



engro powergen qadirpur

half year report 2022

energizing the future

together we will

financial statements for the
half year ended june 30, 2022



contents

Company information	02
Directors' review to the shareholders	04
Auditor's report to the members on review of condensed interim financial statements	05
Unaudited condensed interim financial statements	06
Directors' review to the shareholders (urdu version)	21

company information

Board of Directors	Yusuf Jamil Siddiqui - Chairman Shahab Qader - Chief Executive Officer Fauzia Viqar Shabbir Hashmi Kaiser Bengali Vaqar Zakaria Farooq Barkat Ali
Board Audit Committee	Kaiser Bengali - Chairperson Shabbir Hashmi Farooq Barkat Ali
Company Secretary	Hanan Batool
Chief Financial Officer	Amir Qasim
Head of Internal Audit	Ekta Sitani
Bankers / Development Finance Institute	Al Baraka Bank (Pakistan) Ltd. Allied Bank Ltd. Bank Alfalah Ltd. Faysal Bank Ltd. National Bank of Pakistan MCB Bank Ltd. Pak Kuwait Investment Company (Pvt) Ltd. Soneri Bank Ltd. Bank of Punjab Habib Metropolitan Bank Limited Standard Chartered Bank (Pakistan) Ltd.
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: +92 21 111 211 211 PABX: +92-21-35297501-10
Plant	Engro Powergen Qadirpur Plant Site Deh Belo Sanghari, Taluka, District Ghotki
Share Registrar	FAMCO Associates (Private) Limited 8-F, Next to 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/engro-powergen-qadirpur-limited/



engro powergen qadirpur

**condensed interim
financial statements (unaudited)
for the half year ended june 30, 2022**

engro powergen qadirpur limited directors' review to the shareholders half year ended june 30, 2022

The Directors of Engro Powergen Qadirpur Limited (EPQL) are pleased to present the unaudited financial information and a review of the Company's performance for the half year ended June 30, 2022.

Operating Performance

The EPQL Plant demonstrated a billable availability factor of 87% in 1H 2022. It dispatched a total Net Electrical Output (NEO) of 331 Gwh to the national grid with a load factor of 36% as compared to 43% in 1H 2021. Lower load factor is on account of scheduled maintenance outage due to major overhaul, which is done after every six years.

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

Financial Performance

Sales revenue for the period was PKR 4,260 Mn compared to PKR 4,858 Mn in the same period last year. The decrease in sales revenue is mainly attributable to lower Period Weighing Factor (PWF) applicable on capacity payments, during the period, as well as due to lower dispatch on account of maintenance outage. Gross profit for the period was PKR 426 Mn as compared to PKR 741 Mn in the same period last year. Apart from lower PWF as mentioned above (and it will be offset by higher PWF in upcoming quarters), the decrease is also due to higher fuel cost on back of dispatch on HSD. The Company has smoothly transitioned to self O&M from January 1, 2022. Net profit for the period is recorded at PKR 406 Mn in 1H 2022 as compared to PKR 905 Mn in 1H 2021. Earnings per share for the period is PKR 1.25 compared to PKR 2.79 for the same period last year, due to decrease in net finance income and lower PWF.

The management of the Company is pleased to announce an interim dividend of PKR 5 per share.

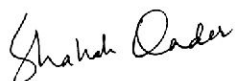
Near Term Outlook

In relation to the Gas Depletion Mitigation Plan/Option (GDMP/GDMO), during the period, the Projects' Committee of PPIB ("Committee") shared a proposal whereby EPQL will utilize RLNG as the comingling fuel with available Qadirpur permeate gas or HSD, as the case may be, while there will be no provision of minimum dispatch or guaranteed off-take on any fuel in the PPA. RLNG will be supplied by SNGPL on "as and when available" basis. All CAPEX and other associated costs to be incurred in relation to implementation of GDMO will be exclusively incurred by EPQL. The term of the GDMP/ GDMO shall be for a period up to December 31, 2025 and the Committee recommended that the project will be re-evaluated in 2025.

The Company has accepted the proposal, which is further subject to the approval of the PPIB Board and consents required under the Implementation Agreement.

