u>	<u>3,321</u>

29.1 Represents tax at the rate of 29% and 15% (2019: 29% and 15%) on bank profits and capital gains, respectively as per the requirements of the Income Tax Ordinance, 2001. The Company computes tax provisions based on the generally accepted interpretations of tax laws to ensure that sufficient provision for the purpose of taxation is available.

(Amounts in thousand except for earnings per share)

	2020	2019
	------(Rupees)-----	
30. EARNINGS PER SHARE		
There is no dilutive effect on the basic earnings per share of the Company, which is based on:		
Profit for the year	2,079,170	3,402,682
	-----Number of Shares-----	
Weighted average number of ordinary shares (in thousand)	323,800	323,800
	------(Rupees)-----	
Earnings per share - basic and diluted	6.42	10.51
31. CASH GENERATED FROM OPERATIONS		
Profit before taxation	2,094,245	3,406,003
Adjustment for non-cash charges and other items:		
- Depreciation (note 5.1.1)	798,349	813,353
- Amortisation (note 6.1)	9,344	10,249
- Provisions (note 19.3)	(47,382)	27,585
- Reclassification of hedge to profit and loss (note 26)	(876)	(874)
- Gain on sale of treasury bills	(78,672)	-
- Amortisation of transaction cost	6,768	8,122
- Interest income	(11,289)	(11,484)
- Remeasurement gain on GIDC payable (note 27)	(102,593)	-
- Finance cost	463,758	570,364
Working capital changes (note 31.1)	(740,726)	(674,748)
	<u>2,390,926</u>	<u>4,148,570</u>
31.1 Working capital changes		
Decrease / (increase) in current assets:		
Inventories	9,848	31,966
Trade debts	2,766,638	(2,204,992)
Loans, advances, deposits, prepayments - net	(890)	(1,165)
Other receivables	(1,418,831)	(1,638,400)
	<u>1,356,765</u>	<u>(3,812,591)</u>
Increase in current liabilities:		
Trade and other payables	(2,097,491)	3,137,843
	<u>(740,726)</u>	<u>(674,748)</u>

(Amounts in thousand)

	2020	2019				
	------(Rupees)-----					
32. CASH AND CASH EQUIVALENTS						
Balances with banks (note 13)	13,041	12,386				
Short-term borrowings (note 20)	(3,618,445)	(3,712,840)				
	<u>(3,605,404)</u>	<u>(3,700,454)</u>				
33. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES						
33.1 The aggregate amounts charged during the year in respect of remuneration, including all benefits, in respect of the Chief Executive, Directors and Executives of the Company are as follows:						
	2020		2019			
	Directors	Executives	Directors	Executives		
	Chief Executive	Others	Chief Executive	Others		
	------(Rupees)-----					
Managerial remuneration	4,049	-	36,793	8,450	-	18,620
Contribution for staff retirement benefits	1,447	-	2,098	1,073	-	2,972
Bonus	-	-	6,175	2,797	-	2,848
Other benefits	50	-	1,715	1,522	-	3,533
Fees for attending meetings	-	1,800	-	-	1,700	-
Total	<u>5,546</u>	<u>1,800</u>	<u>46,781</u>	<u>13,842</u>	<u>1,700</u>	<u>27,973</u>
Number of persons, including those who worked part of the year	<u>1</u>	<u>4</u>	<u>13</u>	<u>1</u>	<u>11</u>	<u>7</u>
33.2 The Company also provides Company owned vehicles and equipment for the use of Chief Executive and certain executives of the Company.						

(Amounts in thousand)

	2020	2019
	----- (Rupees) -----	
34. FINANCIAL INSTRUMENTS BY CATEGORY		
34.1 Financial assets as per statement of financial position		
- Financial assets at amortized cost		
Long term deposits	2,574	2,574
Loans, advances and deposits	39,866	59,228
Trade debts	7,040,059	9,806,697
Short-term investments	49,321	49,963
Other receivables	4,309,018	2,803,493
Balances with banks	13,041	12,386
	<u>11,453,879</u>	<u>12,734,341</u>

34.2 Financial liabilities as per statement of financial position

- Financial liabilities at amortized cost		
Borrowings	3,618,445	4,569,887
GIDC payable	3,295,495	3,380,181
Trade and other payables	1,845,738	4,139,189
Unclaimed / Unpaid dividend	22,575	508,702
Accrued interest / mark-up	55,268	92,640
	<u>8,837,521</u>	<u>12,690,599</u>

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

35.1 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. The Company's overall risk management programme focuses on having cost efficient funding as well as to manage financial risk to minimise earnings volatility and provide maximum return to shareholders.

Risk management is carried out by the Company's Finance and Planning department under policies approved by the Board of Directors.

a) Market risk

i) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risks exists due to the Company's exposure resulting from outstanding import payments and bank deposits maintained in foreign currency accounts.

The Company's exposure to currency risk is limited as the fluctuation in foreign exchange rates are recovered through adjustment in tariff as per the Power Purchase Agreement.

(Amounts in thousand)

- ii) Interest rate risk**
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's interest rate risk arises from borrowings. These are benchmarked to variable rates which expose the Company to interest rate risk. The Company's exposure to interest rate risk is limited as the unfavourable fluctuation in the interest rates of borrowings are recovered through adjustment in tariff as per the Power Purchase Agreement.
- iii) Other price risk**
Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors effecting all similar financial instruments traded in the market. The Company's exposure to other price risk is not significant as at December 31, 2020.
- b) Credit risk**
Credit risk represents the risk of financial loss being caused if counter party fails to discharge an obligation.

Credit risk arises from deposits with banks and financial institutions, trade debts, loans, deposits, bank guarantees and other receivables. The credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings. The maximum exposure to credit risk is equal to the carrying amount of financial assets. The Company maintains an internal policy to place funds with commercial banks having a minimum short-term credit rating of A1. The Company accepts bank guarantees of banks of reasonably high credit ratings as approved by the management. Trade debts, including delayed payment charges are secured by a sovereign guarantee from the Government of Pakistan.

The Company monitors the credit quality of its financial assets with reference to historical performance of such assets and available external credit ratings. The carrying values of financial assets which are neither past due nor impaired are as under:

	2020	2019
	----- (Rupees) -----	
Long-term deposits	2,574	2,574
Loans, advances and deposits	39,866	59,228
Trade debts	868,627	2,108,293
Short-term investments	49,321	49,963
Other receivables	1,572,770	1,340,462
Balances with banks	13,041	12,386
	<u>2,546,199</u>	<u>3,572,906</u>

The carrying value of financial assets which are past due but not impaired are as follows:

Trade debts (note 9.2)	6,171,432	7,698,404
Other receivables (note 12.2)	2,736,248	1,463,031
	<u>8,907,680</u>	<u>9,161,435</u>

(Amounts in thousand)

The credit quality of receivables can be assessed with reference to their historical performance with defaults in recent history, however, no losses incurred. The credit quality of Company's bank balances and short term investments can be assessed with reference to external credit ratings as follows:

Name of bank / financial institutions	Rating agency	Rating	
		Short term	Long-term
Allied Bank Limited	PACRA	A1+	AAA
Bank of Punjab	PACRA	A1+	AA
MCB Bank Limited	PACRA	A1+	AAA
Soneri Bank Limited	PACRA	A1+	AA-
Al Barakah Bank (Pakistan) Limited	PACRA	A1	A
Bank Alfalah Limited	PACRA	A1+	AA+
National Bank of Pakistan	PACRA	A1+	AAA
Faysal Bank Limited	PACRA	A1+	AA
Habib Metropolitan Bank Limited	PACRA	A1+	AA+

c) **Liquidity risk**

Liquidity risk represents the risk that the Company will encounter difficulties in meeting obligations associated with financial liabilities.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities. Due to dynamic nature of the business, the Company maintains flexibility in funding by maintaining committed credit lines available.

The Company's liquidity management involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring statement of financial position liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

The Company manages liquidity risk by keeping committed credit lines and borrowing facilities available at all times and by delaying payments to its suppliers. Details of borrowing facilities have been provided in note 20.1 and 20.2.

All the financial liabilities of the Company are payable within one year from the reporting date except as mentioned in note 18.

36. **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 December 31, 2020 and December 31, 2019, the fair values of all assets and liabilities reflected in the financial statements approximate the carrying amounts.

37. **CAPITAL RISK MANAGEMENT**

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

(Amounts in thousand)

The regulatory regime in which the Company operates, renders the value of the equity to a bond given the guaranteed IRR of 15% with an indexation allowed under the Power Purchase Agreement for changes in USD / PKR exchange rate and US Consumer Price Index.

The Company manages its capital structure and makes adjustment to it in the light of changes in economic conditions. To manage its capital structure, the Company may issue shares or use dividend policy to influence the retention rate.

The management at all times seeks to earn returns higher than its weighted average cost of capital, by increasing efficiencies in operations, so as to increase profitability.

The proportion of debt to equity at the year end was:

Total borrowings (notes 17 and 20)
Less: Balances with banks (note 13)
Net debt

Total equity
Total capital

Gearing ratio

	2020	2019
	------(Rupees)-----	
Total borrowings (notes 17 and 20)	3,618,445	4,569,887
Less: Balances with banks (note 13)	(13,041)	(12,386)
Net debt	3,605,404	4,557,501
Total equity	15,636,726	13,963,183
Total capital	19,242,130	18,520,684
Gearing ratio	0.19	0.25

38. **NUMBER OF EMPLOYEES**

	Total number of employees		Average number of employees	
	2020	2019	2020	2019
Management employees	14	13	14	39
Non- management employees	-	-	-	21
	14	13	14	60

39. **CAPACITY AND PRODUCTION**

	2020	2019
	------(MWh)-----	
Maximum generation possible	1,865,859	1,867,043
Declared capacity billed	1,860,213	1,865,583
Net electrical output	550,415	1,097,427

39.1 Output produced by the plant is dependent on the load demanded by NTDC and the plant availability.

(Amounts in thousand)

40. TRANSACTIONS WITH RELATED PARTIES

40.1 The following are the names of related parties and associated undertakings with whom the Company had entered into transactions or had agreements and/or arrangements in place during the year:

Name of Related parties	Direct Shareholding	Relationship
Engro Energy Limited	68.89%	Parent Company
Engro Corporation Limited	N/A	Common directorship / intermediary holding company
Engro Fertilizers Limited	N/A	Common directorship
Engro Energy Services Limited	N/A	Common directorship
Engro Powergen Thar (Private) Limited	N/A	Common directorship
Engro Vopak Terminal Limited	N/A	Common directorship
Engro Polymer and Chemicals Limited	N/A	Common directorship
Engro Foundation	N/A	Common directorship
Retirement benefit funds:		
Engro Corporation Limited - Provident Fund	N/A	Post employment benefits
Engro Corporation Limited - MPT Employees Gratuity Fund	N/A	Post employment benefits
Shahab Qader	N/A	Chief Executive Officer
Shabbir Hashmi	N/A	Director
Ahsan Zafar Syed	N/A	Director
Farooq Barkat Ali	N/A	Director
Hasnain Moochhala	N/A	Ex-Director
Vaqar Zakaria	N/A	Director
Fauzia Viqar	N/A	Director
Kaiser Bengali	N/A	Director
Rabia Wafah Khan	N/A	Chief Financial Officer

40.2 Details of transactions with related parties, other than those which have been disclosed elsewhere in these financial statements, are as follows:

Nature of relationship	Nature of transactions	2020	2019
		----- (Rupees) -----	
Holding Company	Reimbursement of expenses:		
	- incurred for the Company	166,195	141,631
	- incurred by the Company	41,353	49,480
	Contribution for Corporate Social Responsibility (CSR) activities	9,954	11,100
Associated companies	Dividend	278,813	669,174
	Reimbursement of expenses:		
	- incurred for the Company	2,271	6,933
	- incurred by the Company	72,408	310,007
	Contribution for CSR activities	11,250	12,750
	Operation and maintenance fee	914,515	1,001,931

(Amounts in thousand)

Key management personnel

Managerial remuneration
Bonus
Other benefits
Contribution / Charge for retirement benefit schemes
Directors fee

	2020	2019
	----- (Rupees) -----	
Managerial remuneration	9,544	12,472
Bonus	1,438	4,171
Other benefits	207	1,815
Contribution / Charge for retirement benefit schemes	1,746	1,423
Directors fee	1,800	1,700
Staff retirement benefits		
Managed and operated by Engro Corporation Limited		
- Gratuity fund	3,601	7,653
- Provident fund	10,399	22,567

Staff retirement benefits

41. NON ADJUSTING EVENT AFTER REPORTING DATE

The Board of Directors in its meeting held on February 11, 2021 has proposed a final cash dividend of Rs. 1.75 per share for the year ended December 31, 2020 amounting to Rs. 566,650 for approval of the members at the Annual General Meeting to be held on March 31, 2021.

42. CORRESPONDING FIGURES

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

Description	Reclassified		Amount (Rupees)
	From	To	
Purchased services	Other expenses	Cost of sales	8,092
Purchased services	Other expenses	Administrative expenses	12,138

43. DATE OF AUTHORISATION FOR ISSUE


These financial statements were authorised for issue on February 11, 2021 by the Board of Directors of the Company.

44. GENERAL

Figures have been rounded off to the nearest thousand rupees unless otherwise stated.


Rabia Wafah Khan
Chief Financial Officer


Shahab Qader
Chief Executive Officer


Ahsan Zafar Syed
Chairman

annexures

glossary

BTU	British Thermal Unit	IPP	Independent Power Producer
CCG	Code of Corporate Governance	IRC	Indus Resource Center
CDC	Central Depository Company	ISE	Islamabad Stock Exchange
CEO	Chief Executive Officer	KSE	Karachi Stock Exchange
CFO	Chief Financial Officer	LWI	Lost Workday Injury
COD	Commercial Operations Date	MANCOM	Management Committee
COED	Committee for Organizational and Employee Development	MMCFD	Million Cubic Feet per Day
		MWh	Mega Watt hour
DAE	Diploma in Associated Engineering	NBFI	Non-Banking Finance Institutions
DB	Defined Benefit	NCCPL	National Clearing Company of Pakistan Limited
DC	Defined Contribution	NEO	Net Electrical Output
DFI	Development Finance Institutions	NEPRA	National Electric Power Regulatory Authority
DSC	Defence Saving Certificates	NTDC	National Transmission and Dispatch Company
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortization	OHIH	Occupational Health and Industrial Hygiene
		PEPCO	Pakistan Electric Power Company
ECL	Engro Corporation Limited	PIB	Pakistan Investment Bonds
EPA	Environmental Protection Agency	PICG	Pakistan Institute of Corporate Governance
EPL	Engro Powergen Limited	PPA	Power Purchase Agreement
EPQL	Engro Powergen Qadirpur Limited	PPAF	Pakistan Poverty Alleviation Fund
GIDC	Gas Infrastructure Development Cess	PPIB	Private Power Infrastructure Board
GSA	Gas Supply Agreement	RIC	Regular Income Certificates
GWh	Giga Watt hour	SECP	Securities & Exchange Commission
HRSG	Heat Recovery Steam Generator	SEPA	Sindh Environmental Protection Agency
HSD	High Speed Diesel	SNGPL	Sui Northern Gas Pipelines Limited
HSE	Health Safety & Environment	SSC	Special Saving Certificates
IA	Implementation Agreement	TFC	Term Finance Certificate
ICAP	Institute of Chartered Accountants of Pakistan	TRIR	Total Recordable Injury Rate
IFAC	International Federation of Accountants	TTC	Technical Training College
IFC	International Finance Corporation	WWF	Word Wide Fund for Nature
IPO	Initial Public Offering		

proxy form

I/We _____
of _____ being a member of ENGRO POWERGEN QADIRPUR LIMITED and holder of _____
(Number of Shares)

Ordinary shares as per share Register Folio No. _____ and/or CDC Participant I.D. No. _____ and Sub Account No. _____, hereby appoint _____ of _____ or failing him _____ of _____ as my proxy to vote for me and on my behalf at the annual general meeting of the Company to be held on the 31th day of March, 2021 and at any adjournment thereof.

Signed this _____ day of _____ 2021.

WITNESSES:

1) Signature : _____
Name : _____
Address : _____
CNIC or : _____
Passport No : _____

2) Signature : _____
Name : _____
Address : _____
CNIC or : _____
Passport No : _____

Signature
Signature should agree with the specimen registered with the Company

Note:
Proxies in order to be effective, must be received by the Company not less than 48 hours before the meeting. A Proxy need not be a member of the Company.

CDC Shareholders and their proxies are each requested to attach an attested photocopy of their Computerized National Identity Card or Passport with this proxy form before submission to the Company.

standard request form circulation of annual audited accounts.