During the period, the Company has received both tranches of payment under the binding agreement signed with the CPPA-G in 2021. Consequently, the Return on Equity (RoE) and the Return on Equity During Construction (RoEDC) has been 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).

The company continues to engage with all relevant stakeholders on alternate fuels for the plant



shahab qader
Chief Executive Officer

Karachi: August 04, 2022



yusuf jamil siddiqui
Chairman



INDEPENDENT AUDITOR'S REVIEW REPORT

**To the members of Engro Powergen Qadirpur Limited
Report on review of Condensed Interim Financial Statements**

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Engro Powergen Qadirpur Limited as at June 30, 2022 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the condensed interim financial statements for the half year then ended (here-in-after referred to as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

The figures of the condensed interim statement of profit or loss, condensed interim statement of comprehensive income and notes thereto for the quarters ended June 30, 2022 and 2021 have not been reviewed, as we are required to review only the cumulative figures for the half year ended June 30, 2022.

Scope of Review

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

Conclusion

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

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

**A. F. Ferguson & Co.
Chartered Accountants
Karachi**

Date: August 24, 2022

UDIN: RR202210080vYGQkLneK

*A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>*

■ KARACHI ■ LAHORE ■ ISLAMABAD

engro powergen qadirpur limited

condensed interim statement of financial position

as at june 30, 2022

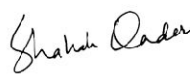
(amounts in thousand)

		Unaudited June 30, 2022	Audited December 31, 2021
	Note	-----Rupees-----	
ASSETS			
Non-current assets			
Property, plant and equipment	4	11,497,476	11,814,962
Intangible assets		220,243	225,726
Long-term loans and advances		12,611	13,938
Long-term deposits		2,574	2,574
		11,732,904	12,057,200
Current assets			
Inventories		620,926	544,469
Trade debts	5	6,795,565	11,842,552
Short-term investments	6	3,307,297	49,179
Loans, advances, deposits and prepayments		64,769	91,304
Other receivables	7	1,711,979	2,780,455
Taxes recoverable		32,245	35,042
Balances with banks	8	1,726,562	44,437
		14,259,343	15,387,438
TOTAL ASSETS		25,992,247	27,444,638
EQUITY AND LIABILITIES			
Equity			
Share capital		3,238,000	3,238,000
Share premium		80,777	80,777
Maintenance reserve		227,182	227,182
Unappropriated profit		11,083,121	12,620,274
Hedging reserve		11,142	11,575
Total equity		14,640,222	16,177,808
LIABILITIES			
Current liabilities			
Trade and other payables	9	5,529,682	6,432,479
Unclaimed dividend		20,497	20,589
Accrued interest / mark-up		163,360	61,319
Short-term borrowings	10	5,638,486	4,752,443
Total current liabilities		11,352,025	11,266,830
Contingencies and commitments	11		
TOTAL EQUITY AND LIABILITIES		25,992,247	27,444,638

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



Chief Financial Officer



Chief Executive Officer



Director

engro powergen qadirpur limited

condensed interim statement of profit or loss (unaudited)

for the half year ended june 30, 2022

(Amounts in thousand except for earnings per share)

	Note	Quarter ended		Half Year ended	
		June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
-----Rupees-----					
Revenue	12	2,873,311	2,526,320	4,260,074	4,857,894
Cost of revenue		(2,556,601)	(2,096,584)	(3,833,933)	(4,117,279)
Gross profit		316,710	429,736	426,141	740,615
Administrative expenses		(74,769)	(32,362)	(155,157)	(60,940)
Other expenses		(7,389)	(14,900)	(14,012)	(22,511)
Other income		12,051	1,455	13,595	2,330
Profit from operations		246,603	383,929	270,567	659,494
Finance income - net		12,431	122,153	140,046	246,005
Workers' profits participation fund	13	-	-	-	-
Profit before taxation		259,034	506,082	410,613	905,499
Taxation		(4,417)	(329)	(4,965)	(480)
Profit for the period		254,617	505,753	405,648	905,019
Earnings per share - basic and diluted	14	0.79	1.56	1.25	2.79

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



Chief Financial Officer



Chief Executive Officer



Director

engro powergen qadirpur limited

condensed interim statement of comprehensive income (unaudited) for the half year ended june 30, 2022