The Share Registrar
Engro Powergen Qadirpur Ltd.
FAMCO Associates (Pvt.) Ltd.
8-F, Near Hotel Faran
Nursery, Block-6, P.E.C.H.S., Shakra-e-Faisal
KARACHI.
E-mail: info.shares@famco.com.pk
Telephone No. (9221) 3438 0101-5, 3438 4621-3

Date: _____

Dear Sirs,

Subject: Request for Hard Copy of Annual Report of Engro Powergen Qadirpur Limited.

As notified by the Securities and Exchange Commission of Pakistan (SECP) vide S.R.O. 470(I)/2016 dated May 21, 2016 and approved by the Shareholders in the Extraordinary General Meeting of the Company held on October 14, 2016, the Company is circulating its annual balance sheet, and profit and loss account, auditor's report and directors report etc. ("Annual Audited Accounts") to its members through CD/DVD/USB at their registered addresses, save for those who opt for a hardcopy of the Annual Audited Accounts by filling out the details below and sending it to the Company's share registrar and Company Secretary.

I, _____ S/o, D/o, W/o _____ being a registered shareholder of Engro Powergen Qadirpur Ltd. with the particulars as mentioned below would request that my name be added to the list of Shareholders of the Company who opt for delivery of a hardcopy of the Annual Audited Accounts of the Company and hereby request you send to me the Annual Audited Accounts in hard copy form at my registered address as contained in the members register instead of providing the same through CD/DVD/USB.

Name of Shareholder	
Folio No. / CDC ID No.	
CNIC/NICOP/ Passport No.	
Land Line Telephone No. (if any)	
Cell No. (if any)	

Yours truly,

Signature of Shareholder

Copy to:

Company Secretary
Engro Powergen Qadirpur Ltd.
8th Floor, The Harbour Front, Dolmen City,
HC-3, Block 4, Clifton, Karachi-75600.
E-mail: skamil@engro.com

پراکسی فارم

میں رہم _____ کی طرف _____ سے _____ بحیثیت اینگریجو اور جن قادر پولیٹکنڈ کے رکن، اور _____ (ممبر کی تعداد) _____ عمومی حصص یافتہ جن کی مالیت فی حصص

رجسٹرڈ ایجنٹ اور ایسی ڈی سی participant آئی ڈی نمبر _____ اور ڈی ای اکاؤنٹ نمبر _____ اپنی دانست میں _____ کی طرف سے _____ کو بطور پراکسی تعینات کرتا ہوں یا بطور پراکسی کی حیثیت ختم کر رہا رہی ہوں تاکہ یہ میری طرف سے کمپنی کے سالانہ عام اجلاس میں شرکت کریں اور ووٹ دیں جو بتاریخ 30 مارچ 2021ء کو منعقد کیا جائے گا۔

دستخط _____ مورخہ / تاریخ _____ / _____ 2021۔

گواہان:

۱۔ دستخط: _____

نام: _____

پتہ: _____

کمپیوٹرائزڈ قومی شناختی کارڈ نمبر: _____

پاسپورٹ نمبر: _____

۲۔ دستخط: _____

نام: _____

پتہ: _____

کمپیوٹرائزڈ قومی شناختی کارڈ نمبر: _____

پاسپورٹ نمبر: _____

نوٹ: پراکسیوں بھیجنے کی صورت میں پراکسی فارم کمپنی کو سالانہ عام اجلاس کے انعقاد سے 48 گھنٹے پہلے تک کمپنی کو موصول ہو جانے چاہیں۔ منتخب پراکسی کمپنی کا ممبر نہیں ہونا چاہیے۔

سی ڈی سی شیئر ہولڈرز اور ان کی نمائندہ پراکسی کو اپنی اصل قومی شناختی کارڈ کی یا پاسپورٹ کی منظر شدہ کاپی اس فارم کے ساتھ کمپنی کو بھیجینی ہے

دستخط شیئر ہولڈر

دستخط کمپنی میں کئے جانے والے دستخط سے مطابقت رکھتے ہوں

بورڈ آف ڈائریکٹرز کی تشکیل مندرجہ ذیل ہے۔

آزاد ڈائریکٹرز	مسٹر قیصر بنگالی
ایگزیکٹو ڈائریکٹر	محترمہ فوزیہ وقار
نان ایگزیکٹو ڈائریکٹرز	جناب شہاب قادر
	جناب احسن ظفر سید
	جناب فاروق برکت علی
	جناب شبیر ہاشمی
	جناب وقار ذکریا

بورڈ آؤٹ کمیٹی کی تشکیل مندرجہ ذیل ہے۔

جناب قیصر بنگالی (چیئر مین)
جناب شبیر ہاشمی
جناب حسنین موچھالا*
جناب فاروق برکت علی**

* 06 اگست، 2020 کو بورڈ سے مستعفی ہو گئے

** 06 اگست کو عمومی اسامی کو پُر کرنے کے لیے بورڈ اور بی اے سی میں تقرری ہوئی

بورڈ پیپلز کمیٹی کی تشکیل درج ذیل کے مطابق ہے:

مسماة فوزیہ وقار (چیئر پرسن)
جناب شہاب قادر
جناب وقار ذکریا

ڈائریکٹرز کا مشاہرہ

بورڈ کے اراکین کا مشاہرہ از خود بورڈ کی جانب سے منظور کیا جاتا ہے۔ تاہم کوڈ آف کارپوریٹ گورننس کے مطابق، اس بات کو یقینی بنایا جاتا ہے کہ کوئی بھی ڈائریکٹر اپنے مشاہرے کے تعین کے عمل میں شامل نہ ہو۔ کمیٹی نان ایگزیکٹو ڈائریکٹرز کو اجلاس میں شرکت کی فیس کے علاوہ کسی مشاہرہ کی ادائیگی نہیں کرتی ہے۔ بہتر قابلیت کے حامل افراد کو اپنے ساتھ منسلک کرنے کے لیے، کمیٹی کی مشاہرہ پالیسیوں کو اس صنعت کے موجودہ رجحانات اور کاروباری طریقوں کے مطابق تیار کیا جاتا ہے۔ سال 2020 میں ڈائریکٹرز اور چیف ایگزیکٹو آفیسرز کے مشاہرہ سے متعلق معلومات کے لیے مالی گوشواروں کے نوٹس ملاحظہ فرمائیں۔

ڈائریکٹرز کی ذمہ داریوں کے حوالے سے بیان

ڈائریکٹرز، درج ذیل امور کے حوالے سے سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے ادارہ جاتی اور مالیاتی رپورٹنگ کے فریم ورک کی تعمیل کی توثیق کرتے ہیں:

1- کمیٹی کی انتظامیہ کی جانب سے تیار کردہ مالی گوشوارے، اس کے معاملات، اس کے عملی امور کے نتائج، زرفنڈ کی ترسیل اور ایکویٹی میں ہونے والے تغیرات کو شفاف انداز میں پیش کرتے ہیں۔

2- کمیٹی نے کھاتہ جات (اکاؤنٹس) کی کتابیں درست طریقے سے تیار کی ہیں۔

3- مالی گوشواروں کی تیاری میں مخصوص اکاؤنٹنگ پالیسیز کو مستقل بنیاد پر استعمال کیا گیا ہے۔ اکاؤنٹنگ کے تخمینہ جات موزوں اور متناظر فیصلوں کی بنیاد پر کئے جاتے ہیں۔

4- مالی گوشواروں کی تیاری میں پاکستان میں قابل اطلاق، بین الاقوامی مالیاتی رپورٹنگ کے معیارات پر باضابطہ طور پر عمل کیا گیا ہے اور اس میں سے کسی بھی اخراج کو موزوں طور پر ظاہر کیا گیا ہے۔

5- داخلی نگرانی کا نظام ڈیزائن کے اعتبار سے مستحکم ہے اور اس کا اطلاق مؤثر انداز میں کیا گیا ہے نیز اس کی نگرانی کی گئی ہے۔

6- کمیٹی نے اسی طرح جاری رہنے اور کمیٹی کی صلاحیت کے حوالے سے کسی قسم کا ٹنگ نہیں ہے۔

7- لسٹنگ ریگولیشنز میں دی گئی تفصیلات کے مطابق، کارپوریٹ گورننس کے بہترین طریقوں سے کسی قسم کا کوئی مادی اخراج نہیں کیا گیا ہے۔

بورڈ کے اجلاس اور حاضریاں

سال 2020 میں بورڈ نے سات اجلاس منعقد کئے۔ ڈائریکٹرز کی حاضریوں کا ریکارڈ درج ذیل کے مطابق ہے:

ڈائریکٹرز کے نام	حاضری
جناب احسان ظفر سید	7
جناب شہاب قادر خان	7
جناب شبیر ہاشمی	7
جناب وقار ذکریا	7
جناب حسنین موچھالا*	4
جناب قیصر بنگالی	7
مسماة فوزیہ وقار	6
جناب فاروق برکت علی**	4

* جناب حسنین موچھالا نے 06 اگست، 2020 کو بورڈ سے مستعفی ہو گئے۔

** جناب فاروق برکت علی 06 اگست، 2020 کو بورڈ میں بطور ڈائریکٹر شریک منتخب ہوئے تھے۔

سال 2020 میں بورڈ آؤٹ کمیٹی نے 104 اجلاس منعقد کئے۔ اس سال کے دوران کمیٹی کو دو بارہ تشکیل دیا گیا۔ ڈائریکٹرز کی حاضریوں کا ریکارڈ درج ذیل کے مطابق ہے:

ڈائریکٹرز کے نام	حاضری
جناب قیصر بنگالی	4
جناب شبیر ہاشمی	4
جناب حسنین موچھالا	2
جناب فاروق برکت علی	1

سال 2020 میں بورڈ پیپلز کمیٹی نے 101 اجلاس منعقد کیا۔ ڈائریکٹرز کی حاضریوں کا ریکارڈ درج ذیل کے مطابق ہے:

ڈائریکٹرز کے نام	حاضری
مسماة فوزیہ وقار	1
جناب شہاب قادر	1
جناب وقار ذکریا	1



فاروق بخت علی

ڈائریکٹر



شہاب قادر

چیف ایگزیکٹو آفیسر

11 فروری، 2020

پورسائٹ پرايک آڈٹ کیا گیا۔ مزید برآں ، کمپنی کی جانب سے اس کی متنوع اور جامع پالیسیوں کا تعارف اور اس میں ردوبدل ، جیسے زچگی کی چھٹی ، مرد کے لیے زوج کی زچگی کے دوران رخصت ، دفتر سے باہر کا سفر، ڈے کیئر پالیسی اور خواتین کی پارکنگ کی مقررہ جگہ جیسے اقدامات ادارے کے ملازمت کے مساوی مواقع فراہم کرنے والا آجر ہونے کی واضح عکاسی کرتے ہیں۔ EPQL نے کام کی جگہ پر ہراساں کرنے سے متعلق کسی بھی شکایات کو مؤثر طریقے سے نمٹانے کے لیے ، ان معاملات کی نگرانی کرنے والی پیڈلنگ کمیٹی کے تمام اراکین کو تربیت یافتہ بنانے اور اس معاملے میں چوکنارکھے کا بھی قدم اٹھایا ہے۔

کمپنی نے ہمیشہ مختلف پس منظر اور مہارت کے حامل افراد کو ملازمت دینے کی حمایت کی ہے۔ یہ کمپنی ، EEL پیڈ آفس میں متنوع صنف کے تناسب کی حامل ہونے کے ناتے ، دوسرے اداروں کے لیے مثال بن بھی بن گئی ہے۔ اس کے علاوہ ، کمپنی کی جانب سے سال 2020 کے دوران ملازمین کی افرادی قوت کے اطمینان بخش تعین کے لیے سالانہ بنیاد پر ملازمت کی مصروفیت / مشغولیت کے سروے کا انعقاد بھی کیا گیا ، جس میں کمپنی نے 78% کے صحت بخش مصروفیت کے انڈیکس کو کامیابی کے ساتھ برقرار رکھا ہے ، جو کہ EPQL میں رائج مستحکم اور عوام دوست پالیسیوں کی عکاسی کرتا ہے۔

صحت حفاظت اور ماحولیات

ہم نہ صرف اپنے لوگوں کی قدر کرتے ہیں بلکہ ہم جس ماحول میں کام کرتے ہیں اس سے متعلق بھی بخوبی آگاہ رہتے ہیں۔ ہمارے کمپلائنس اور گورننس کے امور اس بات کو یقینی بناتے ہیں کہ EPQL کے طریقے اور HSE معیارات عالمی سطح پر استعمال کئے جانے والے بہترین طریقوں کے مساوی ہوں۔ ہم نے نیشنل انوائزمنٹل کوائٹی اسٹیڈرنرز (NEQS) اور ورلڈ بینک گروپ کی گائیڈ لائنز کی 100% تعمیل کو یقینی بنایا۔

کمپنی نے COVID-19 بحران سے نمٹنے اور اپنی ٹیم کی حفاظت کو یقینی بنانے کے لیے خصوصی طور پر ایک ضابطہ اخلاق (پروٹوکول) تیار کیا اور اسے نافذ کیا۔ پلانٹ پر پورا سال کام جاری رہا اور پلانٹ کی جگہ رسائٹ پر دوران رسال کوئی کیس رپورٹ نہیں ہوا۔



کمپنی نے کامیابی کے ساتھ ISO 14001 اور ISO 45001 درجہ بندی کی سرٹیفیکیشنز دوبارہ حاصل کیں ، جو کمپنی کے HSE سے وابستگی کے عزم کا اظہار کرتی ہیں۔ اپنے لوگوں اور اطراف میں رہنے والے طبقات رکیوئٹیز کو محفوظ اور خطرات سے پاک ماحول کے حوالے ہماری جانب سے کی جانے والی کوششوں نے مضر خطرات کو مادی سنبھال اور اسے ذخیرہ کرنے کے لیے SEPA سے عدم امتزاض کی سند (NOC) کے حصول میں ہماری مدد کی۔

اپنے لوگوں کی حفاظت ہمیشہ سے ہماری اولین ترجیح رہی ہے۔ ہمارے پراسس سنبھلی مینجمنٹ (PSM) اور پراسس سنبھلی اینڈ رسک مینجمنٹ (PSRM) سسٹم کا معیار اس حقیقت سے ظاہر ہوتا ہے کہ کمپنی نے پرائیکٹ کی

کمرشل آپریشنز تاریخ (COD) سے کام کے ایام میں چوٹ لگنے کے صفر تناسب کو برقرار رکھا ، 8.5 ملین محفوظ گھنٹے مکمل کئے اور بغیر کسی LWI کے 3933 سے زیادہ محفوظ دن گزارے ہیں۔ اپنے لوگوں کے لیے ایک محفوظ ورک پلیس کی فراہم کے حوالے سے ہمارے عزم کو نیشنل فورم فار انوائزمنٹ اینڈ ہیلتھ (NFEH) نے بھی تسلیم کیا اور جیسا کہ ہمیں سال 2020 میں انوائزمنٹل ایکٹیلنس ایوارڈ سے بھی نوازا گیا۔

اپنے ماحول سے وابستگی بھی HSE کے حوالے سے کی جانے والی ہماری کاوشوں کا لازمی جزو ہے۔ ہم اپنی گرین آفس کی دوبارہ سرٹیفیکیشن کو برقرار رکھنے میں کامیاب رہے ہیں ، جبکہ اپنے ماحولیاتی اثرات کو کم کرنے کے حوالے سے ہماری جانب سے کی جانے والی کوششوں کو بھی مختلف مقامی اداروں نے تسلیم کیا ہے۔

قریبی مدت کا نقطہ نظر

ایک سال کے دوران ، کمپنی نے سال 2002 کے پاور پالیسی پرائیکٹس کی نمائندگی کرنے والے نجی سطح پر بجلی پیدا کرنے والے دیگر آزا ذرا فراہم کنندگان (IPPs) کے ساتھ مل کر IPPs کے ساتھ بات چیت کرنے کے لیے حکومت پاکستان کی جانب سے متعین کردہ کمیٹی کے ساتھ متعدد ملاقاتیں کی تھیں ، جس میں کمیٹی نے IPPs سے درخواست کی تھی کہ وہ حکومت پاکستان کو رعایت فراہم کریں ، جسے براہ راست کسٹمر تک منتقل کیا جائے گا۔ وسیع تر قومی مفاد میں IPPs کمیٹی کے ساتھ ایک مفاہمت پر راضی ہو گئے ہیں اور انہوں نے 13 اگست ، 2020 کو ایک مفاہمتی معاہدے پر دستخط کر دیئے ہیں۔

11 فروری ، 2021 کو ، کمپنی اور CPPA-G نے باہمی ہم آہنگی کے تحت مفاہمتی معاہدے کی شرائط پر مبنی ایک معاہدہ کیا ، جس میں یہ سطرے کیا گیا کہ 30 نومبر تک PPA کے تحت EPQL کو تمام غیر متنازعہ واجب الادا اور قابل ادائیگی بقایا جات کی رقم ، 2 قسطوں میں ادا کی جائیں گی ، جس میں نقد رقم اور حکومت کی جانب سے جاری کردہ سیکورٹیز شامل ہیں۔ مزید یہ کہ ، ایکویٹی پر منافع (RoE) اور تعمیرات کے دوران ایکویٹی پر منافع (RoEDC) کی شرح پاکستانی روپے میں 17% سالانہ مقرر ہوگی (RoE اور RoEDC کے حوالے سے کمرشل آپریشن کی تاریخ پر نیچر اکی جانب سے منظور شدہ ایکویٹی پر ، جس کا حساب 148 پاکستانی روپے فی امریکی ڈالر کی شرح مبادلہ USD/PKR پر مستقبل میں امریکی ڈالر کی اشاریہ سازی کے بغیر کیا جائے گا۔ تاہم لاگو اشاریہ سازی کے ساتھ موجودہ RoE اور RoEDC کا اطلاق اس وقت تک جاری رہے گا تا وقتیکہ موجودہ ٹیرف کے نرخ کے تحت لاگو شرح مبادلہ 168 پاکستانی روپے فی ڈالر پر پہنچ جائے ، اس پر نیا RoE اور RoEDC قابل اطلاق ہو جائے گا اور بقیہ مدت کے لیے لاگو ہوگا۔ نیچر اکی جانب سے ٹیرف کے تعین پر ، EPQL کو 40% کی پہلی قسط ادا کی جائے گی اور بقایا 60% ، پہلی قسط کی تاریخ کے بعد چھ ماہ کی مدت کے اندر ادا کی جائے گی۔ اس کے نتیجے میں کمپنی کے لیکویڈیٹی پروفاٹل کے حوالے سے رعایت ریلیف کی توقع کی جارہی ہے۔ رخصت ہونے والے سال کے دوران ، کمپنی نے قادر پور فیلڈ سے گیس کے ختم ہونے کی وجہ سے اسٹیک ہولڈرز کو اس کا مل ہکانے پر رضامند کیا۔ کمپنی اسی جہد کے حصول کے لیے فعال انداز میں کام کرتی رہے گی۔

اہم شہر ہولڈنگ اور تجارت شدہ حصص

31 دسمبر ، 2020 کو کمپنی کا اہم حصص یافتہ ادارہ ، اینگرو انرجی لمیٹڈ سابقہ اینگرو پاور جن لمیٹڈ ہے۔ ایسے حصص یافتگان کی مخصوص کلاس ، جن کی جانب سے رپورٹنگ فریم ورک کے تحت اظہار مطلوب ہے ، کے طریقہ کار کے ساتھ شہر ہولڈنگ کے عمومی طریقہ کار کا بیان نیز ڈائریکٹرز اور ان کے سرکیٹریک حیات اور نابالغ بچوں کی جانب سے خریدے اور فروخت کئے گئے حصص کا گوشوارہ ، اس رپورٹ میں بعد ازاں دکھایا گیا ہے۔

آڈیٹرز

کمپنی کے موجودہ آڈیٹرز میسرز A.F.Ferguson & Co. ، چارٹرڈ اکاؤنٹس ہیں ، جو کہ سبکدوش ہو چکے ہیں اور اہل ہیں نیز انہوں نے خود کو دوبارہ تقرری کے پیش کیا ہے۔ بورڈ آڈٹ کمیٹی ، 31 دسمبر ، 2021 کو ختم ہونے والے سال کے لیے ان کی تقرری کی سفارش کرتی ہے۔

منافع منقسمہ

اس سال کے دوران ، کمپنی نے 06 اگست ، 2020 کو 1.25 پاکستانی روپے فی حصص کے عبوری منافع منقسمہ اور 11 فروری ، 2021 کو 1.75 پاکستانی روپے کے حتمی منافع منقسمہ کا اعلان کیا ؛ اس طرح سال 2020 میں مجموعی منافع منقسمہ کی ادائیگی 3.00 روپے فی حصص رہی۔

ذکورہ فنڈز ٹیکس حکام کے ذریعے تسلیم شدہ ہیں اور دکھنیزا ایکٹ 2017 کے سیکشن 218 کے مطابق ہیں۔

ریٹائرمنٹ فنڈ*	اینگرو کارپوریشن پراویڈنٹ فنڈ 1	اینگرو کارپوریشن گریجویٹی فنڈز 1
	31 دسمبر ، 2020	31 دسمبر ، 2020
		رقم ملین میں
مجموعی اثاثہ جات	5,214	2,583
سیولگ اسکیمز	1,304	1,001
سرکاری سیکورٹیز	764	855
لسٹڈ سیکورٹیز	1,434	504
بینک کے پاس موجود بینکس اور ٹرم ڈپازٹ رسید	1,092	246
دیگر	620	(23)
کل	5,214	2,583

* غیر آڈٹ شدہ

رقوم میں اینگرو کے دیگر ذیلی اداروں کے بینکس شامل ہیں اور ان کا انتظام وانصرام اینگرو کارپوریشن لمیٹڈ کے ذریعے کیا جاتا ہے۔

31 دسمبر ، 2020 کو بورڈ آف ڈائریکٹرز اور بورڈ کمیٹیز کی تشکیل

1۔ مندرجہ ذیل کے مطابق ڈائریکٹرز کی مجموعی تعداد سات ہے:

(a) مرد: 6

(b) خاتون: 1

ریٹائرمنٹ بینیفٹ فنڈز

کمپنی ، اپنے ملازمین کے لیے ، بعد از ملازمت ریٹائرمنٹ کے فوائد فراہم کرنے والے منصوبہ جات (پلائز) کو برقرار رکھتی ہے۔ ان میں ڈیفائنڈ کنٹری پیوشن (DC) ، گریجویٹی فنڈ اور ڈی سی پراویڈنٹ فنڈ شامل ہیں۔ اینگرو کارپوریشن کے گریجویٹی فنڈز اور اینگرو کارپوریشن کے پراویڈنٹ فنڈ کا انتظام وانصرام اس کی ابتدائی ربنیادی کمپنی ، اینگرو کارپوریشن لمیٹڈ کی طرف سے اس کے اپنے ملازمین اور اس کے ذیلی اداروں کے ملازمین بشمول اینگرو پاور جن قادر پور لمیٹڈ کیا جاتا ہے۔

اینٹرو پاورجن قادر پور لمیٹڈ

ڈائریکٹرز رپورٹ برائے مالی سال ۳۱ دسمبر 2020

ڈائریکٹرز 31 دسمبر، 2020 کو ختم ہونے والے سال کے حوالے سے آڈٹ شدہ مالی گوشواروں اور کمپنی کی کارکردگی کا جائزہ پیش کرنے پر خوشی محسوس کرتے ہیں۔

بنیادی سرگرمی

اینٹرو پاورجن قادر پور لمیٹڈ (EPQL) کو بجلی کی پیداوار اور فروخت کے کاروبار کو شروع کرنے کے بنیادی مقصد کے تحت قائم کی گیا تھا۔ کمپنی نے قادر پور ضلع گھوٹکی کے قریب 217.3 میگا واٹ کا کپاسنڈ سائیکل پاور پلانٹ قائم کیا اور 27 مارچ، 2010 کو اس نے تجارتی لحاظ سے عملی امور کا آغاز کیا۔ یہ منصوبہ اپنی نوعیت کا ایک منفرد منصوبہ ہے کیوں کہ یہ محدود درجہ گیس (کم IBTU اور سلفر کی زیادہ موادی گیس)، جسے اس سے قبل جلا کر ضائع کیا جاتا رہا ہے، کو تبدیل کر کے اشک ضروری بجلی میں تبدیل کر دیتا ہے۔ 26 اکتوبر، 2007 کو بجلی کی خرید کے ایک معاہدے (PPA)، جو تجارتی امور کے آغاز کی تاریخ سے 25 سال کی مدت کے لیے مؤثر ہے، پر دستخط کے تحت، پیدا ہونے والی بجلی نیشنل ٹرانسمیشن اینڈ ڈسٹری بیوٹن (NTDC) کو منتقل کی جاتی ہے۔

یہ کمپنی اینٹرو انرجی لمیٹڈ، سابقہ اینٹرو پاورجن لمیٹڈ (EPL) کا ماتحت ادارہ ہے، جو کمپنی میں 68.89% کے اکثریتی حصص کا حامل ہے۔ پاکستان اسٹاک ایکسچینج (PSX) میں اس کمپنی کا اندراج سال 2014 میں ہوا تھا۔