(amounts in thousand)

	Quarter ended		Half Year ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
	-----Rupees-----			
Profit for the period	254,617	505,753	405,648	905,019
Other comprehensive loss:				
<i>Item that may be reclassified subsequently to profit or loss</i>				
Hedging reserve - reclassified to profit or loss	(218)	(218)	(433)	(433)
Total comprehensive income for the period	254,399	505,535	405,215	904,586

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



Chief Financial Officer



Chief Executive Officer



Director

engro powergen qadirpur limited

condensed interim statement of changes in equity

for the half year ended june 30, 2022

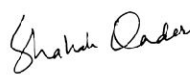
(amounts in thousand)

	Reserves					Total
	Capital		Revenue			
	Share capital	Share premium	Maintenance reserve	Unappropriated profit	Hedging reserve	
	------(Rupees)-----					
Balance as at January 1, 2021 (Audited)	3,238,000	80,777	227,182	12,078,318	12,449	15,636,726
Total comprehensive income for the half year ended June 30, 2021	-	-	-	905,019	(433)	904,586
Final dividend for the year ended December 31, 2020 @ Rs. 1.75 per share	-	-	-	(566,650)	-	(566,650)
Balance as at June 30, 2021 (Unaudited)	3,238,000	80,777	227,182	12,416,687	12,016	15,974,662
Total comprehensive income for the half year ended December 31, 2021	-	-	-	689,288	(441)	688,847
Interim dividend @ Rs. 1.50 per share Year ended December 31, 2021	-	-	-	(485,701)	-	(485,701)
Balance as at December 31, 2021 (Audited)	3,238,000	80,777	227,182	12,620,274	11,575	16,177,808
Total comprehensive income for the half year ended June 30, 2022	-	-	-	405,648	(433)	405,215
Final dividend for the year ended December 31, 2021 @ Rs. 6 per share	-	-	-	(1,942,801)	-	(1,942,801)
Balance as at June 30, 2022 (Unaudited)	3,238,000	80,777	227,182	11,083,121	11,142	14,640,222

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



Chief Financial Officer



Chief Executive Officer



Director

engro powergen qadirpur limited

condensed interim statement of cash flows (unaudited)

for the half year ended june 30, 2022

(amounts in thousand)

	Note	Half Year ended	
		June 30, 2022	June 30, 2021
-----Rupees-----			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	15	6,234,020	375,363
Taxes paid		(2,168)	(1,453)
Interest received		5,486	675
Long-term loans and advances - net		4,337	11,029
Net cash generated from operating activities		6,241,675	385,614
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment - net		(84,653)	(27,055)
Purchase of intangible assets		(8,251)	(16,167)
Proceeds from disposal of property, plant and equipment		2,113	7,482
Investments made during the period		(5,679,947)	(149,704)
Investments encashed / matured during the period		2,410,489	151,210
Net cash utilised in investing activities		(3,360,249)	(34,234)
CASH FLOWS FROM FINANCING ACTIVITIES			
Finance cost paid		(142,451)	(147,050)
Dividends paid		(1,942,893)	(567,153)
Net cash utilised in financing activities		(2,085,344)	(714,203)
Net increase / (decrease) in cash and cash equivalents		796,082	(362,823)
Cash and cash equivalents at beginning of the period		(4,708,006)	(3,605,404)
Cash and cash equivalents at end of the period	16	(3,911,924)	(3,968,227)

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



Chief Financial Officer



Chief Executive Officer



Director

engro powergen qadirpur limited

notes to the condensed interim financial statements (unaudited)

for the half year ended june 30, 2022

(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. The Company signed a novation agreement on February 11, 2021 with NTDC and Central Power Purchasing Agency (Guarantee) Limited (CPPA), whereby NTDC has novated its rights and obligation under the PPA to CPPA.
- 1.3 The business units of the Company are as follows :

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.