مارکیٹ کا جائزہ

وہائی تپاری کے پھیلاؤ نے ملک میں معاشی سرگرمیوں کو بڑے پیمانے پر متاثر کیا ہے۔ معاشی ست روی کے نتیجے میں بجلی کی طلب میں کمی واقع ہوئی ہے۔ مزید یہ کہ بجلی کا شعبہ سرکلر ڈیٹ، ٹرانسمیشن اور ترسیل رڈ سٹری بیوٹن کے حل نہ ہونے والے معاملات کے ساتھ جدوجہ جاری رکھے ہوئے ہے۔ گزشتہ چند سالوں کے دوران سسٹم کی پیداواری صلاحیت میں 13GW کے اضافے اور بجلی کی طلب کے حوالے سے متوقع بڑھوتری میں کمی کے سبب، اس صنعت کے پاس ضرورت سے زیادہ رسد موجود ہے۔ یہ ضروری ہے کہ معاشی صورتحال میں بہتری کے ساتھ ساتھ، مجموعی نظام کو بہتر بنایا جائے اور نقصانات کو کم کیا جائے۔

رخصت ہونے والے سال کے دوران، حکومت نے IPPS کے ساتھ مل کر وسیع تر قومی مفاد میں IPPS کے معاہدوں میں کچھ مخصوص شرائط کو تبدیل کرنے اور واجب الادا وصولیوں کی ادائیگی کے حوالے سے ایک طریقہ کار وضع کرنے کے لیے ایک معاہدہ دستخط کیا ہے۔ اس سے توقع کی جارہی ہے کہ اس شعبے میں کام کرنے والی کمپنیوں کی سیالیت کو بھی مدد ملنے کی توقع ہے۔ میرٹ آرڈر سے الگ یا EPQL کے درجے سے سے اوپر کے نئے پلائس لگانے کے نتیجے میں، سال بھر کمپنی سے ترسیل کا عمل متاثر رہا ہے۔ اقتصادی ست روی کی وجہ سے دوران سال ایندھن کی بین الاقوامی قیمتوں میں پیدا ہونے والے بحران سے، EPQL کی میرٹ آرڈر پوزیشن پر منفی اثر پڑا، جس کا نتیجہ کم ترسیل کی صورت میں سامنے آیا۔ تاہم سال کے آخر تک، بین الاقوامی سطح پر ایندھن کی قیمتوں کی بحال اور گھریلو گیس کی قیمتوں میں ہونے والی کمی نے کسی حد تک سکون بخشا ہے۔

گردش قرضہ

گھریلو بجلی کے شعبہ میں گردش قرضہ ایک مستقبل مسئلہ رہا ہے۔ گردش قرضہ جمع ہونے کی بنیادی وجوہات میں بجلی کی ٹرانسمیشن اور ڈسٹری بیوٹن میں ہونے والے بیماری نقصانات، کم وصولی، بجلی کی چوری اور ایندھن کے رازاں زرخ شامل ہیں۔ بجلی کے منصوبوں کے آن لائن ہونے سے، ادائیگیوں کی صلاحیتیں میں مسلسل اضافہ ہوتا ہے جبکہ طلب میں بڑھوتری کم سطح پر برقرار رہتی ہے۔

دوران سال، حکومت نے واجب الادا وصولیوں کی ادائیگی کے حوالے سے ایک طریقہ کار وضع کرنے کی جانب پیش رفت کرتے ہوئے IPPS کے ساتھ ایک معاہمتی معاہدے پر دستخط کئے ہیں۔ ہمیں یقین ہے کہ اس اقدام سے شعبہ میں سیالیت (لیکویڈیٹی) کے حوالے بہتری آئے گی۔

کمپنی اپنے مالیاتی معاملات کو منظم کرنے اور تمام اسٹیک ہولڈرز کو بروقت ادائیگیوں کے حوالے سے ہمہ وقت کوشاں ہے۔



عملی امور کا جائزہ

COVID-19 کے پھیلاؤ کے ساتھ ہی کاروباری تسلسل کو برقرار رکھنے کے حوالے سے موزوں اقدامات کئے گئے اور سال 2020 میں کمپنی 99.7% کے قابل قبول دستیابی کے عوامل کا مظاہرہ کرنے میں کامیاب رہی۔ تاہم، اس نے گزشتہ سال کے 58.5% کے مقابلے میں 29.5% کا لوڈ فیکٹر ظاہر کرتے ہوئے قومی گریڈ کو 550 GWh کی مجموعی صافی پیداوار ترسیل کی۔ اس سال لوڈ فیکٹر میں ہونے والی کمی، بنیادی طور پر COVID-19 کی وباء کے بعد بین الاقوامی سطح پر تیل کے نرخوں میں پیدا ہونے والے بحران کے بعد سطح پر میرٹ آرڈر کی درجہ بندی اور اس کے نتیجے میں کم ترسیل کی وجہ سے تھی۔

مالی جائزہ

فروخت (سیلز) سے ہونے والی آمدنی گزشتہ سال کے 13,201 ملین پاکستانی روپے کے مقابلے میں سال 2020 میں 8,098 ملین پاکستانی روپے پر رہی۔ فروخت کے حوالے سے ہونے والی آمدنی میں کمی کا سبب کم ترسیل اور ساتھ ہی ٹیرف کے قرضے دینے والے عناصر کے اطلاق کی آئندہ کے لیے 27 مارچ، 2020 سے ہونے والی موقوفی ہے۔ اس سال کے حوالے سے مجموعی منافع 1,739 ملین پاکستانی روپے تھا، جو کہ گزشتہ سال 3,616 ملین پاکستانی روپے تھا۔ اس سال کے دوران کمپنی کا طویل مدتی قرض سہدوش ختم ہو گیا۔

بجلی کے خریداروں سے واجبات کی وصولی، 31 دسمبر، 2019 کے 9,161 ملین پاکستانی روپے کے مقابلے میں 9,040 ملین پاکستانی روپے رہی۔

کمپنی نے سال 2019 کے 3,403 ملین پاکستانی روپے کے مقابلے میں سال 2020 میں 2,079 ملین پاکستانی روپے کا صافی منافع حاصل کیا، جس کے نتیجے میں فی حصص آمدن، سال 2019 کے 10.51 پاکستانی روپے کے مقابلے میں سال 2020 میں 6.42 پاکستانی روپے ہوئی۔

گیس کا منظر نامہ

کمپنی نے قادر پور گیس فیلڈ سے 75 MMCFD گیس کی فراہمی کے حوالے سے سوئی نادرن گیس پائپ لائنز لمیٹڈ (SNGPL) کے ساتھ گیس کی فراہمی کا ایک معاہدہ (GSA) کیا ہوا ہے۔ قادر پور گیس فیلڈ سے گیس کی فراہمی ختم ہو رہی ہے اور یہ گیس کے فراہم کنندہ کی جانب سے شیئر کئے گئے پروفائل پڑتی ہے، کمپنی نے گیس کی کمی کا اعلان کر دیا ہے اور اپنے پلانٹ کو مخلوط طریقے سے پیش کر دیا ہے، جس سے پلانٹ، گیس اور ہائی اسپینڈ ڈیزل (HSD) دونوں کے لیے دستیاب ہو گیا ہے۔ مزید یہ کہ اطلاق /نفاذ کے معاہدے (IA) کی شرائط کے تحت، حکومت پاکستان (GoP)، کمپنی کو گیس کی کمی کے خاتمے کے آپشن کے طور پر ایندھن کی تبدیلی اور بعد ازاں متبادل ایندھن کے عملی امور پر آنے والے اخراجات کے حوالے سے معاوضہ ادا کرنے کی پابند ہے۔ کمپنی نے اس کے مطابق تمام اسٹیک ہولڈرز کے ساتھ مل کر PPIB کے پاس گیس کی کمی کو ختم کرنے کا منصوبہ تیار کر کے جمع کرایا ہے۔

سماجی سرمایہ کاریاں

ہمارے اسٹیک ہولڈرز ہمارے ملازمین اور مالی سرمایہ کاروں کے علاوہ لوگوں کی ایک بڑی تعداد شامل ہے۔

ہم ایسے مستحکم اقدامات میں سرمایہ کاری کرتے ہیں جن سے نہ صرف ہماری کمیونٹیز کی زندگیوں پر مثبت اثرات رونما ہوتے ہیں بلکہ ساتھ ہی یہ اقدامات ہماری کمیونٹیز اور قوم کی سماجی اور معاشی ترقی کے حصول کے ذریعے معاشی تبدیلی کا پیش خیمہ ثابت ہوتے ہیں۔ ہم اپنے کاروباری فیصلوں کے اثرات کے لیے جوابدہ ہیں اور اپنے ساتھ منسلک کمیونٹیز کی بہبود اور ترقی کا بیڑا اٹھاتے ہیں۔ اس عمل کے ذریعے ہم اپنے اسٹیک ہولڈرز کی خدمت کرنے اور ان کی توقعات سے تجاوز کرنے کے اپنے نظریہ اور مقصد پر قائم ہیں۔ تبدیلی کی حوصلہ افزائی کرنے کا ہمارا نظریہ ہر مقصد، جو معاشرتی واقتصادی ترقی کا سبب بننے کے ساتھ ساتھ ضرورت مند کی مدد کر سکتا ہے، اینٹرو فاؤنڈیشن (EF) کی ترقی کا باعث بنا ہے۔ سال 2010 میں قائم ہونے والا ادارہ، اینٹرو فاؤنڈیشن، اینٹرو کی ماکھنیز کے لیے ایک وقف شدہ سی ایس آر ادارہ ہے، جو تعلیم، ذریعہ معاش، بنیادی ڈھانچے کے ارتقاء، صحت اور ہنگامی امداد کے شعبہ جات میں مختلف اقدامات پر عمل درآمد کر کے اپنے آس پاس کی آبادی میں رہنے والے لوگوں کی زندگیوں کو بہتر بنانے کے لیے کوشاں ہے۔

EPQL میں، ہم اپنے مفاد علیہان کو تعلیم، فنی تربیت، صحت کی دیکھ بھال کی سہولیات اور بنیادی انفراسٹرکچر کی فراہمی کے اقدامات میں سرمایہ کاری کر کے مستحکم انداز میں اپنی کمیونٹیز کو خوشحال بنانے میں مدد کرنے کی ہر ممکن کوشش کرتے ہیں۔ اس کے نتیجے میں بنیادی سہولیات تک رسائی کو بہتر بنا کر ہزاروں افراد کی زندگیوں پر نمایاں اثرات مرتب ہوئے ہیں۔

ایک سال کے دوران، COVID-19 کے وہائی مرض کے آغاز اور لاک ڈاؤن کی صورتحال کی وجہ سے متعدد مسائل نے ہمارے ملک کے معاشی، معاشرتی، کاروباری اور ماحولیاتی منظر نامے کو شدید متاثر کیا۔ تاہم EPQL، اپنے پلانٹ کی سہولیات کی حدود اور اطراف میں رہنے والے کم آمدنی والے طبقات کو مدد فراہم کرتے ہوئے اپنے مقصد پر مرکوز رہا۔ سال 2020 میں ہم نے اپنی کادشوں کو صحت اور تعلیم کے پروگرامز پر مرکوز کیا، اس حوالے سے خاص طور پر چھٹی سے آٹھویں جماعت کی لڑکیوں کے لیے فڈل اسکول کی عمارت کی تعمیر کے ذریعے لڑکیوں اور بچوں کی تعلیم کے فروغ پر توجہ دی گئی۔ مزید یہ کہ ضلعی انتظامیہ کے تعاون سے، EPQL پلانٹ ٹیم کی جانب سے تعلقہ گھوٹکی میں کمیونٹیز میں 1000 سے زائد راشن بیگ تقسیم کئے گئے۔

EPQL نے ضلع گھوٹکی میں اینٹرو فاؤنڈیشن کے تعاون سے ایک سب بڑے اسکول نیٹ ورک کو اسپانسر کرتے ہوئے اپنے زیر انتظام لے لیا۔ کمپنی گھوٹکی کے علاقے میں 800 سے زائد طلباء کو تعلیم دینے والے 3 منظور شدہ

اسکولوں، جن کے نام رشید احمد آرائیں، گل ایم اربانی اور جمع خان اربانی ہیں، کی خصوصی طور پر معاونت کرتی ہے۔ مزید یہ کہ، اس سال کے دوران ہم نے سبق مشترکہ تعلیمی ماڈل کو بھی جاری رکھا، جس میں ڈیجیٹائزڈ نصاب کے ساتھ طلباء کو کلاس میں تعلیم دینے کا عمل اور ساتھ ڈولینڈ ڈرننگ پرتربیت دینا شامل ہے۔

اینٹرو پاورجن قادر پور لمیٹڈ میں، اپنے ملازمین اور ہم سے منسلک کمیونٹیز کی صحت، حفاظت اور بہبود، ہمارے تمام امور میں اولین ترجیح کی حامل اور ہماری مرکز نگاہ ہیں۔ ہم یہ یقین دلاتے ہیں کہ ہم اپنے عزم پر قائم ہیں تاکہ ہمارا صحت کے پروگرام کی بنیادی صحت کی نگہداشت کے علاج معالجے کی سہولیات میں اضافہ ہو اور آگاہی، بچاؤ اور علاج کی حکمت عملیوں کی فراہمی کے عمل کو بھی جاری رکھا جائے۔ COVID-19 کے تناظر میں، اپنے زیر انتظام لیے جانے والے تمام اسکولوں میں کووڈ کی روک تھام کے حوالے سے حفظان صحت سے متعلق مواد (ماسک، سینٹائزرز، تھرمائیٹر، ٹیمپریچر گن) کے اسٹاکس (ذخیرے) فراہم کئے گئے تھے اور ساتھ کوحکمہ تعلیم کی ہدایات کے مطابق سماجی فاصلے اور صحت کے اقدامات پر عمل درآمد کرنے کی تربیت دی گئی۔

ہمارے لوگ

COVID-19 کے وہائی مرض کے ہماری زندگی پر مرتب ہونے والے غیر معمولی اثرات کو سامنے رکھتے ہوئے، سال بھر ہم نے اپنے ملازمین کی جسمانی اور مدافعتی صحت کا خیال رکھنے کو یقینی بنانے پر اپنی توجہ مرکوز رکھی۔ EPQL نے اس بات کو یقینی بنایا کہ اس کے ملازمین کو، اپنی ذاتی اور پیشہ ورانہ ہم آہنگی کو برقرار رکھتے ہوئے، اپنے دفتری امور کی کامیابی کے ساتھ انجام دیں گے۔ لیے درکار متعلقہ تعاون اور مدد حاصل رہے۔ اس مقصد کے حصول کے لیے کمپنی نے ایلیویٹ کے نام سے ایک فلاح و بہبود کے ایک فلنگ شپ پروگرام کا آغاز کیا، جس کے ذریعے اس بات کو یقینی بنایا گیا کہ کمپنی کے تمام ملازمین کو مشکل صورتحال سے نمٹنے کے لیے درکار تمام ضروری اوزار (ٹولز) تک رسائی حاصل ہو۔ ایلیویٹ کے ذریعے ملازمین کو ہمارے ان ہاؤس (داخلی) معالج (تھراپسٹ) سے مشاورت کرنے اور ڈیپرائزن کردہ ورکشاپس میں شرکت کا موقع ملا اور اسے بہت سارے ملازمین نے استعمال کیا تھا کیوں کہ اس سے انہیں لاک ڈاؤن کے دوران تناؤ کے بہتر انداز میں منظم کرنے میں مدد ملی۔

چوں کہ COVID-19 کی وجہ سے آئندہ سامنے رہتے ہوئے تربیت کے عمل کو موقوف کر دیا گیا تھا، تاہم ملازمین کو موقع فراہم کیا گیا جو وہ اپنی پسند کے مضامین میں آن لائن تربیت حاصل کرنے کے لیے کورسز کا استعمال کریں اور اس بات کو یقینی بنایا گیا کہ ملازمین کو لاک ڈاؤن کے باوجود اپنی تعلیم کو جاری رکھنے کا موقع ملے۔

دوران سال ملنے والے مسائل اور مشکلات سے قطع نظر، EPQL کے ملازمین Novid چیلنج اور EPQL چیمپس جیسی سرگرمیوں میں مکمل طور پر مشغول رہے۔ ملازمین کو یڑھ ماہ کی طویل مدت تک ایک ایسے چیلنج میں حصہ لینے کا موقع ملا، جس نے انہیں مختلف ورچیکل سرگرمیوں کے ذریعے اینٹرو کی اقدار کا مظاہرہ کرنے کے قابل بنایا۔ ملازمین کو چھاتی کے سرطان سے متعلق آگہی کی فراہمی کے حوالے سے کراچی میں منعقد ہونے والی سائبرنگلنگ رائیڈ میں شرکت کے لیے بینک اکتوبر رائیڈ میں بھرپور حصہ لینے کا موقع فراہم کیا گیا۔