- 1.4 On August 12, 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 the MoU. In line with the understanding reached in the MOU, the Company and CPPA (the “Parties”) entered into a Master Agreement on February 11, 2021, based on the terms of the MOU, which also includes: that all undisputed outstanding amounts due and payable to the Company under the PPA, as on November 30, 2020, will be paid in two (2) instalments (each instalment comprising of one-third cash and two-thirds government issued Pakistan Investment Bonds (PIBs) and Sukuks). Further, in the larger national interest, the Company agreed to (prospectively) accept a 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 National Electric Power Regulatory Authority (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 and instalments are received by the Company, whereupon the Revised RoE and RoEDC shall become applicable and shall apply for the remainder of the Term of the PPA. Pursuant to the Master Agreement, tariff discount is applicable after payment of first instalment. In addition to this, fuel and operations and maintenance have been considered as single consolidated item and any savings, if determined, from July 1, 2021 will be shared in the ratio of 60:40 between CPPA and Company. During the period, the Company received both instalments on January 6, 2022 and June 30, 2022 aggregating to Rs. 8,147,368 thousand.

(amounts in thousand)

2. BASIS OF PREPARATION

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

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

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

2.2 The cumulative figures for the half year ended June 30, 2022 presented in these condensed interim financial statements have been subjected to limited scope review by the auditors of the Company, as required under section 237 of the Act. These condensed interim financial statements do not include all the information required for annual financial statements and, therefore, should be read in conjunction with the audited annual financial statements of the Company for the year ended December 31, 2021.

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

3.1 The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of the annual financial statements for the year ended December 31, 2021.

The financial risk management objectives and policies of the Company are also consistent with those disclosed in the audited annual financial statements of the Company for the year ended December 31, 2021.

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

The significant estimates, judgments and assumptions made by the management in the preparation of these condensed interim financial statements are the same as those that were applied in the audited annual financial statements of the Company for the year ended December 31, 2021.

3.3 There are certain amendments to published International Financial Reporting Standards that are mandatory for the financial year beginning on January 1, 2022. These are considered not to have any significant effect on the Company's financial reporting and operations and are, therefore, not disclosed in these condensed interim financial statements.

3.4 Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected other income.

3.5 The Securities and Exchange Commission of Pakistan (SECP) through its S.R.O dated September 13, 2021 notified that companies holding financial assets due from the Government of Pakistan, the requirements contained in IFRS 9 with respect to application of Expected Credit Losses (ECL) method shall not be applicable till June 30, 2022.

(amounts in thousand)

Therefore, the requirements of IFRS 9 with respect to the ECL shall be applicable from July 1, 2022 which would result in recognition of impairment charge on trade debts and other receivables amounting to approximately Rs. 55,030 on July 1, 2022.

4. PROPERTY, PLANT AND EQUIPMENT

Unaudited
June 30,
2022
-----**Rupees**-----
Audited
December 31,
2021

Operating assets, at net book value (note 4.1 & 4.2)
Capital work-in-progress (note 4.3)
Capital spares

11,234,643	11,506,079
62,525	9,754
200,308	299,129
11,497,476	11,814,962

4.1 Additions to operating assets during the period / year were as follows:

Plant and machinery
Furniture, fixtures and equipment
Vehicles

129,755	85,883
948	1,097
-	3,342
130,703	90,322

4.2 The details of operating assets disposed off during the period are as follows:

	Cost	NBV	Sales Proceeds	Loss / (Gain)
	----- Rupees -----			
Vehicles	2,721	2,181	2,108	73
Equipment	157	-	5	(5)
Total	2,878	2,181	2,113	68

4.3 Capital Work-in-Progress

Unaudited
June 30,
2022
-----**Rupees**-----
Audited
December 31,
2021

Balance at the beginning of the period/ year
Add: Additions during the period/ year (note 4.4)
Add: Transferred from capital spares
Less: Transferred to operating assets (note 4.1)
Less: Transferred to intangible
Balance at the end of the period/ year

9,754	163,261
92,904	119,131
98,821	-
(130,703)	(90,322)
(8,251)	(182,316)
62,525	9,754

4.4 This includes an amount of Rs. 160,000 adjusted from related expenditure incurred by the Company in respect of planned Major Inspection carried out during the period, being the compensation / settlement amount received from Engro Energy Services Limited (EESL) under the Termination of Service Agreement between the Company and EESL.