EPQL کی ٹیم کی اس کی قیادت کے ساتھ بہتر آہنگی اور رابطے کو یقینی بنانے کے لیے، کمپنی کے مقاصد اور ان مقاصد کے حصول میں کمپنی کو حاصل ہونے والی کامیابی پر تبادلہ خیال کے لیے سال بھر میں کئی ٹاؤن ہالز منعقد کئے گئے اور ساتھ ہی انفرادی ملازمین پر بھی توجہ مرکوز کرتے ہوئے لاک ڈاؤن میں گھر سے کام کے دوران ان کے دفتری امور کی ادائیگی کا بھی جائزہ لیا گیا۔ EPQL نے متنوع اور جامع ورک پلیس بننے کے سزگواگے بڑھانے کے حوالے سے متعدد اقدامات کئے۔ EPQL ہیڈ آفس، اب وہ پہلا اینٹرو آفس ہے جو تمام جسمانی معذور یوں تک رسائی کے قابل ہے اور اس نے بین الاقوامی ایسول IIAAP اور GAATES سے ورک پلیس رسائی کی اسناد بھی حاصل کی ہیں۔ اسی طرح، معذور افراد کے لیے مزید قابل رسائی سہولت بننے کے لیے قادر



چیئر مین کا تجزیہ

معزز حصص یافتگان،

گزشتہ ایک دہائی سے اینگرو پاور جن قادر پور لمیٹڈ پاکستان کی معیشت کی شراکت دار رہنے کے ساتھ ملکی توانائی کے شعبے کو درپیش مسائل اور اس شعبے میں حاصل کی جانے والی کامیابیوں میں شریک رہی ہے۔ ان مسائل اور کامیابیوں میں گزشتہ سالوں کے دوران توانائی کا بحران، انڈسٹری کے لیے سرکلر ڈیٹ کا مستقل مسئلہ، موجودہ اوور سپلائی کا معاملہ اور ابھی کچھ مہینوں سے Covid-19 کی وبا، سرفہرست ہیں۔ اس وبا نے دنیا بھر کی معیشت اور بزنسز کو ہلا کر رکھ دیا ہے اور انہیں اپنی ترجیحات اور کاروباری ضابطوں پر دوبارہ غور کرنے اور ان میں تبدیلی لانے پر مجبور کر دیا ہے۔

گزشتہ کچھ سالوں سے پاکستان کے توانائی کے شعبے میں ایک مثبت تبدیلی دیکھی جا رہی ہے، جس میں 2020 کے دوران مجموعی طور پر بہتری دیکھی گئی، تاہم عالمی وبا کے پھیلاؤ سے ملکی معاشی سرگرمیوں پر منفی اثر ہا۔ دوسری جانب، لازمی سروسز میں شامل ہونے پر، طلب میں کمی کی بدولت بجلی کی پیداواری ترقی بھی کم رہی اور نتیجتاً شعبے کو سرکلر ڈیٹ، ٹرانسمیشن اور ڈسٹری بیوشن سے متعلق نقصانات کا سامنا رہا۔ انڈینڈنٹ پاور پروڈیوسرز (آئی پی بیز) کو درپیش مسائل کے باوجود، اینگرو پاور جن قادر پور لمیٹڈ وفاقی حکومت کے ساتھ ایک معاہدے پر متفق ہوئی جس کے مطابق وسیع ترقوی مفاد میں آئی پی بیز کے ساتھ معاہدوں کی کچھ شرائط میں تبدیلی واقع ہوئی اور بتایہ جات کی ادائیگی کا طریقہ کار بھی وضع کیا گیا۔ اس معاہدے سے حکومت کو ملنے والے، بہت ضروری فائدے کے ساتھ آئندہ ہمارے لیے ایکویٹیٹی کی صورت حال بہتر ہونے کی توقع ہے۔

اپنے ملک کے لیے سستی اور دیر پا توانائی کی فراہمی یقینی بنانے کے لیے سرمایہ لگانے کے ساتھ بہترین انجینئرنگ مہارتوں کو بروئے کار لانے کے نظریہ پر ہم کار بند ہیں۔ تاہم، کچھ سالوں کے دوران ملکی پاور سٹم میں 13GW کے اضافے اور نئے پلانٹس کے قیام سے اینگرو پاور جن قادر پور لمیٹڈ سے قومی گریڈ کو فراہمی نسبتاً کم ہے۔ جبکہ ہم پر امید ہیں کہ فرنیس آئل پر پیدا ہونے والی بجلی کا حصہ آئندہ سالوں میں کم ہوتا رہے گا۔ ہم اپنے متعلقہ اسٹیک ہولڈرز کے ساتھ اپنی توانائی کے استعمال کے لیے دو طرفہ مارکیٹس کی تلاش کے لیے کام کر رہے ہیں اور اس طرح ملک کے انرجی ایکوسٹم کو مزید موثر اور بہتر بنانے کے لیے کوشاں ہیں۔

مزید برآں، 2020 کے دوران اینگرو پاور جن قادر پور لمیٹڈ پلانٹ پر ہم نے اپنی آپریشنل مہارت کو مزید موثر بنانے پر توجہ دی۔ گزشتہ سال ہم نے اپنے پلانٹ کے آپریشنز اور قومی گریڈ کو بجلی کی فراہمی جاری رکھنے کے لیے متبادل فیول پر کام جاری رکھا۔ دوران سال ہم نے متعلقہ اسٹیک ہولڈرز کے ساتھ معاہدے کی کامیابی اور نتیجے میں متبادل منصوبہ بندی پر عمل درآمد کو یقینی بنانے کے لیے کام کیا جو پروجیکٹ کی بقیہ زندگی کے لیے گیم چینجر ثابت ہوگا۔

مستحکم توانائی کی فراہمی اور بھلائی کے کام میں شراکت دار بننے کے اپنے عزم کے پیش نظر، ہم نے Covid-19 کی عالمی وبا کے دوران اپنے سماجی بھلائی کے کاموں کو مزید وسیع کیا۔ اپنے صارفین، شراکت داروں، ملازمین اور دیگر اسٹیک ہولڈرز کے ساتھ اپنے تعلقات کو مستحکم اور برپا بنانا اور درگد کی کمیونٹیز کا خیال رکھنا ہمارے کاروبار کے بنیادی اصول ہیں۔ دوران سال ہم نے اپنے پلانٹ کے ارد گرد اور پسماندہ علاقوں میں خلائی خدمات جاری رکھیں۔ 2020 کے دوران ہم نے تعلیم اور صحت کے پروگرامز پر پھر پور توجہ دی جن کے مطابق بچوں کی تعلیم کو فروغ دینے کے لیے خاص طور پر بچوں کے لیے نڈل اسکول کی تعمیر کی گئی۔ اس کے علاوہ ضلعی انتظامیہ کے ساتھ مل کر تعلقہ گھونگی میں اینگرو پاور جن قادر پور لمیٹڈ پلانٹ ٹیموں کی جانب سے 1000 سے زائد راشن بیگ تقسیم کئے گئے۔

ہم اپنی قوم کی جانب سے مختلف مسائل کے باوجود ترقی کرنے کے لیے پر امید ہیں اور مستقبل کے لیے بھی پر اعتماد ہیں کہ مشکلات پر قابو پانے میں کامیاب رہے گی۔ مستقبل کی صورت حال ہمیشہ کی طرح غیر یقینی کا شکار اور چیلنجز درپیش رہیں گے۔ تاہم آپ کے اعتماد اور بھروسے، ملازمین کی لگن اور انجینئرنگ مہارتوں کے شاندار ماحول کی بدولت، میں پر امید ہوں کہ آنے والے سال ہم سب کے لیے مواقع پیدا کرتے رہیں گے۔

میں اینگرو پاور جن قادر پور لمیٹڈ کی انتظامیہ، ملازمین، صارفین، پارٹنرز اور اپنے اسٹیک ہولڈرز کو تہ دل سے مشکور ہوں کہ ان کے اعتماد اور لگن کی بدولت کمپنی ترقی کی رفتار جاری رکھے ہوئے ہے۔ آپ کے اعتماد اور بھروسے، ملازمین کی لگن اور انجینئرنگ مہارتوں کے شاندار ماحول کی بدولت، میں آنے والے سالوں میں شاندار مستقبل اور ایسے مواقع کے لیے پر امید ہوں کہ جن سے ہم سب کے لیے بہتر نتائج حاصل ہوں گے۔

آپ کا شکریہ

احسن ظفر سید

چیئر مین