(amounts in thousand)

	Unaudited June 30, 2022	Audited December 31, 2021
	-----Rupees-----	
5. TRADE DEBTS - SECURED		
Considered good	6,795,565	11,842,552

5.1 Trade debts, including delayed payment charges, are secured by a guarantee from the Government of Pakistan under the Implementation Agreement and as such are considered good.

5.2 Trade debts include:

- Rs. 2,702,340 (December 31, 2021: Rs. 2,100,081) which is neither past due nor impaired; and
- Rs. 4,093,225 (December 31, 2021: Rs. 9,742,471) which is overdue but not impaired. The overdue receivables carry mark-up at the rate of KIBOR plus 4.5% per annum. The ageing of overdue receivables is as follows:

	Unaudited June 30, 2022	Audited December 31, 2021
	-----Rupees-----	
- Upto 3 months	1,045,008	2,629,654
- 3 to 6 months	2,607,537	2,240,679
- More than 6 months	440,680	4,872,138
	<u>4,093,225</u>	<u>9,742,471</u>

6. SHORT-TERM INVESTMENTS

Treasury Bills (note 6.1)	48,323	49,179
Government Ijara Sukuks (note 6.2)	1,629,455	-
Pakistan Investment Bonds (note 6.3)	1,629,519	-
	<u>3,307,297</u>	<u>49,179</u>

6.1 Investments have been made in conventional Treasury Bills in respect of maintenance reserve. These are due to mature on September 22, 2022 and carry mark-up at the rate of 15.08% (December 31, 2021: 8.46%) per annum.

6.2 These Sukuks carry profit at rate of 13.53% (December 31, 2021: Nil) per annum and will mature on April 27, 2027. Subsequent to the period end, these have been disposed off on July 07, 2022.

6.3 These Bonds carry interest at rate of 14.95% (December 31, 2021: Nil) per annum and will mature on June 18, 2030.

(amounts in thousand)

7. OTHER RECEIVABLES

- 7.1 These include delayed payment charges on account of mark-up on overdue trade debts amounting to Rs. 1,417,020 (December 31, 2021: Rs. 2,175,702) of which Rs. 693,223 (December 31, 2021: Rs. 1,296,440) is overdue. The Company during the period received Rs. 1,296,440 from CPPA against delayed payment charges.
- 7.2 These also include amounts due from related parties amounting to Rs. 51,248 (December 31, 2021: Rs. 116,108).

8. BALANCES WITH BANKS

	Unaudited June 30, 2022	Audited December 31, 2021
	-----Rupees-----	
Current accounts:		
- Local currency	1,705,147	23,337
Deposit accounts:		
- Foreign currency (note 8.1)	2,318	2,488
- Local currency (note 8.2)	19,097	18,612
	1,726,562	44,437

- 8.1 Foreign currency deposits carry return at the rate of 0.12% (December 31, 2021: 0.10%) per annum.
- 8.2 Local currency deposits carry return at the rate of 9.33% (December 31, 2021: 5.75%) per annum.
- 8.3 The Company maintains its bank balances under the conventional banking terms only.

9. TRADE AND OTHER PAYABLES

- 9.1 These include current portion of Gas Infrastructure Development Cess (GIDC) payable amounting to Rs. 2,078,292 (December 31, 2021: Rs. 2,775,636).
- 9.2 These also include amounts payable to related parties amounting to Rs. 3,892 (December 31, 2021: Rs. 86,983).

10. SHORT-TERM BORROWINGS

The working capital / running finance facilities under these markup arrangements aggregate to Rs. 6,400,000 (December 31, 2021: Rs. 6,900,000). The facilities carry mark-up at the rate of 1- 3 month KIBOR plus 0.0% - 0.75% (December 31, 2021: 1 - 3 month KIBOR plus 0.0% - 0.75%) per annum. 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. These facilities are restricted for payments of operations and maintenance cost of the power plant and payments to fuel suppliers against purchase of fuel.

(amounts in thousand)

11. CONTINGENCIES AND COMMITMENTS

	Unaudited June 30, 2022	Audited December 31, 2021
	-----Rupees-----	
11.1 Contingent liabilities - Guarantee in favour of Sui Northern Gas Pipelines Limited in accordance with the terms of Gas Supply Agreement (GSA)	2,496,126	2,496,126
11.2 Commitments in respect of:		
- letter of credit	3,803	45,781
- others	215,185	11,301
	<u>218,988</u>	<u>57,082</u>
11.3 There are no material ongoing legal proceedings / litigation involving the Company as at reporting date.		

12. REVENUE

	Unaudited		Unaudited	
	Quarter ended		Half Year ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
	-----Rupees-----			
Capacity purchase price	802,763	734,512	1,107,954	1,389,240
Energy purchase price	2,422,541	2,096,412	3,687,980	4,058,322
Less: Sales tax	351,993	304,604	535,860	589,668
	<u>2,873,311</u>	<u>2,526,320</u>	<u>4,260,074</u>	<u>4,857,894</u>

13. WORKERS' PROFITS PARTICIPATION FUND

Provision for				
- Workers' profits participation fund	12,952	25,304	20,531	45,275
Less: Recoverable from CPPA	(12,952)	(25,304)	(20,531)	(45,275)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

13.1 The Company is required to pay 5% of its profit to the Workers' Profits Participation Fund. However, such payment will not effect the Company's overall profitability as this is recoverable from CPPA as a pass through item under Schedule I Part IV of the PPA.

(amounts in thousand except for earnings per share)

14. EARNINGS PER SHARE

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

	Unaudited Quarter ended		Unaudited Half Year ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
	-----Rupees-----			
Profit for the period	254,617	505,753	405,648	905,019
	-----Number of Shares-----			
Weighted average number of ordinary shares	323,800	323,800	323,800	323,800
	-----Rupees-----			
Earnings per share - basic and diluted	0.79	1.56	1.25	2.79

15. CASH GENERATED FROM OPERATIONS

	Unaudited Half Year ended	
	June 30, 2022	June 30, 2021
	-----Rupees-----	
Profit before taxation	410,613	905,499
Adjustment for non-cash charges and other items:		
- Depreciation	399,958	394,105
- Amortisation	13,734	3,044
- Reclassification of cash flow hedge to profit or loss	(433)	(433)
- Loss / (Gain) on short term investments	11,340	(1,897)
- Loss on disposal of property, plant and equipment	68	-
- Finance income	(5,486)	(675)
- Finance cost	244,492	139,298
- Amortisation of remeasurement gain on GIDC payable	-	37,688
Working capital changes (note 15.1)	5,159,734	(1,101,266)
	<u>6,234,020</u>	<u>375,363</u>

(amounts in thousand)

15.1 Working Capital Changes

	Unaudited	
	Half Year ended	
	June 30, 2022	June 30, 2021
	-----Rupees-----	
(Increase) / decrease in current assets:		
Inventories	(76,457)	13,515
Trade debts	5,046,987	(2,729,929)
Other receivables	1,068,476	1,111,470
Loans, advances, deposits and prepayments	23,525	58,204
	6,062,531	(1,546,740)
(Decrease) / Increase in current liabilities:		
Trade and other payables	(902,797)	445,474
	5,159,734	(1,101,266)

16. CASH AND CASH EQUIVALENTS

Balances with banks (note 8)	1,726,562	31,918
Short-term borrowings	(5,638,486)	(4,000,145)
	(3,911,924)	(3,968,227)

17. 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 June 30, 2022 and December 31, 2021, the carrying value of all other financial assets and liabilities reflected in these condensed interim financial statements approximate their fair values. The table below analyses financial instrument carried at fair value by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2); and
- Inputs for the asset or liability that are not based on observable market data (level 3).

(amounts in thousand)

	Level 1	Level 2	Level 3	Total
	-----Rupees-----			
As at June 30, 2022 (Unaudited)				
Financial assets at fair value through profit and loss				
- Pakistan Investment Bonds	-	1,629,519	-	1,629,519
- Government Ijara Sukuk	-	1,629,455	-	1,629,455
	-	3,258,974	-	3,258,974
As at December 31, 2021 (Audited)				
Financial assets at fair value through profit and loss	-	-	-	-

Level 2 fair values have been determined on the basis of Pakistan Revaluation rates.

There were no transfers amongst the levels during the period. Further, there were no changes in the valuation techniques during the period.

18. TRANSACTIONS WITH RELATED PARTIES

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

Nature of relationship	Nature of transactions	Unaudited	
		Half year ended	
		June 30, 2022	June 30, 2021
		-----Rupees-----	
Holding companies	Reimbursement of expenses:		
	- incurred for the Company	117,619	83,274
	- incurred by the Company	32,957	13,239
	Contribution for Corporate Social Responsibility (CSR) activities	1,119	2,915
	Loan received	3,100,000	1,000,000
	Loan repaid	3,100,000	1,000,000
	Finance cost	25,798	3,463
	Dividend	1,338,300	390,338

(amounts in thousand)

		Unaudited	
		Half year ended	
		June 30, 2022	June 30, 2021
		-----Rupees-----	
Nature of relationship	Nature of transactions		
Associated companies	Reimbursement of expenses:		
	- incurred for the Company	6,561	4,986
	- incurred by the Company	59,779	18,957
	Operation and maintenance fee	-	499,132
Key management personnel	Managerial remuneration, including bonuses and other benefits	16,198	14,169
	Contribution / Charge for retirement benefit schemes	2,810	2,420
	Directors fee	5,250	750
Staff retirement benefits	Managed and operated by Engro Corporation Limited		
	Contribution to:		
	- Gratuity fund	7,916	1,686
	- Provident fund	23,699	4,918

19. CORRESPONDING FIGURES

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

20. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on August 04, 2022 by the Board of Directors

21. GENERAL

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



Chief Financial Officer



Chief Executive Officer



Director

اینٹروپاورجن قادر پور لمیٹڈ ڈائریکٹرز کا جائزہ برائے شیئر ہولڈرز ششماہی ختم شدہ 30 جون 2022

اینٹروپاورجن قادر پور لمیٹڈ (EPQL) کے ڈائریکٹرز 30 جون 2022 کو ختم ہونے والی ششماہی کے لیے کمپنی کے غیر آڈٹ شدہ مالیاتی گوشواروں اور کمپنی کی کارکردگی کا جائزہ پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

انتظامی کارکردگی

2022 کی پہلی ششماہی میں اینٹروپاورجن قادر پور لمیٹڈ کا پلانٹ 87% قابل فروخت بجلی کی موجودگی کے قابل رہا اور پلانٹ سے نیشنل گرڈ کو 36% لوڈ فیکٹر کے ساتھ 331 GWh کا ٹوٹل نیٹ الیکٹرک آؤٹ پٹ فراہم کیا جبکہ 2021 کی پہلی ششماہی کے دوران لوڈ فیکٹر 43% تھا۔ لوڈ فیکٹر میں کمی کی وجہ بڑی سطح کی اوور ہالٹنگ کے سبب پہلے سے طے شدہ بندش رہی، یہ اوور ہالٹنگ ہر 6 سال بعد کی جاتی ہے۔

کمپنی نے ہیلتھ، سیفٹی اور انوائرنمنٹ (HSE) کے اعلیٰ معیاروں پر عمل درآمد سے اس ضمن میں اپنی اعلیٰ معیار کی کارکردگی کو برقرار رکھا۔

مالیاتی کارکردگی

زیر جائزہ مدت کے لیے سیلز کی آمدنی گزشتہ سال کی اسی مدت کے 4,858 ملین روپے کے مقابلے میں 4,260 ملین روپے رہی۔ سیلز کی آمدنی میں کمی زیر جائزہ مدت کے دوران کپسٹی ہیمینٹ پر لاگو ہونے والے پیریڈ ویٹنگ فیکٹر (PWF) میں کمی اور مرمت کے سبب بندش کے نتیجے میں فراہمی متاثر ہونے سے واقع ہوئی۔ نتیجتاً زیر جائزہ مدت کے لیے مجموعی منافع 426 ملین روپے کے ساتھ گزشتہ سال کے 741 ملین روپے کے مقابلے میں کم رہا۔ پی ڈبلیو ایف میں مذکورہ بالا کمی سے ہٹ کر (اور اس میں آنے والی سہ ماہیوں میں پی ڈبلیو ایف میں اضافہ سے مزید اثر پڑے گا) ہائی اسپیڈ ڈیزل کی فراہمی سے فیول کی اضافی قیمت سے بھی اس میں کمی واقع ہوگی۔ کمپنی نے یکم جنوری 2022 سے اپنے O&M پر منتقلی کو خوش اصولوں سے انجام دے دیا ہے۔ کمپنی نے 2022 کی پہلی ششماہی کے دوران 406 ملین روپے کا خالص منافع کمایا جو کہ 2021 کی پہلی ششماہی میں 905 ملین روپے تھا۔ اس طرح گزشتہ سال کی اسی مدت کے 2.79 روپے فی شیئر کے مقابلے میں ہر ایک شیئر پر منافع 1.25 روپے بنتا ہے کیونکہ مالیاتی آمدنی اور پی ڈبلیو ایف میں کمی واقع ہوئی۔

کمپنی کی انتظامیہ 5 روپے فی شیئر کے حساب سے عبوری منافع منقسمہ (ڈیویڈنڈ) کا اعلان کرتے ہوئے خوشی محسوس کر رہی ہے۔

مستقبل قریب کا جائزہ

زیر جائزہ مدت کے دوران، گیس کی کمی پر قابو پانے کے پلان/ آپشن کے حوالے سے، PPIB کی پروجیکٹس کمیٹی ("کمیٹی") نے ایک پروجیکٹ بھیجا ہے جس کے مطابق قادر پور موجود پری میٹ گیس یا ہائی اسپڈ ڈیزل کے ساتھ آرائل این جی کوکس کر کے استعمال کیا جائے گا، یا جو بھی صورت ہوئی، جبکہ PPA میں کسی بھی فیول پر کم از کم فراہمی یا لازمی آف ٹیک کی کوئی شرط نہیں ہوگی۔ SNGPL کی جانب سے "جیسی ہے جب ہے" کی بنیاد پر آرائل این جی فراہم کی جائے گی۔ GDMO پر عمل درآمد کے حوالے سے تمام CAPEX اور دیگر اخراجات اینگرو پاور جن قادر پور لمیٹڈ پر عائد ہوں گے۔ GDMP/GDMO کی شرط 31 دسمبر 2025 تک ختم ہونے والی مدت کے لیے ہوگی اور کمیٹی کی سفارشات کے مطابق 2025 میں اس پروجیکٹ کا دوبارہ جائزہ لیا جائے گا۔

کمیٹی نے اس پروجیکٹ کو قبول کر لیا ہے جو کہ PPIB بورڈ کی منظوری سے مشروط ہے اور اس کے لیے تعمیل سے متعلق معاہدے کے تحت رضامندی اور منظوریوں مطلوب ہیں۔

مذکورہ مدت کے دوران، 2021 میں CPPA-G کے ساتھ طے پانے والے معاہدے کے نتیجے میں کمیٹی کو ادائیگی کی دونوں اقساط موصول ہو چکی ہیں۔ نتیجے میں ایکویٹی پر ریٹرن (RoE) اور تعمیر کے دوران ایکویٹی پر ریٹرن (RoEDC) کو پاکستانی روپے میں سالانہ 17 فیصد پر فکس کیا گیا ہے، (RoE) اور RoEDC کے لیے کمرشل آپریشن کی تاریخ پر نیچر کی جانب سے منظور شدہ ایکویٹی 148 روپے فی ڈالر کے ایکسچینج ریٹ کے حساب سے ہوگی، جس میں ڈالر کی مزید انڈیکسیشن نہیں ہوگی)۔

مزید برآں، کمیٹی اپنے پلانٹ کے لیے متبادل توانائی کے ذرائع حاصل کرنے کے لیے متعلقہ اسٹیک ہولڈرز کے ساتھ مصروف عمل ہے اور رہے گی۔



چیرمین



چیف ایگزیکٹو آفیسر

14 اگست 2022

Head Office

16th Floor, Harbor Front Building
HC-3, Marine Drive, Block 4, Scheme-5
Clifton, Karachi-75600, Pakistan.

UAN: +92-21-111-211-211

PABX: +92-21-35297501-10

Fax: +92-21-34380106

www.engroenergy.com/engro-powergen-qadirpur-limited/

